

BUDGET REVIEW COMMITTEE

JUNE 13, 2005

A meeting of the Budget Review Committee was held Monday, June 13, 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.

Also in attendance: Alderman-at-Large David Rootovich
Alderman-at-Large James R. Tollner
Alderman Kathryn D. Vitale
Alderman Richard LaRose
Mayor Bernard A. Streeter
Maureen Lemieux, Adm. Svc. Div. Dir.
Carol Anderson, CFO/Comptroller
Chief Hefferan, NPD
Joseph Dionne, Library Director
Lt. Mansfield, NPD
Maurice Arel, Library Board of Trustees

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Chairman Bolton

The Mayor has asked to address the committee. If there are no objections I would like your indulgence to deviate from the public agenda to give the Mayor an opportunity to address us at this time.

Mayor Streeter

Thank you Mr. Chairman, members of the Budget Committee and other members of the Board for allowing me to speak to you this evening on the 2006 budget as you are still in the early stages of the next round of department meetings. My remarks will be brief as we are in the middle of a Board of Public Works meeting upstairs, but I thought it was important that I talk to you this evening to give you my perspective on the status of the FY '06 budget deliberations.

From a historical perspective, as you well know, this has been a very difficult budget season as we have grappled with increased health costs, our solid waste deficit, and continued uncertainty regarding education funding.

As you recall, on February 22nd, I presented you with my proposed 2006 budget that called for a 3% increase in all divisions with the exception of a little higher increase in Administrative Services as well as Police, Fire, and Schools. That budget was prepared before we learned of a major shortfall in health insurance policy costs.

In mid-March, Mrs. Lemieux brought to my attention that the insurance figures used in the '05 budget were not sufficient to meet the actual costs. When I learned this, I immediately instructed her to bring this to the attention of your committee, which she did on March 17th.

The shortfall in the insurance account resulted in my presenting to you an amended 2006 Mayor's Budget on April 5th. The amended version cut an additional one percent from each division including Police, Fire, and Schools, along with other cost-savings and revenue measures. However, my amended budget was not accepted by your committee, and your deliberations have been on-going based on my original submission.

And although we have been unsure of the level of our FY '06 education funding, we are now faced with the action taken by the New Hampshire Senate last Thursday. The City of Nashua is now scheduled to receive \$2.1 million less education aid than we received last year. I might add that this \$2.1 million reduction will have a dramatic effect on our City. I have spoken with the Governor on any number of occasions Friday, twice today, and again as late as this afternoon to impress upon him the severe implications to our city if this reduction is ultimately upheld. I have also met with Senators Foster and Gottesman and had the opportunity this afternoon to meet with two representatives who also have city positions; Representatives Shaw and Johnson as well as Representatives Price, Lasky and Clemons, and urged each of them to do what they could to help our city.

The decision now rests with the House of Representatives. On Wednesday, they will be asked to concur with the Senate version of HB-616, or to vote for non-concurrence, which will send the legislation to Committee of Conference. We are urging our delegation and I am urging the delegation to speak to their friends in the House to vote for non-concurrence and to impress upon other members of their body the impact that this reduction will have on our City.

That being said, I am here tonight to set a tone of cooperation between our 2 different branches of government. I think we all recognize further reductions to the proposed budget are necessary. And while I am committed to continuing to provide a superior level of service to our citizens, I too, am committed to passing along a reasonable tax rate increase.

Several weeks ago, one of your body, Alderman Tollner, proposed that you consider level funding the FY '06 divisional budgets at FY '05 levels with a 2.5% increase in the school account. I am here this evening to state that whatever budget decreases you propose within reason I will support, but more importantly the Division Directors including Police, Fire, and Public Works for example, have assured me they would cooperate and live within reasonable guidelines. The general feeling is we know there are funding problems just give us a budget within reason and we'll implement it.

We here in the City are fortunate and blessed to have high quality Division Directors who are not only experts in their respective fields, but also bring a high level of commitment and integrity to our City. My support this evening for a budget lower than what I presented to you in April is contingent on you allowing our managers to manage. I am confident that our Division Directors will be as prudent as possible and will reduce spending to meet whatever level of funding you eventually decide on.

However, a 5% reduction from my original budget submission comes with the distinct probability that we will have to drastically reduce the quality of services we offer our citizens. And although a level funded budget will be difficult to implement, and will surely result in the elimination of some City positions; it is something that I am prepared to support. In fact, all of my city Division Directors have assured me that they will implement a level funded plan or something close to that for example with as little disruption in services to our citizens as possible, and I believe them and I hope you do.

Yes, even under level funding some employees may have to be laid off or reduced through attrition. Yes, some services may be a bit slower than before but each of us understands the financial bind we are in and each of us are willing to bite the bullet and make the difficult decisions resulting in a budget lower than the 2% increase I submitted to you in April.

I repeat we are willing to do it, and all I ask is that you allow the managers to manage and not select certain line items for elimination or reduction over or above whatever funding level you ultimately decide on. Leave the management of the Divisions up to the Directors who manage their departments and are either answerable to me or to their respective boards. And although some of you may fear important programs will be cut, I know that is not the case. I trust our managers and I ask that you trust them also. Allow us to collectively and cooperatively to make cost cutting decisions with the best interests of the citizens in mind.

As you all know, our new fiscal year begins July 1st. It is imperative that our managers have some idea of the FY '06 budget that they will have to work with as close as possible to that date. Prudent cost saving measures will be diluted with each passing day.

If a budget lower than my revised budget of April is adopted soon, the savings that will accrue for FY '06 will begin July 1st if they have a budget to implement. I realize that some members of the Board of Aldermen will not support a budget that isn't within the cap guidelines. I also realize there are others that feel that anything more than level funding is excessive while others feel that anything less than my original budget submission is not enough.

I'm hopeful there is a majority of Aldermen who will seriously consider a proposal within reason, and I urge them to make their wishes known to this committee as you continue to deliberate. Whether you support my revised budget, a budget that is 1% lower than my April submission or something lower than level-funded, my plea to you is that you give us a budget in a timely manner so we may maximize potential cost reductions while maintaining as good quality services as possible.

I guess my message tonight the time has come hopefully for you to act. To do nothing or to cherry pick certain positions, salaries or services in my opinion is not acting responsibly. It is imperative that we move this process forward. And so, Mr. Chairman, I pledge to maintain, as I always have, an open door policy and continue to work cooperatively with the Board. Thank you.

Chairman Bolton

Is there any response or questions for the Mayor?

Alderman Johnson

Thank you very much Mr. Chairman. If I can direct this through you to the Mayor – Mayor I think the people of this Budget Committee have been working very hard and the members of the Board of Aldermen who have come to sit on the Budget Committee and discussing this budget. It is unfortunate that here we go again we have another issue with education funding, another problem where we have another hole in the budget. If I am calculating right I think it is about \$800,000 right now from what you had hoped that we would at least come in at \$24,700 and I think what has been proposed is \$23,900 if I am correct on the figures that came down from Concord. I could be off a little bit. Even if I round it up to a million dollars it is again now another million dollars that we need to find in this budget to make up for this shortfall if in fact it gets passed on Wednesday at the House and doesn't get to go to a Committee on Conference. Like I have said before it is not over until it is over and nobody knows what will happen in Concord until the last vote comes in.

Here we go again. I would be very surprised if by July 1st we had a budget to submit to you and say here we go Mayor implement this budget. Who knows what can happen now even if it goes

to a Committee of Conference in Concord – it can come out better or worse. It is a gamble right now – it is a roll of the dice. I think we would probably have better luck in Foxwood right now than we are having this year in the budget process. With that said, I appreciate your comments Mayor, but you know it is a tough job, it is hard decisions, and I don't have a problem with the departments making the decisions on if a reduction is made. It is their department and that is what they need to go with. Thank you.

Mayor Streeter

Thank you Representative Johnson. As you know I pleaded with you this afternoon to talk to as members of the House exclusive of the Nashua delegation as possible as I did with Representatives Lasky, Clemons, and Shaw. I think it is important that the TV 16 viewing audience communicate to their friends who serve in the third largest legislative body in the English speaking world so that they understand – the people of our city should understand that the action taken by the Senate was irresponsible. The action was a political move as we both know, and it was not in the best interest of certainly our city, but in the best interest of funding education in the cities and towns. I will add that we are looking at the possibility of challenging – if HB 616 becomes law we are looking at the potential of challenging that. I will inform the Board and ask for their guidance if that eventuality happens. I know there are other communities that have already banded together to do that. I think it is too early in the process at this point. I can assure you that Governor Lynch is very concerned and upset. He still understand our situation here in Nashua, and if it reaches the point where a veto is necessary I hope that all of us will communicate directly to the Governor and urge that he veto this. Thank you.

Alderman Deane

Thank you. I would like to thank the Mayor for coming in, and giving us his opinion on how he thinks the process is going. Thank you Mayor.

Alderman Johnson

I just wanted to respond to the Mayor's comments. Yes and I appreciate you calling me and inviting me to your office today Mayor. I also made a comment today in the office that if people ran their household the way this budget is going people would have filed for bankruptcy at this point in time. I truly believe that we are getting into this deficit situation, and I believe that the Spending Cap does not allow us to do this. I am voting not because of what needs to be done in City Hall – I always look at my constituents who have to pay the bills for this city, and this year

we are also talking about with Mrs. Anderson if need be going in and taking more money from I believe the contingency or the unanticipated revenue account whichever one you had talked about – Mrs. Anderson said no we shouldn't touch that anymore – we shouldn't touch any more accounts. We are at this point now – the fund balance excuse me – I was listening, but I had to leave today when I was in your office. I think we really need to take a hard look. We can't rob Peter to pay Paul anymore. This is exactly what we do because the more money we use this year the less money we have for next year and the more money we are going to need for next year on this. We are in a mess and it is going to take a tough decision, a hard decision to get out of this mess at this point in time. Thank you.

Alderman Tollner

I too would like to thank the Mayor for coming this evening. I would also like to thank the Budget Committee for their work and their deliberations. I had a conversation with a couple of divisional directors of departments about a month ago maybe even more than a month ago. I see the Chief of Police here tonight, and he was one of them. The reason why I bring him up is he was one of the individuals that I spoke with. One of the things that he said was that his department would just like to get a budget that they know they are going to work with for FY '06, that they can manage to, and move forward. In that conversation I had mentioned to him that I was going to suggest a level budget. The reason why I mentioned it to him – at that time this was just a proposal that I had, but I wanted to make sure that he was aware of that prior to it possibly gaining any legs or him reading about it in the newspaper. The first thing he said was that he appreciated the heads up. To the Mayor's point earlier this evening, the request that he made, and I think it is a very reasonable one – it has been requested by a number of Divisional Directors – that is that they can live and work with a level budget for their division, but allow them to make the financial decisions on where we are going to invest the money in the different programs because they are very familiar with the day to day operations.

I support the level budget concept by division. I also support allowing the Department Heads and Chief to make those decisions. They will result in an adjustment to the services. I am sure they are going to work very hard over the next few weeks if not a year to make sure that happens. We had a pretty good Board of Aldermen meeting with the Board of Education a couple of weeks ago. We didn't come to any conclusions or agreements, but I thought it was a good idea by the Chairman of our Budget Committee and the Board of Education to have a public meeting and have at least some dialogue and address some of the areas where we had some flexibility in making some adjustments. The process has moved forward. I think what we will be doing hopefully over the next month is to try and balance the tax increase that we are going to ask from the citizens and balance that with the services that we are going to provide them.

The Board of Aldermen and the city together struggled not just with the insurance fund, but we have struggled with financial implication of Majestic Heights, as we mentioned earlier the landfill,

state education funding – we are trying to put our arms around these 3 or 4 or 5 major issues that would have a drastic affect on the budget. At the same time I think in today's Telegraph I think the comments from the Board of Education were for the most part right on. I think what they are looking for is some direction from the Board of Aldermen as far as what their bottom line budget is going to look like, and some of those items I think if they were stated correctly in today's paper had some deadlines of June 30th and July 30th if they were to make some of those decisions. I think we owe it to the Board of Education to communicate to them at least maybe not a guarantee but where this Board thinks the Board of Education budget should be so they can act on it. I know there is one gentleman over there that is absolutely killing himself with all of these different renditions of the budget and different examples – that is Mr. Conrad who pretty much knows everything about the School Department budget. I think that he as well as the Board of Education needs some substantial direction from this Board as far as what their bottom line budget is so they can manage to it.

I think we all have received e-mails from citizens that are concerned about whether it is the Reach Program or the Alternative School or Pay to Play. I think we need to provide them with a bottom line budget so they can make those decisions. It is not the responsibility of the Board of Aldermen to make those decisions. It is the purview of the Board of Education.

I do thank the Mayor for coming this evening. I thank the Department Heads for being willing to step up and manage to a level budget, and hopefully this Board can come up with an agreement and we can have a budget sooner than later. Thank you.

Alderman Rootovich

I too want to thank the Mayor for coming this evening and giving us his version of where the budget should be. Mr. Mayor is it – when you say level funding is there any exception to that level funding with any division in the city?

Mayor Streeter

I will leave that up to the Budget Committee and ultimately the Board of Aldermen. I think the education budget needs to be looked at. I am not going to recommend a figure, but a 2.5% increase would mean an additional roughly \$600,000 reduction from the School Budget.

Alderman Rootovich

Can I ask Mrs. Lemieux or Mrs. Anderson if each division in the city were to have a level budget

and the School Department would increase their budget by 2.5% with the fixed cost being bonded debt, pensions, and insurance where would our tax rate be based on that scenario or close to what the proposed tax rate would be?

Maureen Lemieux

If we were to fund all of the divisions at the same level as '05, if the million that was discussed the other evening for Majestic Heights were to pass the full Board and that were transferred and utilized in '06, if the \$5 fee for motor vehicles was implemented and the \$350,000 in residential credits, all of that combined with the new \$23.9 million that was voted on the other day would yield a tax increase of just over 7% - like 7.03%. That is with all of those factors coming into play.

Alderman Rootovich

If I may that includes the additional cost for insurance, pensions, bonded debt, and 2.5% for the School?

Maureen Lemieux

Yes.

Alderman Rootovich

Just a little over 7%?

Maureen Lemieux

Yes.

Alderman Rootovich

Thank you Mr. Chairman.

Alderman Tollner

Just to clarify something through the Chair to Mrs. Lemieux – that also is inclusive of providing the School Department with the \$900,000 back for the Medicaid after right?

Maureen Lemieux

Yes actually when we talk about the School Department it would be the \$81.5 that was approved in '05 plus 2.5%, and then plus an additional \$900,000 because we have added \$900,000 to revenue so we certainly can't treat that as part of any reduction in appropriations.

Alderman Tollner

Just to clarify it for everybody here tonight that \$900,000 would only be added after we were – say we were to implement the 2.5% not before.

Maureen Lemieux

That is how I ran the calculation.

Alderman Tollner

Thank you.

Chairman Bolton

Is there any further response?

Alderman Vitale

Thank you Mr. Mayor for coming this evening. A question to Mrs. Lemieux please. The just over 7% is considering the \$23.9 million as it stands now from the State?

Maureen Lemieux

Yes.

Alderman Vitale

Thank you.

Chairman Bolton

Is there anyone else with response to the Mayor's remarks or questions? I think there is some misunderstanding about what this committee or what the Board of Aldermen does when it asks questions about particular lines in the budget or amends the budget as to those particular lines. Every department in this city either by State law or by City Ordinance that is currently on the books with no proposal to change that, every department has the right to move money around within the department without further Aldermanic approval. This idea that when we ask questions about specific lines or amend specific lines we are somehow interfering with the manager's ability to manage is not the case. The flexibility to manage could hardly be greater, but what it in fact is is members of the Board of Aldermen upholding their oath to use their best judgment in deciding what budget to adopt for this city. If we did not ask these questions and if we did not explore what our votes mean we would be in violation of our oath and in degradation of our duties.

I think it is unfortunate Mr. Mayor that you are coming tonight and essentially endorsing a level funded budget when about a month ago when you were asked to supply information on that to us you declined to do so. I think we would be further along now had that happened. I also think it is unfortunate that we did not back in May in early May begin our further meetings to discuss that or other levels of reduction with the various Division Directors and Department Heads because I think I and I think others want to know what it will mean when we take certain action.

What programs will be eliminated and to balance the needs of the citizens that will be affected against the taxes that we all and all of our tax paying citizens will have to pay. It is not irresponsible to ask those questions it is the very essence of our duty to do so.

Does any one else have any questions at this time? Thank you Mr. Mayor.

Mayor Streeter

Thank you Mr. Chairman. If I may respond?

Chairman Bolton

Please.

Mayor Streeter

The budget impact of a level funded budget was given to a member of the Board of Aldermen about a month ago who asked for it, and I don't know whether he circulated it among the full Board or not, but I will take responsibility for the fact that it wasn't circulated. What I was really referring to is you have decided to use the month of June to discuss various budget implications with Division Directors, but yet this committee has taken action on certain division budgets without even hearing the Division Director so that I guess that was what I was referring to. I would have hoped that actions taken on a particular division would result after a Division Director has come in and given his or her 1, 3, and 5% reduction figure.

Chairman Bolton

Thank you.

COMMUNICATIONS – None

DEPARTMENTAL REVIEWS

–
Police Department (531)

City-Wide Communications (536)

Public Libraries (575)

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

WRAP-UP SESSION

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Alderman Johnson

I would like to have Mrs. Anderson come up to ask her a question through the Chair. Mrs. Anderson if I want to make a bottom line reduction on the budget can that be done?

Carol Anderson

Are you saying to the total budget or by department? We have always done it by a department. In my tenure I have never seen it done to the overall budget.

Alderman Johnson

Overall budget.

Carol Anderson

Then how would that be applied to every department because that usually requires an Aldermanic action to say what each department will be at.

Chairman Bolton

We had this discussion the other evening, and the problem is there is no one that it would be legal for us to delegate that to. There is no one in existence that has the authority other than the Board of Aldermen to divvy that up between the various city agencies. We would have to either provide the formula by which the calculation could be made or go department by department/ agency by agency and make whatever increase or decrease to that agency as desired. There is no way to say the total city budget is going to be X dollars somebody figure it out. We are the somebody that has to figure it out. That has been my opinion on this subject. Do you know anything that would lead you to believe anything different?

Carol Anderson

No I wouldn't because I think, and I am not sure if it is considered in the Charter or the Ordinance, but I know that each department works within their departmental budget as approved by the Board of Aldermen. I don't know any exception to that rule. In fact I would check with counsel on that. That is what I would view as the correct way to handle it.

Chairman Bolton

That was my suggestion as well.

Alderman Johnson

I sent an e-mail to Attorney Clarke regarding this because I mean I guess we could go department to department and say 3% reduction or this one and that is the exact amount, but I am wondering if it is just as easy to say the overall budget at this point in time, and that might get us to where we need to be. I will wait for the attorney's opinion to come back. I did send her an e-mail over the weekend. Hopefully I will be able to hear over the next day or so. Thank you.

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 801-99999 BY \$7,646

ON THE QUESTION

Chairman Bolton

Would you mind Alderman Deane indicating what that correlates to?

Alderman Deane

That is a bottom line reduction Mr. Chairman.

Chairman Bolton

Is the number calculated with reference to anything?

Alderman Deane

Absolutely not.

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 802-99999 BY \$9,891

MOTION CARRIED

Alderman Deane

This is the general government department, which incorporates department 501, 502, 503, 505, 506, 507, and 508.

MOTION BY ALDERMAN DEANE TO REDUCE BY \$46,322

ON THE QUESTION

Chairman Bolton

I don't fully understand. What is it you are trying to reduce Alderman Deane?

Alderman Deane

Out of these 7 departments in their entirety I want to reduce \$46,322.

Chairman Bolton

By what mechanism does one determine how much goes to what department?

Alderman Deane

Department 502 there will be a reduction of \$9,604. Department 503 would be \$2,164, Department 505 would be \$29,485, Department 506 would be \$5,070 for a total of \$46,322.

Chairman Bolton

You want in each case a reduction in 99999 in each of those four departments?

Alderman Deane

Yes sir.

Alderman Rootovich

I have to assume that this is in addition to the cut that you already had made in prior budget meetings.

Alderman Deane

Absolutely.

Chairman Bolton

Is there any further discussion?

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 502-99999 BY \$9,604, LINE ITEM 503-99999 BY \$2,164, LINE ITEM 505-99999 BY \$29,484, AND 506-99999 BY \$5,070

ON THE QUESTION

Alderman MacLaughlin

Through the Chair to Alderman Deane – if you can can you break these numbers down and share with us what you feel would be the affect for example one civic and community activities if this amount is approved?

Alderman Deane

These are adjustments to level fund Alderman MacLaughlin.

Alderman MacLaughlin

Thank you.

Alderman Deane

That is what they are.

Chairman Bolton

Is there any further discussion?

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 512-99999 BY \$9,542

ON THE QUESTION

Alderman LaRose

According to my notes that has already – that number has already been reduced by \$16,799. Is that another reduction of the same line item?

Alderman Deane

It is a bottom line adjustment.

Alderman LaRose

That is what I have here 99999 for \$16,7....

Alderman Deane

It is a bottom line adjustment that allows the – I am not singling...

Alderman LaRose

So you are adding some more to what has already been reduced.

Alderman Deane

I am reducing more from what has already been reduced. I am not collecting line items I am allowing the Director and the Department Head to do h is ...

Alderman LaRose

I understand.

Alderman Rootovich

I have different numbers. The sheet that Mrs. Lemieux gave us this weekend have a total cut in that division of \$32,419. This \$9,500 is in addition to correct?

Chairman Bolton

It is a further reduction to. Does everyone understand the motion? Is there any further discussion?

Division Taken

MOTION FAILED

**MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 517-99999 BY \$13,635, LINE ITEM 518-99999 BY \$5,711, LINE ITEM 519-99999 BY \$57,024, LINE ITEM 520-99999 BY \$5,425, LINE ITEM 522-99999 BY \$103,931, AND LINE ITEM 523-99999 BY \$488
MOTION CARRIED**

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 531-99999 BY \$183,280 AND LINE ITEM 532-99999 BY \$321,519

ON THE QUESTION

Alderman Lozeau

Can I assume this brings it to level Alderman Deane?

Alderman Deane

Yes it does.

Chairman Bolton

Is there any further discussion?

MOTION CARRIED

-
MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 544-99999 BY \$6,921

MOTION CARRIED

-
MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 552-99999 BY \$113,916, LINE ITEM 553-99999 BY \$203,927, AND LINE ITEM 555-99999 BY \$41,537

ON THE QUESTION

Alderman Lozeau

May I assume that this brings these departments to level?

Alderman Deane

Absolutely.

Chairman Bolton

Is there any further discussion?

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 561-99999 BY \$2,103, LINE ITEM 562-99999 BY \$823, AND LINE ITEM 563-99999 BY \$3,825

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 572-99999 BY \$2,731, LINE ITEM 573-99999 BY \$2,939, LINE ITEM 576-99999 BY \$6,063, AND LINE ITEM 577-99999 BY \$2,880

MOTION FAILED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 572-99999 BY \$2,730, LINE ITEM 576-99999 BY \$6,062, AND LINE ITEM 577-99999 BY \$2,879

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 581-99999 BY \$651,062

ON THE QUESTION

Alderman Lozeau

Do you know the calculation as to where that leaves them as far as the increase from last year to this year Alderman Deane?

Alderman Deane

That leaves them with the 2.5% increase plus the \$900,000 for the Medicaid.

Alderman Deane

Is that the right way to calculate this because the \$900,000 wasn't included to begin with was it?

Maureen Lemieux

The \$900,000 was not in the '05 budget, but neither was the revenue that was associated with it. If your intent is to put a 2.5% onto the School Department you would add 2.5% onto the \$81,545,000 I think the number was and then add the \$900,000 to it. This difference would do that for you. We have put the \$900,000 in the General Fund revenue.

Chairman Bolton

Is there any further discussion as to that motion?

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 591-86005 BY \$68,714

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 593-87005 BY \$20,460

MOTION CARRIED

Alderman Deane

I wanted to have some discussion on this capital that we have in here. The 600 account. The total capital improvements. I will withdraw that for the moment.

Mrs. Anderson while you are here, welcome back by the way. In the Solid Waste revenue adjustment in the Solid Waste appropriation adjustments in the 801, we still have – if you go into our – Mrs. Lemieux has the tax rate calculation sheet that she does for us – we still have that \$1.7 million in there correct – as of the last one we got on 5/19 – we got a whole bunch of them that night. I think you were here. That \$1.7 million is still in there correct?

Carol Anderson

Actually I believe it was adjusted to \$1,017,000.

Maureen Lemieux

It is probably not in the tax rate calculations that we gave you, but it is still in the budget that was presented to you. Whatever you are doing legislative wise you definitely need to make motions I would presume here at the Budget Committee to this document. The \$1.7 million I believe is still in revenue as far as what we have for a budget in front of us even though the legislation has been acted on.

Alderman Deane

That is under the appropriations correct so that is \$6,713,133 has to have that \$1.7 million ...

Carol Anderson

If you are reducing that revenue item it is 801-427 on page 262 of your budget for \$1.7 million.

Alderman Deane

So we have acted on that – that piece of legislation came through so this number has to be removed.

Carol Anderson

Right.

Chairman Bolton

It is my recollection that we acted originally and the Mayor came back and said we ought to be thinking about \$1.7 million instead of \$2 million or something else, but the Mayor never submitted new legislation. Am I correct in that recollection? He said he was going to, but never has.

Carol Anderson

If you are talking about the \$1.7 million and maybe I am wrong, it is because it didn't substantially change so he couldn't re-submit legislation on the contractual refuse. That was my understanding. I believe Legal rendered an opinion on that.

Chairman Bolton

It is a rule of the Board of Aldermen. We can amend our rules, we can suspend our rules. If the Mayor wants us to reconsider that he has got to submit it in the form of legislation. We can't – we have no more authority than anyone else to – someone has to submit it in the form of legislation. If the Mayor wants bit I would suggest he be the one to do it.

Alderman Deane

The bottom line is if he wanted to do it he probably would have done it right?

Carol Anderson

I believe that he was given an opinion that he couldn't submit additional legislation for this item. Mrs. Lemieux you can correct me if I am wrong on that.

Maureen Lemieux

I thought that he had asked the Board to reconsider or that somebody was asking different members of the Board to reconsider the indefinite postponement initially, and that was not done.

Chairman Bolton

By the time he came back with that we were well past the time our rules would have allowed for reconsideration of that piece ... **tape flipped** ... he was free to submit legislation. In fact I remember asking him if he was going to do that and he said he was going to do that – at one of these meetings that he came to. Be that as it may we don't have any such legislation. None of us have any more right than he does to submit it. If he wants it he should. If he doesn't he shouldn't. He ought not to blame us when we don't act as he wishes when he doesn't even submit something to us.

-
MOTION BY ALDERMAN DEANE TO REDUCE LINE ITEM 801-427 BY \$1,700,000
MOTION CARRIED

Alderman Deane

The Solid Waste appropriate adjustments that we done – that has to be adjusted as well, that has to be brought down. Is that part of the ...

Carol Anderson

When you are saying bring it down – why would you bring that down? If you have eliminated – you bring it down to counteract the \$1.7 million is that what you are saying?

Alderman Deane

Right.

Carol Anderson

But last week I believe you voted...

Alderman Deane

We can't really do that – that legislation hasn't been approved yet right?

Carol Anderson

Right.

Alderman Deane

The Majestic Heights has been amended by the Budget Committee, voted on, and sent to the full Board now to be acted on.

Chairman Bolton

We could amend this to conform to that and presumably if the Board of Aldermen wanted to do something else they would have to amend this to conform to whatever the Board of Aldermen does.

Alderman Deane

But we have another Budget meeting on Thursday and we have a full Board meeting tomorrow so we can handle that on Thursday I guess. Thank you.

Carol Anderson

I would just like to add one comment, and I am sure that Director Seymour and Superintendent Richard Reine will be adding to this, but their appropriations are coming in lower for '05 so they are saving money there and their revenue is higher than they anticipated. They thought they were going to have a reduction so they will have – this is just food for thought – that they will also have working capital again this year. I am sure they will be discussing that with you on Thursday evening.

Chairman Bolton

It probably won't make up the \$12 million.

Alderman Deane

The other item in 801 and I hope everybody got a copy of it because I asked – I want to talk about it when Rich Reine and Director Seymour are here Thursday about backing out the items that are down at the Solid Waste Department – the Solid Waste Department is being charged these amounts and I have asked them to take those items and back them out of their budget so we have as Alderman Johnson says truth in budgeting because that is what we really need to understand the collection and operations down at that landfill – adding on multi-site work and O&M costs for all of the other multi-site operations in the city has nothing to do with the Four Hills Landfill. The work has been done, the parks have been opened, and they look beautiful, but depending on revenue to offset the cost of all of that work that was done out of commercial tipping fees at Four Hills I don't think is the way it should be done.

I have asked Rich to prepare that document, and I would like to discuss it more on Thursday when they are here. Thank you.

Alderman Shaw

I know I did not receive a copy of that yet, and have asked for it to be in our packets I believe over the weekend. If we are going to discuss it Thursday it would be nice to have it some time before Thursday night at 7:00 p.m.

Alderman Deane

I have it. I can send it to Mrs. Lemieux. Superintendent Reine sent it and put every color under the rainbow in this Excel file and everyone would have to be running down to buy printer cartridges to get this out. Maybe she can forward it to everyone.

Maureen Lemieux

Actually I have a copy of it here with me this evening. I can go and make a copy of it for everyone that is here. I actually believe that was one of my action items from one of the meetings last week. I apologize I forgot.

Chairman Bolton

Maybe we ought to make sufficient copies to put in boxes of Board members who are not here this evening as well. You don't have to do that now Alderman Deane we can leave that to others later.

Alderman Johnson

If I can ask Mrs. Lemieux a question through the Chair – Department 501, Legislative Business Liaison – didn't we make the reduction on that stipend?

Maureen Lemieux

Yes.

Alderman Johnson

I am trying to find where it is on the sheet that you handed out.

Maureen Lemieux

It is not in Department 501.

Alderman Johnson

Okay so where would I find it?

Maureen Lemieux

It is in Department 535 I believe.

Chairman Bolton

In Emergency Management.

Alderman Johnson

Thank you. I would like to make some reductions please.

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19231 BY \$2,361.84

ON THE QUESTION

Alderman Deane

Through you Mr. Chairman to Alderman Lozeau it is on the stipend sheets. Does everybody have a copy of this?

Chairman Bolton

Does everyone understand that motion?

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19232 BY \$1,180.92

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 535-81023 BY \$3,502.44

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19230 BY \$3,000.40

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19231 BY \$2,147.08

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19232 BY \$1,073.80

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19232 BY \$3,000.40

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19231 BY \$2,084.68

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19232 BY \$1,042.60

MOTION CARRIED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19230 BY \$3,000.40

ON THE QUESTION

Alderman Lozeau

Didn't we just do that one?

Chairman Bolton

We had business in between. You can make the same motion all over again if that is what the member desires.

Alderman Johnson

If you look at the titles they are different titles that is why. This becomes Deputy Fire Chief now.

Chairman Bolton

It is the same amount out of the same account.

MOTION FAILED

**MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19232 BY \$860.60
MOTION CARRIED**

**MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19230 BY \$3,000.40
MOTION FAILED**

**MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19232 BY \$860.60
MOTION FAILED**

**MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19230 BY \$3,000.40
MOTION FAILED**

**MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19231 BY \$1,671.28
MOTION FAILED**

**MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-19232 BY \$835.64
MOTION FAILED**

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 532-16010 BY \$4,861

ON THE QUESTION

Alderman Tollner

I just have a question to the maker of these motions. The Fire Department is going to be coming in to present to the Budget Committee. Safely I think the last 4 motions I think the city is contractually obligated to provide these stipend amounts. I am wondering why the motions are being made when the Fire Department is going to be coming in in a couple of weeks and we can very easily ask them to differentiate which one of these are contractually obligated and which ones are not.

Alderman Johnson

Thank you Mr. Chairman. According to the stipend list these are not contractual these are just stipends that we are paying over and above the salaries. This is the information that Alderman Deane had asked for at the beginning of the budget meetings. This is the over and above stipends – over and above people’s salaries. I am just making motions to reduce them out of the budget because yes we need to look in every nook and cranny here to see where we can find money to reduce this budget. Thank you.

Alderman Tollner

Maybe through the Chair I can ask Mrs. Lemieux or Mrs. Anderson – the one in particular is the

line item 532-19232, awareness and certification, which I could be wrong, but ..

Chairman Bolton

That is not the motion we are discussing right not.

Alderman Tollner

I understand that, but it has been some of the motions that ...

Chairman Bolton

Right now we are discussing a motion in 532-16010.

Alderman Tollner

I will wait until the end then.

Chairman Bolton

Are there any further questions on the motion?

MOTION FAILED

Alderman Lozeau

I have lost track, and I was wondering if a line item was decreased in the citywide communications line, Dept. 536.

Maureen Lemieux

I believe there was a \$10,000 reduction on other equipment – the same equipment line item that Lt. Mansfield was talking about tonight.

Alderman Lozeau

Do you know if his discussion included that cut?

Maureen Lemieux

I would expect it would not have.

Alderman Lozeau

Thank you.

MOTION BY ALDERMAN SHAW TO REDUCE LINE ITEM 503-18005 BY \$75,000

Division Taken

MOTION FAILED

MOTION BY ALDERMAN JOHNSON TO REDUCE LINE ITEM 503-59100 BY \$5,500

ON THE QUESTION

Alderman McCarthy

I assume that is targeted after our Strategic Planning money. I have to say that with regard to our department if we are unwilling to touch our own stipends while we cut salaries elsewhere in the city, and we say we want to take money out of future planning and put it in our own pockets we have done a disgusting job of what we are here for.

Alderman Cardin

I can't agree more. Thank you.

Alderman Johnson

Well I beg to differ. People in the other departments are willing to take away stipends for people from the Planning Board and Zoning Board who come in and work hard, and yet I am not at this point in time willing – it has nothing to do with that it has to do with basically \$5,500 at this point in time. You can't attack us and then a Director in another department is willing to do it because other towns don't pay – people donate their time. I don't think it is right that other departments, the Conservation Commission, the Planning Board, the Zoning Board shouldn't be able to get some type of stipend for coming in and working. It just doesn't wash. I think there is money that can be removed from the budget – merit increases that have been over and above, and I know what the county has just negotiated as far as pay increases on union contracts and what they are paying as far as health insurance. I think we have negotiated very well in this city. It is time to really step up to the plate – the real issue is the health insurance in this city. The real issue is that the budget was over-funded last year and this is why we are having an issue this year because the monies weren't there. Every time we move with this budget now we are looking at education funding because we have been coming in with estimates that were higher or lower than what they should be. Thank you.

Alderman McCarthy

I guess I am now thoroughly confused after listening to a long list of motions to cut stipends that we pay in various places in the city I am told that we shouldn't cut stipends in our own department because it is proposed to cut stipends in other ...

Chairman Bolton

Alderman McCarthy can I point out that what is now under discussion is not stipends, but line 59110?

Alderman McCarthy

You can point that out Alderman Bolton, however, as the functional Division Director for this division whose judgment we implicitly trust by making bottom line cuts, my recommendation was to cut the stipends for this Board and not the long term planning that is included in our budget. The Board seems to choose otherwise to take that money and put it in their own pocket while cutting stipends elsewhere in the city.

Alderman Johnson

That is offensive.

Alderman Tollner

I do take offense by the comments made by the President saying take the money and put it in our own pocket. I don't have a problem reducing the stipends that we get presently. I am not in favor of eliminating them altogether given the fact the work and effort that this Board puts in day in and day out. I don't think there is a member of the this Board that runs for office to get the stipend, but to make a statement to say to put it in our own pockets – I just don't think that is an appropriate use of terms. Thank you.

Alderman McCarthy

I will apologize if the Board is offended by that, but the functional result of motions to cut the Strategic Planning money instead of our stipends is exactly that.

Alderman Shaw

We did already pass a bottom line \$2,164 cut earlier tonight, and I believe thus far this committee has not acted on any other stipends for any other positions despite those having been recommended through some of the proposed cuts put forth by the Mayor on behalf of some of the Division Directors.

Alderman MacLaughlin

I must say that I have constantly stood against funding the Strategic Planning position, and I maintain and always have that the talent for planning for the future of our city is right here within this body. We have four distinguished members who have been here for 10 years or longer – that fact has been noted many times. That is a lot of experience institutional and otherwise. There are nearly 1/3 of our membership are brand new with new and creative ways of conducting our business. I think the talent that we are looking for to do the strategic planning is right here in these chairs around this horseshoe. As far as the idea that the stipend is an incentive to seek this office – it is not really an incentive, but it does provide for some expense coverage. For example when I am trying to communicate to the 5,353 voters that I represent in Ward 8 you have to mail, you have to do research, there are a lot of expenses associated with that, and that is what the stipend I receive is used for. It doesn't go into an account accruing any interest. While I support possibly reducing that amount somewhat I wouldn't really look forward to reducing it in its entirety because it is the cost of communicating with those I am trying to represent. Thank you.

Alderman Vitale

Regarding long term planning I think that I can say that I believe even companies that are in Chapter 11 do long term planning and I would guess that even though those companies probably have a mass of ability within their own people to facilitate long term planning that they are most likely to hire outside individuals to do that long term planning and facilitate the long term planning. As far as the stipends I don't know if I would agree to cut them for those other places even though it has been recommended. I have served on another board and although right now we have positions open, it is a place that we can cut and maybe we should, but I believe it also is an acknowledgement to those people that volunteer their time and spend extra time not just at the meetings, but extra time outside the meetings that is acknowledgement of the time that they give to the city. It probably does not even come close – it is acknowledgement it is not a paycheck. It is acknowledgement of their services to the city. Yes we can cut those things to balance our budget. I don't think that it is a long-term solution to keep on doing that though. Thank you.

Alderman McCarthy

I just want to point out that no one is talking about necessarily reducing our stipends by any tremendous amount. The totality of that \$5,500 expense that is under discussion comes to \$350 in a \$5,000 stipend.

Chairman Bolton

However there was a previous motion just moments ago to reduce it in its entirety. I think that is what some are referring to. Is there any further discussion?

Alderman Deane

Could you repeat the motion Mr. Chairman?

Chairman Bolton

The motion is Line Item 503-59100 to reduce that by \$5,500. Is there any further discussion?

MOTION FAILED

UNFINISHED BUSINESS - None

NEW BUSINESS – None

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

-
ADJOURNMENT

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

The meeting was declared closed at 9:30 p.m.

Alderman David MacLaughlin
Committee Clerk