

BUDGET REVIEW COMMITTEE

SEPTEMBER 19, 2005

A meeting of the Budget Review Committee was held Monday, September 19, 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 D. Lozeau
Alderman David MacLaughlin
Alderman Lori Cardin

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

Also in attendance: Alderman Robert A. Dion
Alderman Richard LaRose
Alderman Kathryn D. Vitale
Marc Brodeur, Fire Alarm Superintendent, Nashua Fire
Rescue
Kathy Roy, Manager, I.T. Division, Nashua Police
Department
Mark Conrad, Business Administrator, Nashua School
District
Paul Newman, Manager, Urban Programs

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COMMUNICATIONS - None

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS

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R-05-284

Endorsers: Mayor Bernard A. Streeter
Alderman David D. Lozeau

**RELATIVE TO THE TRANSFER OF \$28,906 FROM ACCOUNT #596-86580
“CONTINGENCY RETIREMENTS – CITY” INTO ACCOUNT #532-11300 “FIRE**

LIEUTENANT – FULL-TIME PAYROLL”

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

R-05-285

Endorser: Mayor Bernard A. Streeter
Alderman David D. Lozeau

**RELATIVE TO THE TRANSFER OF \$72,477 FROM ACCOUNT #596-86580
“CONTINGENCY RETIREMENTS – CITY” INTO ACCOUNT #531-11900 “POLICE –
FULL-TIME PAYROLL”**

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

R-05-287

Endorsers: Mayor Bernard A. Streeter
Alderman Marc W. Plamondon
Alderman Kevin E. Gage
Alderman David D. Lozeau

**RELATIVE TO THE TRANSFER OF \$15,202 FROM ACCOUNT #591-86007 “CONTINGENCY
– POLICE GRANTS” INTO SPECIAL REVENUE ACCOUNT #331-6207 “POLICE VOWA
GRANT 2005”**

MOTION BY ALDERMAN LOZEAU TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman MacLaughlin

I just wonder what that acronym stands for.

Chairman Bolton

It is Violence – I don't know what it is. It is a federal grant designed to deal with something that the acronym VOWA describes.

Alderman MacLaughlin

I accept your explanation.

Alderman Lozeau

I have the legislation, and that does not help.

Chairman Bolton

I can't figure out what the O stands for, but I think it might be the WA might be Women Act so it is something to deal with domestic abuse, violence directed against women act. If the O is correct I can't think of what it stands for. That is my general recollection that it has something to do with domestic violence.

Alderman LaRose

We get a lot of these transfers. Many times when you read the Ordinance it really doesn't enlighten you on what the money is used for. It would be nice if they had a spot on the paperwork that told you a little bit of what it is used for. Sometimes you get a phone call from a constituent and you can only read what the Ordinance says, and it doesn't tell you that much. That is just a suggestion that I have Mr. Chairman.

Alderman Lozeau

To go along with Alderman LaRose's lines there was a time when anything that represented the police department or the fire department usually a representative of that department was here to answer any questions and explain it. I don't know what happened to that practice, but I kind of miss it a little bit.

Chairman Bolton

I think on most things that would be true. This I would have to say they probably view as fairly routine. It is federal money that we are moving from account where we receive it into an account where we will accumulate it and eventually spend it for the purpose it was intended.

Alderman Cardin

As Alderman Lozeau knows they always show up at Human Affairs meetings to accept the grants. Maybe they just thought a transfer didn't need the same explanation as an incoming grant. I know that Officer Costa usually joins us and explains what the grants are about.

Chairman Bolton

Is there any further discussion?

MOTION CARRIED

R-05-288

Endorsers: Alderman Robert A. Dion
Alderman Marc W. Plamondon
Alderman-at-Large David Rootovich
Alderman-at-Large Paula I. Johnson
Alderman Kevin E. Gage
Alderman David MacLaughlin
Alderman David D. Lozeau

**REDUCING THE COMPENSATION FOR THE BOARD OF EDUCATION FOR
FISCAL YEAR 2006**

MOTION BY ALDERMAN LOZEAU TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Cardin

Do we know what this number represents? Maybe Alderman Dion could explain to us.

Alderman Dion

This is a 3% in their \$4,000 stipend, which would cut \$120. The Board of Aldermen in their wisdom elected to cut their stipend by 3%, which was \$150. It is \$30 less of a cut than we took, but they are the second highest stipend board in the city other than the Board of Aldermen. Theirs is \$4,000 and ours is \$5,000 a year.

Alderman Cardin

Thank you.

Chairman Bolton

Is there any further discussion?

MOTION CARRIED

R-05-291

Endorsers: Mayor Bernard A. Streeter
Board of Aldermen

ESTABLISHING AN EXPENDABLE TRUST FUND FOR HURRICANE KATRINA RELIEF

Chairman Bolton

Before someone makes a motion I wish to tell you that it is strongly suggested that we insert a phrase that apparently was left out. It has been suggested that we amend it by adding a phrase at the end of the sentence that now ends with "Nashua Teacher's Union President Jaqueline McKnight" we change the period there to a comma, and add "is appointed as the agent to expend under RSA 31:19-A."

MOTION BY ALDERMAN CARDIN TO AMEND BY ADDING “, IS APPOINTED AS THE AGENT TO EXPEND UNDER RSA 31:19-A” AFTER THE WORDS “NASHUA TEACHER’S UNION PRESIDENT JACQUELINE MCKNIGHT”

MOTION CARRIED

MOTION BY ALDERMAN CARDIN TO RECOMMEND FINAL PASSAGE AS AMENDED

MOTION CARRIED

R-05-293

Endorsers: Mayor Bernard A. Streeter
Alderman Kevin E. Gage
Alderman-at-Large David W. Deane
Alderman Richard LaRose
Alderman Marc W. Plamondon
Alderman-at-Large James R. Tollner

RELATIVE TO THE ACCEPTANCE AND APPROPRIATION OF \$50,000 OBTAINED FROM THE U.S. POSTAL SERVICE INTO SPECIAL REVENUE ACCOUNT #353-6516, "NORTH SOUTHWOOD DRIVE EXTENSION"

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman LaRose

I would appreciate it if the committee would pass this. I am here to answer any questions if there are any as well as Ted Setas, the engineer on the project.

MOTION CARRIED

R-05-294

Endorser: Mayor Bernard A. Streeter

RELATIVE TO THE TRANSFER OF \$36,812 FROM ACCOUNT #597-86605 "CONTINGENCY NEGOTIATIONS" INTO ACCOUNT #575-11900 "LIBRARY – FULL-TIME PAYROLL"

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE

MOTION CARRIED

R-05-296

Endorsers: Mayor Bernard A. Streeter
Alderman Marc W. Plamondon

RELATIVE TO THE TRANSFER OF \$48,758 FROM ACCOUNT #551-11098 "PUBLIC WORKS DIVISION AND ENGINEERING – STREET CONSTRUCTION COORDINATOR", INTO ACCOUNT #553-11098 "STREET DEPARTMENT – STREET CONSTRUCTION COORDINATOR"

MOTION BY ALDERMAN CARDIN TO RECOMMEND FINAL PASSAGE

MOTION CARRIED

R-05-297

Endorsers: Alderman Lori Cardin

Alderman Marc W. Plamondon
Alderman Kevin E. Gage
Alderman-at-Large James R. Tollner

**APPROPRIATING THE AMOUNT OF ONE HUNDRED THOUSAND DOLLARS
(\$100,000) OF UNEXPENDED BOND PROCEEDS FOR COMPUTER AIDED DISPATCH
AND RECORDS MANAGEMENT SOFTWARE FOR THE FIRE DEPARTMENT**

MOTION BY ALDERMAN CARDIN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Deane

I would ask that the representatives from the police and fire departments come up and give us an overview of what we are going to gain; what benefits and efficiencies we are going to see.

Marc Brodeur

Actually there are a few points that this would improve on. First of all currently we have equipment that is for mobile data for the fire trucks enabling them to have data within the fire trucks. The current software that we are using, which is an in-house program admins based on the VAX system doesn't allow for that to occur. With this software we would be able to do that. A few other things would be that for the police and fire department both to be on the same system – we do have a link between the two buildings and it would be possible to have the software loaded at both locations in the event we could back each other up. Things like that would be positive gains for us.

Kathy Roy

Out of our capital improvements project if we give the fire department a \$100,000 that would leave us a remaining balance of \$489,517 to complete the outstanding tasks that we have. We have been using IMC Software since October 4, 2004. We have saved a considerable amount of money by doing a lot of the stuff ourselves; going out purchasing the hardware ourselves, doing all of the installations – we have not had one problem with IMC – it hasn't gone down on us once. The company has been very receptive to anything that we have suggested whereas major companies out there would probably charge us for things that we have come up with for

ideas – they have taken it as hey that is a great idea I think other departments could use it and have actually rolled it into their software.

Chairman Bolton

Thank you. Is there anything further Alderman Deane?

Alderman Deane

Thank you.

Chairman Bolton

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

MOTION CARRIED

R-05-298

Endorser: Mayor Bernard A. Streeter

RELATIVE TO THE TRANSFER OF \$400,000 FROM ACCOUNT #981-5368 “SCHOOL CAPITAL RESERVE FUND” INTO FY06 CAPITAL IMPROVEMENTS ACCOUNT 681-09 “SCHOOL DEFERRED CAPITAL MAINTENANCE”

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE

MOTION CARRIED

NEW BUSINESS – ORDINANCES - None

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MOTION BY ALDERMAN DEANE TO TAKE FROM THE TABLE R-05-228

MOTION CARRIED

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

Chairman Bolton

I know Mark Conrad from the School Department is here if anyone has questions on this.

Alderman Deane

I had a question for Mr. Conrad. The one question I had was the word "salary" in the Resolution – the funds that are being asked for to approve adjustments – is this strictly salary based?

Mark Conrad

Request to increase the range by 3% is so that we can provide an up to a 3% increase for I think it is 12 staff who we were not able to provide an increase to last year. We are talking last fiscal year because their salary was already at or near the top of that scale. This request really bares on being able to provide a 3% salary increase for staff for last year who did not receive an increase because of their placement on the scale.

Alderman Deane

Would it be considered part of an increase in hourly rate? Is that what the money is being used for?

Mark Conrad

These are salaried employees. We generally don't think of it in terms of an hourly rate.

Alderman Deane

Would it pay for anything other than their payroll?

Mark Conrad

No. It is their base salary. The individuals we are talking about are a range of individuals on our non-affiliated scale from two Assistant Superintendents all the way down to our two of our food service coordinators. We are simply looking at being able to offer the same 3% increase to those individuals that other non-affiliated staff and other staff in the district received in fiscal year '05. That money has been escrowed from last year and it is carried forward in our budget planning for this year.

Alderman Deane

Thank you.

Alderman Vitale

If they are at the upper end of their salary range, do they go into a different range after that, stay at the top of the range where they are?

Mark Conrad

They stay at the top of the range until such time, with no increase, until such time as that range is increased or they will receive a partial increase if they are near the top up until the top of the range and then it sits there.

Alderman Vitale

Will this be something that will show up again in the next budget cycle a request?

Mark Conrad

For the current year of course there is no money in our budget for raises for non-affiliated staff nor any planned at this point. I suspect you will see an increase from the Board of Education to increase those ranges again for FY '07 and that should be part of our budget discussion as we move into the new budget cycle.

Alderman Vitale

If that is always a recurring topic for the people that are at the top of the ranges – I guess it has been common practice that we always accommodate for that to match up with people that are union employees, etc. Are we ever going to re-look at that to see if they will be promoted up to the next range or at some point if you hit the top of your range that is the salary that you get no matter ...

Mark Conrad

We haven't looked at a ladder where you promote into a new range because the placement of any position you go into the different ranges is based on that position. I think every year as we look at this and bring it forward to the Board of Aldermen it is really based on how we assess the market out there for salaries. I think in just about every year we have looked at that and assessed that. Some salaries were less competitive and some salaries were more competitive. When we bring those increases forward it really reflects the fact that we think you can justify an increase for those positions based on what we see out in comparable positions in other school districts.

Chairman Bolton

A little background on this – this arises out of the amendment to the City Charter back about 12 years ago, which provided that the Board of Aldermen would set the salaries for all employees in the School Department. As a way of handling that the Board of Aldermen adopted these ranges for each position. If a person is in a position that is so named there is no promoting or if they were to change the name of the position they would have to come back to the Board of Aldermen and get a range for that newly created or newly named position. In the past 12 years since this has been done it has been periodically reviewed. I think this though is somewhat new that we have got so many of these positions that have bumped up against the top of the range. I don't think we have seen this before. People may recall that earlier this year the School Department came in and wanted to give a little more than 3% flexibility at the top of the range, which was more in keeping with what had been done in past years so it would not be an every year situation come in. Given the fiscal constraints that everyone is facing in city government this year, that was voted down and I believe what the effort is here is just the 3% and just in those cases where people have butted up against the top or nearly to the top and they will only get what is necessary to make them whole for the year in question.

It has not been the case that we go through this every year. Really this is the first year we have been faced with this kind of situation.

Mark Conrad

Just to add to that one of the things we have found is some of the individuals we have been hiring who have recently been near or at the top of the range because if we look out to other districts or other labor markets where we are hiring people from we are not competitive or we need to hire people at that level just to hire qualified people into the ranges. I think one of the reasons we come back periodically is because the reality is salaries in education are increasing at the same percentage that we have been or faster than the percentage increases in the popular range we have been asking for.

Alderman Vitale

You are saying that we have on occasion gone back and re-evaluated what the ranges are not necessarily on a yearly basis, but what every three years?

Chairman Bolton

There has been no set schedule – when it appeared necessary.

Alderman Vitale

Maybe we should have a set schedule so we can do a better budget planning regarding the salaries.

Mark Conrad

I think the ranges are different from what your budget planning is. We have looked at increases in the ranges in the past year that may be more than 3% or 5% so that we had a range to work with for a number of years. What we looked at in our budget planning is what is the percentage increase overall we think we will be providing to non-affiliated staff and typically that will be an increase for someone that falls below the top of the range. Those are really two different issues. In this instance, we're asking for that 3% across the board, but the consequence of that for now for this year will really only be providing an increase to those 12 individuals to provide them the increase they should have received last year.

Alderman Lozeau

Can you quote the salaries that are affected for the 12 staff members we are speaking about?

Mark Conrad

The 2 Assistant Superintendents, 2 Interdisciplinary Curriculum Specialists, the Adults & Community Education Director, 2 of our Food Service Site Coordinators, 1 Headmaster, and 3 of our Assistant Systems Administrators or Systems Administrators within our Technology Department.

Alderman Lozeau

Could you give a dollar value of their salaries that – the lowest and the highest that would be affected?

Mark Conrad

I think the lowest salary is one of our Assistant Systems Administrators that is now at \$45,000 – I think that is at the top of that range and it travels up to the Assistant Superintendent at \$95,000.

Alderman Lozeau

Is there a difference between a merit employee and a non-affiliated?

Mark Conrad

I think we use the term non-affiliated in the same way you use the term merit. For us it really means those salaried individuals who are not under a bargaining agreement.

Alderman Lozeau

The Mayor, through legislation, froze the salaries of the merit employees. I am assuming this didn't affect the non-affiliated employees.

Chairman Bolton

The legislation affected compensation for FY '06. This is directed at making people whole for FY '05. It is two different time periods.

Alderman Lozeau

In '06 wouldn't it affect the salaries of the non-affiliated employees?

Chairman Bolton

My understanding is they get no increase over the '05 salary in '06. When we are talking about '05 salaries we are now adjusting it.

Alderman Lozeau

Thank you.

Alderman Vitale

Are we going to be discussing for the FY '07 budget adjusting the salary ranges again?

Mark Conrad

I would assume you would be at least for some of those ranges.

Alderman Vitale

When is that done?

Mark Conrad

Typically we have brought it forward after we present our budget – generally in March and April. I think that is when we did that this past year. This has been held off as you know.

Alderman Vitale

Thank you.

Alderman MacLaughlin

Through the Chair to Mr. Conrad, if you could could you give a total dollar value of the overall

increase if this were to pass?

Mark Conrad

The approximate value of a 3% increase to all non-affiliated staff is about \$185,000.

Alderman MacLaughlin

Thank you.

Chairman Bolton

It strikes me that not all of the individuals who occupied these positions in 2005 or FY '05 are still in the employ of the Nashua School District. What is the plan with regard to – it would strike me that once someone has left we would not want to retroactively compensate them.

Mark Conrad

One of the Assistant Superintendents is no longer in our employ and the Adult & Community Education Director is in our employ but in a different position – now in transition for a position as Assistant Principal. I don't think we have finalized that question of retroactivity, but you are correct normally when someone leaves our employ and we settle something that is retroactive they don't receive that increase. Whether or not the Board of Education determines they want to provide that increase – I think it would be up to them.

Chairman Bolton

If someone has just moved onto a different position and is still in the district's employ they probably ought to be treated the same as other employees are treated. Someone who has left, they have left.

Alderman Cardin

Did I understand you to say that the dollar value for this is \$185,000 – because there are only 12 employees?

Mark Conrad

The dollar value for a 3% increase to all non-affiliated staff would be \$185,000. The dollar value if all of these staff were to receive that 3% those 12 staff is \$16,545. Thank you for that clarification. Again it might be less than that if you weren't able to offer it to everyone.

Alderman Cardin

Thank you.

Chairman Bolton

Passing this is \$16,000, but it might even be less with that Assistant Superintendent taken into account.

Mark Conrad

It has been escrowed as part of our year-end budget request and carried forward into our budget planning for this year.

Alderman Deane

Through you Mr. Chairman to Mr. Conrad – what were your total escrow requests?

Mark Conrad

There were three escrow requests that we made. This was one of them. Second one was to escrow \$50,000 in funding from a prior year that we had put into place for hiring a software consultant, actually to work on a citywide basis to look at replacing accounting and HR software, and the third request was for the principal's contract, and that was subsequently withdrawn because the contract was settled.

Alderman Deane

What was that total?

Mark Conrad

I think that was in – that would have been in the range I think of about \$1000,000 – about \$85,000, but that was withdrawn because they were able to provide the increase to the principal before the books were closed out for the last fiscal year.

Alderman Deane

What did you end up with a balance at the end of last fiscal year?

Mark Conrad

About \$545,000 I believe that will be turned back to the city's fund balance.

Alderman Deane

Thank you.

Alderman MacLaughlin

Through the Chair to Mr. Conrad if I might – being that it is very likely we are going to enter into a period where an Assistant Superintendent candidate will come forward, what is the current range of the position that is now vacant – the low to the upper end?

Mark Conrad

The current range is \$75,000 to \$95,000.

Alderman MacLaughlin

In your opinion, do you suspect that the pattern we saw during the process of choosing a new Superintendent might lead us to speculate – it may only be speculation, but indication might be that we are going to be talking about the upper end of that salary range should a candidate step forward?

Mark Conrad

We have two Assistant Superintendents who as far as I know will be in the position for the foreseeable future. I think it is fair to say that there are a number of different ranges where the Board of Education may be looking at hiring candidates near or at the top of that range. For example we just hired a transportation director in the \$60,000 to \$66,000 range and we hired that position at the top of the range because really came down to one candidate we felt was qualified for the position and he actually took a pay cut to take that position. I think it is a fair question. I think it could be an issue for a number of different positions in different places within the salary schedule

Alderman MacLaughlin

Thank you.

Chairman Bolton

To some extent the premise of the question was there is a vacancy in one of those spots and in fact there is not it has already been ...

Mark Conrad

There is no vacancy. We recently filled one position and the other person is continuing on in that position.

Chairman Bolton

Are there any further questions? There is no motion before us, but we are discussing R-05-228.

**MOTION BY ALDERMAN CARDIN TO RECOMMEND FINAL PASSAGE OF R-05-228
MOTION FAILED**

MOTION BY ALDERMAN DEANE TO HOLD R-05-228 IN COMMITTEE

ON THE QUESTION

Alderman Cardin

We have 12 employees who didn't get a pay increase in the 2005 budget. We are not talking about the current 2006 budget. Twelve employees – I don't understand why the \$16,000 to make them whole people who either only got a partial increase for that year when everyone else got a full increase or some that got no increase at all – the 2005 year I am not sure why we feel that treating employees this way is the right way to go.

Alderman Vitale

I agree with that. The reason I asked the questions I did is because to me this is the '05 budget that we are talking about, the money has been escrowed to take care of it, and I believe that should be done. In the meantime we have been told that the '07 budget we would need to maybe look at the range of salaries again and have the discussion at that point for going forward. To not do that wouldn't be prudent, but I believe to go back and take care of those employees in '05 that will not receive a raise in '06 because it is not budgeted – that would be the right thing to do. It has already been discussed. It is the right thing to do. Going forward we have the ability to discuss the budget constraints that would take place on adjusting the salary ranges. I believe that would be the time to really discuss those and simply know about it already. We can start the discussion as soon as the '07 budget is opened up, and we should do that at that point.

To not take care of something that has been escrowed and the money is there I don't think is the right thing to do.

Alderman LaRose

It seems to me that some of the thinking is that if you reach the top of the pay scale that is as far as you go and you shouldn't get any more compensation. I don't necessarily agree with that thinking.

Chairman Bolton

I agree with much of what the last three speakers have said. The motion before us is directed to holding this in committee. Frankly I think that is equally unfair. If we are going to tell these people no we ought to straight out tell them no. Holding it in committee I don't think is a straightforward approach to take. We have gotten this explanation before. It has been held in committee for months. It was asked at our last meeting if a representative from the School Department could come and speak to us. That has been done. I don't think – I have not heard that there are unanswered questions or information that is being sought. My preference would strongly be that we pass this, but failing that my preference would be to recommend that it be indefinitely postponed because at least that is an honest straightforward approach to take with these employees.

The motion is to hold in committee. Is there any further discussion?

Alderman Lozeau

I am hearing that this is not going to affect the '06 budget, but it has to affect the '06 budget – if someone is getting a 3% raise for '05 how can it not affect the '06 payroll line? It has to. If I am wrong someone tell me.

Alderman Deane

Could Mr. Conrad come up here please? Mr. Conrad thinking ahead was there any money put aside so when this legislation was passed that additional funds would be available?

Mark Conrad

Yes there is. When the Board of Aldermen approved the budget they established a separate account, and Mrs. Anderson can address it if you like sir, they established a separate account in which to address the impact of carrying forward FY '05 increases to Principals and non-affiliated staff because those were originally in our contingency that we put forward of \$630,000 that was subsequently removed from the budget. I will tell you that because of the elimination of administrative positions in the district that we need about \$7,000 less than last year, so our request would be for about \$185,000 or \$186,000. You have I think about \$196,000 in that fund so there would be a balance remaining in that account. Just for the record I have to say that one of the issues we are pushing so hard for that is in some cases some of these individuals are being asked to do more than they did last year. We had five interdisciplinary curriculum specialists going into last year. We have eliminated two of those positions and two of the individuals who received no increase have been asked to pick up those additional responsibilities.

We have looked at this from a budget perspective. The funds have been set aside, and new have had to make all of the accommodations for the new reductions in positions and some of the

people who have been most affected by that have been people among those 12 individuals.

Alderman Deane

Can you give us a story on the rest of the people that didn't get an '05 raise that their workload has been increased from reductions in staffing that you know of?

Mark Conrad

We have eliminated a secretary in the central office along with the ICS staff and that has had an impact the work of both Assistant Superintendents. In the instance of the food service sight coordinators, the issue there is the two coordinators who are affected took on additional responsibilities in the high school, which required us to increase their hours. They work more hours than our other sight coordinators and that is what put them over the top. We based the salary range on a given number of hours and re increased those by about 2 hours a day.

Alderman Deane

Where are those two folks located?

Mark Conrad

The two folks affected one supervises the north school and one supervises the south school. They each have two other schools I believe that they supervise as well. In the case of the three people in our I.T. Department, we eliminated 60% of a position in that department as a reduction that we made. We eliminated a Headmaster at each high school. There are a number of positions I think that have been affected by the reductions that we made this year. Overall we eliminated 5.5 administrative positions excluding the technology position. There have been some impacts.

Alderman Deane

You didn't feel as though you might have been a little top heavy with some of the administrative positions that were in place that you eliminated?

Mark Conrad

We truly didn't and part of that is based on as we look at other school districts. If you look in the 12 largest communities in the state based on the most recent information from the Department of Education, which is lag by about a year, we had the lowest percentage of administrative costs of any district among the 12 largest in the state except for Salem. Salem was the only district with lower costs. We are lower than Manchester, Concord, Keene, Rochester – so our comparison with other districts tell us that our administrative costs are low. When you look at your curriculum specialists you are looking at a very small number of people who are working

through some significant curriculum changes in the district. So in our view we certainly don't view ourselves as top heavy although I think the Board of Education recognized that the impact of the cuts had to be shared across the organization, and that is essentially what we did in making those deductions. I am certainly not faulting them for making those reductions. We had to look at that impact across the board.

Alderman Deane

The cost to educate a child in the City of Nashua what is it now per year?

Mark Conrad

Somewhere over \$8,000.

Alderman Deane

What is the average class size in elementary schools?

Mark Conrad

I don't have those in front of me. We can certainly get those to you. That was a topic of discussion at the Board of Education budget committee meeting the other night. We did eliminate I believe 10 elementary positions this year. Having said that I think our class size numbers at the elementary level remain reasonable because we have been losing students at that grade level as well. This is the second year we have cut elementary positions. Where we are having real difficulties with our class sizes is at the secondary level – at the high school where we continue to increase students and new do not add any staffing/any teachers or other staff at that level. That will become a significant factor in our budget as we look to another year.

Alderman Deane

You don't have a roundabout number on your elementary schools?

Mark Conrad

I don't but what we ..

Alderman Deane

Between 23 and 28?

Mark Conrad

I would hate to give you a number off the top – let me suggest this – when we shared this information with the Board of Education we indicated it was in flux because your enrollment numbers tend to go up and down a little bit in the first month of school as in students you were expecting to come back didn't come back, you have to inactivate students – you have others who are registering. The State uses October 1st as the formal date by which we register the number of students we have in the system. That is the number that is used in the various state reports do in the district. We said to the Board of Education the information we have given you is preliminary and we will come back after October 1st and share the information with you on class size on a more accurate basis, and we can certainly make that information available to the Board of Aldermen as well if you would like that.

Alderman Deane

I would appreciate it. Thank you.

Alderman Lozeau

Are you considered non-affiliated personnel?

Mark Conrad

Yes.

Alderman Lozeau

I would support this motion to hold and I would like to review this again with the Superintendent to see how she feels about this. Thank you.

Chairman Bolton

Is there any further discussion? The motion is to hold R-05-228 in committee.

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO TAKE FROM THE TABLE R-05-255

MOTION CARRIED

R-05-255

Endorsers: Mayor Bernard A. Streeter
Alderman Robert A. Dion

AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS NOT TO EXCEED THE AMOUNT OF TWO MILLION DOLLARS (\$2,000,000) TO FUND THE PURCHASE AND REDEVELOPMENT OF PROPERTY LOCATED AT 11 RIVERSIDE STREET

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Dion

We discussed this at the Infrastructure meeting last week, and we recommended to send to the full Board with a recommendation for final passage of a \$25,000 deposit on this property. I urge this committee to go along with this Resolution because within – by the time the bond is paid we will have a piece of property that is worth \$5 million with the over \$2 million addition that we are putting in for the parking for the buses, a busing garage, and we will have a \$5 million piece of property - \$2 million of course we will pay interest I realize that, but the thing is what we are getting away from here is paying over \$100,000 a year in rent. The rent alone for the Board of Public Works this year has gone up 15%.

Now let's use a conservative figure of 7% over a 20 year span, it would be over double what we are paying now for rent and we would have absolutely nothing to show for it. The asking price is \$250,000 less than what originally was proposed by the owner. If we don't grab this property now he will put it on the market for \$3.2 million to start. The owner also is \$20,000 in arrears on city taxes, which we will recoup – the city will recoup that \$20,000 if we purchase that building. There are all kinds of plusses here. It is not like a regular bond where you have nothing to show for it at the end of 20 years other than what you are bonding for. Right now we are going to have a building, a building that will be worth \$3 million more than what we are paying for it. I think it is a win/win proposition.

We're taking care of three problems. Number 1 the police department – the police department has no storage area for their records left. The state has told them they cannot get rid of the evidence even though it is 10 years old they have to keep it forever. Their crime scene evidence they don't have any room left, they don't have any parking left – they really need parking bad. That would solve the police department's problems. The Board of Public Works of course is paying \$65,000 to \$70,000 a year rent, which is going up 15%, and the transit department is paying around \$25,000 - \$30,000 a year so we would be eliminating those two costs. I think it is a win/win proposition and I urge the committee to endorse this.

Alderman Cardin

Can you tell us what the development would be for the whole property? It is going to be more than \$2 million. Is there federal money involved in this project?

Alderman Dion

Yes. I think Paul Newman is here. If the Chairman would recommend that he come over and speak he has all of the figures.

Paul Newman

I have given you the handout that the Infrastructure Committee also had and actually Budget Review from some time back when this Resolution was first introduced, and we discussed it back in July. At that time there was a place holder for the purchase price of \$2.4 million as I recall. Of course this reflects the negotiated lesser price of \$2,250,000. Just to go through the spreadsheet on how it works formula wise. Down the left hand column you have a description first of the major category of purchase. It is divided into land and building just so that can be allocated to the relative use by each of the three city agencies. Some are using more or less land and some more or less building so that gets apportioned according to the square footage that they use of each. Then the construction – major elements are listed there generally by categories that are particular to each agency's needs which would be transit fit up, DPW fit up, and PD being police fit up. Then certain things that are shared amongst the parties that cannot be assigned to any one such as the demising walls, which simply are walls that separate the police part of it from the other two uses, roof repair of course which benefits all site work as well.

That first column of numbers is the total development cost for all three city agencies starting with the purchase of the \$2,250,000 and then going down to the transit fit up at \$360,000, DPW fit up \$100,000 and so forth down through bus garage construction of \$1,500,000. You get then subtotal of \$2,290,000. The architectural engineering and contingency for the total construction of \$2.7 million, add that to the acquisition above for a total of \$4,998,000 that includes every cost associated with this project – everything. Each of those is apportioned across the board. As you can see for example transit fit up obviously benefits transit 100% so all of that cost goes to transit. When you get down to something like demising walls it is allocated according to the building usage, which you saw on the purchase line up above. That 50% transit compares to the 50% portion of the building that is transit, 12% police, 30% DPW.

If you go down further on the transit line you will see the federal part of it come in. Going all the way down to total development cross, going across from that \$4,998,000 you get the \$3,751,500. Eighty percent of that is eligible for federal aid, which will be at \$3,001,200. Then there is that prior CDBG appropriation, which is more a local share. You take that from the \$3.7 million and the net city cost for the transit part is \$672,369. Similarly you go through the police and DPW and of course they don't have the offset of federal funding, but of course there is the offset of rent that they pay.

Alderman Cardin

Thank you for all of that. I know we have seen this before, but I think it is important when you are looking to pass a Resolution to at least bring it up again. This would eliminate the need for all rental space for any of these entities here - we wouldn't be paying DPW, we wouldn't be paying for transit rent anymore once this project is complete?

Paul Newman

That is correct.

Alderman Cardin

Timeframe if we decide to go forward with this?

Paul Newman

The more urgent part of it is Public Works for them to be able to move from the rental space on Ledge Street – they have an 8-month extension starting October 1st. If this were to proceed the city could close by the end of December. Work could begin on the building, hopefully ADA handicapped accessible bathroom modifications and just a little modification to the parking space on that side of the building, and paint, cleanup and such things – there would then still be time to go out to bid on any of that work that needed to be fitted up, and for them to occupy it by the end of their term of their current lease extension of 8 months. If it is delayed beyond this – say this doesn't happen and the city were not to act on the purchase until some time later then that could affect their need to extend their lease for another year.

Alderman Cardin

How long have you been looking for a bus garage?

Paul Newman

I didn't get to the transit part of it. Time wise that would stretch out a bit longer because we would be building an entire new bus garage and maintenance facility. Once there is an indicated we are proceeding with this we will lay out a more definite timetable, but I would say probably a year – I should say mid winter next year to early spring.

Alderman Cardin

Thank you.

Alderman Deane

I just wanted to comment on a few things. I think when Paul started looking for a bus garage site as still a teenager. The site when you look at the proximity of the building – the big factor here I see is the location of the police department and the significant investments that this city and former boards as well as his Board have made in to that facility. We are not going to move it. It is where it is. It is in a great location – it is centrally located – somewhat similar to the Public Works Department as well – the Street Department area is centrally located as well.

I just asked Carol what the financials were on the bond and she said it was about \$200,000 for the first 5 years so this is going to give us somewhere around \$100,000 increase over what we are currently paying for rent for the bus station as well as the transit station, but we also have an issue with the police department that we haven't started to realize yet and if those items had to be stored in a secured facility I don't know, due to the laws that are in place, I don't know how, where or what the cost would be for them to do that. I like the location, I like the proximity of the police department to this building, I would like to see the Public Works Department get out of a rented facility that we have no control over the increase in rent as it has gone up. The landlord knew that we were looking to get out and he took advantage of that. I believe we went up about \$1.08 a sq. ft. is what they jacked us on that.

The other issue that was brought up with the current problems the federal government is having – there has been money set aside, and perhaps Mr. Newman can comment on this as well, to develop this transit site and build a station. We have been sitting on that money for quite some time and it hasn't been used. I just have a feeling that the way things are going especially down south the federal government is starting to scrape up all the money they can get their hands on. I would like to see us move forward with this although there is some work that has to be done, but as part of our space needs assessment this does cover three different areas within one building.

Mr. Newman did give me – I had asked him about the traffic issues with the buses rolling out and

with school starting and I was assured that those times were not one in the same so we wouldn't have a problem on Riverside. Thank you very much for that. Could you comment briefly Paul on the funding, the federal funding?

Paul Newman

The city gets what is called an apportionment, which is basically a formula grant, each year, which now is around \$1.9 or \$1.9 million. We typically for annual operating expenses apply about \$1.1 to \$1.2 million of that – the balance is available to the city for a period of three years carryover. Once it goes beyond that time it lapses and goes back to the Treasury. At this point we have actually accumulated beyond what our annual need will be this year, virtually exactly what the federal amount that could be applied to this bus garages is – the \$3,000,101 – it is slightly more than that. I think it is around \$3,090,000. Like I say if the funds are not used they go back to the Treasury and that is the end of that.

Alderman Deane

We would be looking for \$3 million from another source ... **tape flipped** ...

Paul Newman

... strategy to always accumulate some carryover for fleet replacement, which is also 80% federally funded, but that would not use up nearly all of the funds that the city would have available otherwise to do this. There will be fleet replacement coming up sometime in FY '07 or FY '08 of vans.

Alderman Deane

Thank you.

Alderman Dion

Paul Newman sort of went over this, but I want to stress it a little more – on the Ledge Street

rental where the Board of Public Works is today, they got an extension from the owner for 8 months at an increase of course in the rent, which would take them to May 31st. In the contract that we signed there is a clause that says the owner will be notified 4 months before the expiration of the lease or we will be in the contract for another year at his will as far as the rent is concerned. It is imperative that we move quick on this to give the chance to the Board of Public Works to get their offices ready and move in there as soon as they possibly can because we have to notify him four months ahead, which would be January 31st I believe. Any delay in this would put us in jeopardy as far as getting hooked for another year's rent. It is imperative that we move on this as quick as possible. I hope the committee will pass this this evening so we can have it on our agenda for the Board of Aldermen at our next meeting.

Alderman Cardin

I am going to support this. Like Alderman Lozeau said it takes needs from three different areas and put them into one place. I think it is a great location. I know there has been a need for a bus garage for many many years, that we have been looking at different sites over the years, and I think this is a good fit.

Chairman Bolton

Is there any further discussion? The motion is to recommend final passage of R-05-255.

MOTION CARRIED

HELD IN COMMITTEE

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

DISCUSSION

- Alderman Deane brought up the fact that an analysis on the contract between the School District and the Superintendent had been requested and received along with an opinion from Attorney Bennett. He questioned Mrs. Anderson concerning Paragraph 18, Purchase of Years of Service, and what that item means. Ms. Anderson informed the committee that she will be speaking with Mr. Conrad in the morning for clarification and is also in contact with the NH Retirement System regarding this, and will have further discussion with them on this issue.

Alderman Deane further questioned the employee contribution to the retirement system. Ms. Anderson stated that the \$7,500 will depend on how the items were treated – if they are pensionable then that increases in the pension cost (between \$6,500 and \$7,500 would be the employee's share).

Ms. Anderson will update the Board when additional information/clarification is received.

Alderman MacLaughlin provided his observation that the information provided confirms his suspicion that the add ons to the contract went against the intent of the Board with regard to salary range for this position. Wished to know the total dollar value of the benefits provided.

Alderman Lozeau questioned whether the Superintendent is a non-affiliated employee of the city. He further questioned whether R-05-228 would have taken a range of her salary and raised it by 3% had it passed.

Chairman Bolton informed him that position was not affected by the Resolution.

Alderman Deane questioned if these (Paragraph 18/22) equate to an increase in salary range how it would be dealt with so as not to exceed the range that was set by the Board of Aldermen.

Chairman Bolton informed him that he believes there is a savings clause at the end of the contract that basically voids any provision that would be contrary to law, which presumably would invalidate those provisions and not affect the remainder of the contract. With regard to any performance bonus they would have to come back to the Board of Aldermen to get permission to pay that since it would obviously increase the compensation, which is what is meant by approving the salaries.

Alderman Deane questioned whether the Superintendent could want out of the contract if she is not happy because of the saving clause issues. Chairman Bolton stated that courts are reluctant to require people to stay and perform contracts for employment. He also stated that in that situation employers have to be very skeptical about trying to require a high level employee to

remain in a position where he or she is dissatisfied and wants to leave. In theory, it is his belief that she would not have the right to walk away, but in practice if someone wants to not do a job they pretty much can leave.

Alderman Deane reiterated Alderman MacLughlin's request to receive a value on the bulleted items. Ms. Anderson did not have that readily available.

Alderman Deane stated his wish that this contract had been reviewed prior to its submission to the candidate.

ADJOURNMENT

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

The meeting was declared closed at 8:15 p.m.

Alderman David MacLaughlin
Committee Clerk