

BUDGET REVIEW COMMITTEE

October 5, 2005

A meeting of the Budget Review Committee was held Wednesday, October 5, 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
Alderman-at-Large Paula I. Johnson
Alderman Rob Shaw

Members not in Attendance:

Also in attendance: Alderman Kathryn D. Vitale
Alderman Richard LaRose
Carol Anderson, Chief Financial Officer/Comptroller
Maureen Lemieux, Division Director, Administrative

Services

-

-
COMMUNICATIONS – None

UNFINISHED BUSINESS – RESOLUTIONS – None

UNFINISHED BUSINESS – ORDINANCES

-
O-05-85

Endorser: Acting Mayor Brian S. McCarthy

ELIMINATING CONSERVATION COMMISSION COMPENSATION

Chairman Bolton

As you will recall this got referred back to us.

Alderman Deane

I was hoping the sponsor of the legislation was going to be here.

MOTION BY ALDERMAN DEANE TO HOLD IN COMMITTEE

MOTION CARRIED

-

NEW BUSINESS – RESOLUTIONS

-

R-05-304

Endorser: Alderman-at-Large Paula I. Johnson

**RELATIVE TO THE APPROPRIATION OF \$100,000 FROM ACCOUNT #412-180
“AUTO PERMITS” INTO ACCOUNT #505-81035 “CABLE PUBLIC ACCESS”**

MOTION BY ALDERMAN JOHNSON TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Johnson

This came about as you all know with a public cry that they would like a public access channel. I had talked to Attorney Clarke about this, and she spoke with Carol Anderson. This is where she said that they would get the \$100,000 for the public access channel. I want to let everybody know that this isn't just a giveaway. They would have to come before the Budget Committee with a budget every year in order to prove exactly how much expenditure they would need from the city in order to operate this public access channel. I think this would be in the best interest right now as a starting point. I am not saying that they need \$100,000 – they might need \$20,000 to \$40,000 until they figured out what they wanted and how to get this station going. Mr. Hersh has given a couple of dates that people can go visit some of the other communities – I believe it is Londonderry and Bedford to see how their public access channels are set up and their appropriations. Thank you.

Alderman Deane

Would it be possible Mr. Chairman to have Mrs. Anderson come up for a moment? I have a question on the current run rate of the auto permit account – how we are doing in that area.

Carol Anderson

I just reviewed that and we are basically right on target. There is a \$11.1 million that has been budgeted for revenue and we are at 27% of that amount. It is slightly over what we would project at this time of year.

Alderman Deane

What was the amount from actuals to what was budgeted – what did we have in there for a buffer?

Carol Anderson

This year we probably have a buffer of about \$600,000 to \$650,000 in that area.

Alderman Deane

Contingency we budgeted \$250,000?

Carol Anderson

Yes.

Alderman Deane

What did we budget in contingency last year?

Carol Anderson

I believe it as \$240,000 last year.

Alderman Deane

It was \$240,000?

Carol Anderson

Yes.

Alderman Deane

I had a question for Mrs. Lemieux if she is available. My question is in the 505 account what is CTAB's budget over the last three years? What have we expended annually \$30,000 to \$40,000?

-
Maureen Lemieux

We have budgeted approximately \$30,000 each year. We spent anywhere between \$15,000 and \$20,000 on the salaries for the videographers and we have had anywhere from \$8,000 - \$10,000 as possible equipment purchases. The year that we put \$40,000 in there – it could have been as long as three years ago, but we escrowed a lot of that money for the legal services of Attorney Epstein who was the one to negotiate the contract for us. We have also in the past few years paid for his legal services.

Alderman Deane

With the current passage of the cable contract there is a 1% increase that can be – my question to Alderman Johnson, through you Mr. Chairman, why would we not be looking at taking money out of the franchise fee as compared to going into this account for the funds?

Alderman Johnson

I would like to refer that to Mrs. Anderson because I had the same question to Attorney Clarke, why wouldn't it come out of franchise fee, and this is what they had told me. If Mrs. Anderson could answer that I would appreciate it.

Carol Anderson

I don't know if I can answer that for you. I know that when we had talked about it we thought that it was better directed at the motor vehicle fees. One of the concerns I do have as I spoke with you earlier this afternoon Alderman Bolton is we need to watch where we are taking revenues from at this time because we are having certainly we will feel the effects of all the utility costs increase. Whether we take it from motor vehicle or franchise fees I know that we have to be very careful about the amount that we are taking because we are going to take a significant hit on the utilities this year.

If you would rather take it from franchise fees that is entirely up to the committee.

Chairman Bolton

I guess my follow up to that is why is it necessary to designate where the excess revenue is

precisely going to come from? This is essentially a supplemental appropriation, which will come out of what would otherwise accrue to fund balance no matter what. You can say it is out of auto permit, we can say it is out of the franchise fee, we could say it is out of building permits, we could say it is out of any of those revenue lines that close to fund balance. It doesn't really make any difference right?

Carol Anderson

It does have to come from some line. We could go into 499, a miscellaneous revenue account, and create something there, but you have to take it from – you have to debit one and credit the other. You can't establish the budget for an appropriation unless you have an offset where you are showing where it is coming from.

Chairman Bolton

Right, but it would be one thing if you were moving money around from one appropriation to another. This is new money being appropriated. Why doesn't all of this come out of fund balance rather than out of some specific revenue account?

Carol Anderson

It doesn't become fund balance until the end of the year so your book would basically be out of balance if you didn't charge – if you didn't hit one account in a revenue to say that this is like an offset to your appropriations. It is like a query account that is all it is – it is a query account between expenditures and – it would just show as a negative amount – if you wanted to just – we would have to show some account that this was going to offset that appropriation. If we are going to spend \$100,000 there has to be an offset. The books would be out of balance when you show what your revenues were and what your tax appropriation was.

Chairman Bolton

Won't at the end of the year then that misstate the revenue in that account by the \$100,000 that has been moved out?

Carol Anderson

What it actually does is we end up at the end of the year analyzing that and showing that amount was – it shows as a variance in that column and we identify what that variance is – what happened. You could certainly show it as a 499. I have no problem with that. Then it is offset against any other revenue.

Chairman Bolton

That is accounting – money is money. You had the floor Alderman Deane.

Alderman Deane

We have no idea what any of this is going to cost. Although I understand the intent behind this, without having a full understanding of where the studio would be, what the equipment would cost, what the fees would be charged and collected for people using the facility – I think a lot of that really has to be ironed out before we go moving any money towards anything. I think the Cable Television Advisory Commission folks should be looking at a number of different issues associated with this public access. It is not that I don't support it, but I think we should really know what is going to go on before we start contemplating moving \$100,000 from anticipated auto permit revenue.

The other issue, and I brought it up last week at the full Board meeting, is we're going to see some significant issues with out diesel fuel and our gasoline lines this year. We have already been told this by the Public Works Department. I asked Superintendent Pollock to give me a five-year view of how the fuel lines have increased and who is using what, and have sent that to Mrs. Lemieux for her to look at. I know Superintendent Pollock told me that the Police Department's fuel has doubled in the last two years – the last two years alone their fuel usage has doubled. When we look at the increased price and what had been budgeted for diesel fuel – I believe he was down about \$.80 a gallon. The fuel purchases as Mrs. Lemieux told me today come in \$50,000 increments. That can fluctuate up and down. With winter setting in we are going to have to deal with that.

We are all well aware of the cost of oil, the contemplated utility increase with electricity, and the natural gas issues that we are now hearing where there are trillions of cubic feet short on storage with the capacity that this country current has. Those prices are going to escalate. I don't think anywhere in this budget book did we leave any monies set aside to adjust some of these line items. If we look back at last year the school district came back in I believe and we had to put another \$100,000 in to take care of their fuel line and that was last year. I think they were still understanding some of the new components from the high schools and we got a colder

winter – there were a lot of factors there, but there was a buffer that was put aside for that.

These 4-5 items that I just mentioned are large expenditures that every department in every building in the city operates with. I think if we had to go in to get some funds this might be the one area that we might have to do that in. I would certainly like to leave those opportunities open because we are going to have to heat these schools, we are going to have to heat this building, we are going to have to plow the snow, and we are going to have to pay for those fuels as those bills come in on top of leaving the lights on. I have some grave concerns about these areas. We are all going to experience it in our own households this winter.

Getting back to the \$100,000, I think the intent of it is fine, but I really think we should know a great deal more before we take any action on this legislation. Thank you.

Alderman Lozeau

My question was on the recent cable contract that we signed with Comcast that allowed for another 1% - is that 1% designated to go somewhere?

Maureen Lemieux

That 1% is set aside and it is designated to go to the educational and municipal channels. I guess we are calling it a PEG channel now because we have public also, but it is dedicated to cable.

Alderman Lozeau

Would that be the same account number as is listed in this 505-81035?

Maureen Lemieux

I would not think so. I would anticipate, and Mrs. Anderson may be able to correct me, I would anticipate that we would be setting up either a special revenue account or something to maintain a difference for that 1%. I would expect that we will be getting anywhere upwards of \$150,000 a year that will be going into that account.

Alderman Lozeau

Thank you.

Alderman Vitale

I would have to agree with some of Alderman Deane's concerns regarding increased costs that we could be facing. I wondered if we know if there is any startup costs that would be incurred in investigating the public access channel that we would need monies just to explore the cost of it. That would be the only thing that I would say that we maybe would set up a special account for at this point. I would like to see the total costs of what the whole public access would be before we start moving monies around. I would rather take care of some of the other concerns first if there is not an immediate need.

Alderman Johnson

Everybody brought up a lot of good concerns. First of all again Mr. Hersh has invited everybody – there are two Saturdays to go and tour Bedford and Londonderry. I bet you could ask a lot of questions. I believe Alderman Rootovich had a CD from a gentleman that came down from Bedford that gave information regarding the public access TV. I haven't had a chance to view it. I don't know if anybody else had a chance to view it on the Board. Also reasonable and sensible questions – no one says if you appropriate the \$100,000 in here and it doesn't get started that you have to use it. No one says you have to use it. It can lapse back into fund balance if it wasn't used this year. No one says it has to be \$100,000. I just figured that is a good start up especially if you have to pay somebody. You can appropriate \$20,000; you can appropriate \$5,000 and do it. No one says you have to appropriate \$100,000 for this channel. We have heard people from the public come in and we talked about this. Now the PEG channel is a Public, Education, and Government channel so why can't maybe some of that \$150,000 because we have the public access in there – maybe use \$20,000 of that to start it. There are other ways of finding money – we always find money when we need it in the budget for something and during the year for a catastrophe we find the money.

It is just a starting point. It could have been any number. I just picked \$100,000 for this. It doesn't have to come from auto permits it can come from the PEG money if we can legally do it with the Comcast contract. You are taking part of that 1% and applying it in 3 spots. I am not going to be here next year, but this is what then people are talking about that they really want. It is going to be good for the community. It is not just about what people want to talk about if they don't like government. You can have flower shows – you can do so much with it for the

community to get involved here. I think it is a win/win for the community. I just want to touch on something with the cost because it was brought up – I remember during budget I sat in that seat and I asked with the rising cost of electricity and gas that is going on are we going to have enough in that budget, are we allowing for it? I was told yes. Now I am getting very concerned as I am going to be, as the Mayor said a private citizen I guess – private citizen Johnson, but I am also going to still be a State Representative – I am concerned how my dollars are going to be spent in that area. We have poured enough money in all the other areas, but we didn't foresee what was coming to appropriate in this area. I guess shame on us on an important area. Thank you.

Chairman Bolton

I think it is pretty clear that not many of us back in May and June anticipated that we would see \$3.00 a gallon gasoline and certainly when Director Seymour and other of our department heads and managers estimated the cost of gasoline and diesel fuel as far back ago as last October and November they weren't foreseeing the very rapid and unprecedented rapid rise in the cost of fuel.

Alderman LaRose

Thank you Mr. Chairman. I think that this Resolution is premature. I think we need to do the investigation that is going to happen, allow the Cable Television Advisory Board to weigh in on this and give their recommendations, and I think that we need to hire a manager first who can provide us with the appropriate kind of budget that we need. We have approximately 6 months before we can even start using this channel. We can't use it until March 1, 2006. I think that we need to do this the proper way and by resolving to put aside \$100,000 I don't think that is an appropriate way to go about it at this point in time. We do know that we have a 1% fee that is a brand new fee that will be dedicated solely to the cable television – the access channels. That is starting to collect some money. We will have some monies to be able to start up our station. Alderman Johnson mentioned something about this was something that would be budgeted in the future, but if you read the Resolution all it does is ask for \$100,000 this year. It makes no mention that would be in the budget process.

I think that we have to go at this slowly, diligently, but just appropriating \$100,000 isn't going to get us what we need to do in the right way. Thank you.

Chairman Bolton

I find myself in agreement with much of what has been said. Before I am willing to put \$100,000 on the table and available to be spent I guess I want to know what we get for that. I also want to know what we get for half of that, what we get for 150% of that. At this point I don't know. I am not saying everything needs to be nailed down and etched in stone, but I think we need to at least have some preliminary indication of what it costs to do, what we decide we wish to do, and as Alderman LaRose said the channel doesn't become available to us until March of next year or thereabouts. We have time, and there has been talk either of the Cable Television Advisory Board spending some time on this or some other committee being put together. Certainly the proponents of public access will have an opportunity to weigh in as to what their vision is. Someone ought to be putting down what it all will cost, give us some options, and then we can fund it either out of the franchise fee we are collecting or out of a supplemental appropriation as this is. Admittedly it was \$100,000 just picked out as a nice round number, and at this point I don't even know who will be authorized to expend it if it passes. I think we need to clarify that – at whose disposal is that \$100,000? While I think we may get to that point I don't think we are to that point yet.

Is there any further discussion? The motion is to recommend final passage of O-05-304

MOTION FAILED

MOTION BY ALDERMAN DEANE TO HOLD IN COMMITTEE

MOTION CARRIED

R-05-305

Endorser: Alderman-at-Large Paula I. Johnson

RELATIVE TO THE TRANSFER OF \$40,000 FROM ACCOUNT #591-86005 "GENERAL CONTINGENCY" INTO ACCOUNT #503-51030 "BOARD OF ALDERMEN, OUTSIDE COUNSEL SERVICES"

MOTION BY ALDERMAN JOHNSON TO RECOMMEND _____ FINAL PASSAGE

ON THE QUESTION

Alderman Johnson

I think it is about time that the Board have their own lawyer, and I think it this time would be very significant. Basically when questions arise we see what happens at the full Board meeting – if

we need any legal advice a lot of times Corporation Counsel can't help us in certain instances because there is a conflict between him and the Mayor's Office. I think that it is overdue. I remember when I was private citizen Johnson back then too there was always talk about the Board having their own lawyer. I think the Board really needs it at this point in time. I had put it down that to allow the attorney to be here at full Board meetings twice a month and when needed.

Alderman Deane

My question is other than issues associated with the Mayor's Office is there any other are that City Counsel hasn't been willing to help or hasn't been able to provide you with service when you call up there because when I talk to those folks I never have a problem with them getting me information or helping me with a resolution or ordinance or understanding parts of the Charter I have questions on or things of that nature.

Alderman Johnson

They have always been very helpful, but you know what there is just so much they can do because they really basically are working for the Mayor. There is just so much Corporation Counsel can do. There have been times we have sat here at our own meetings and we have started challenging Corporation Counsel, but their hands are tied because they work for the city, they don't represent us as a Board. It is about time that we have somebody who represents us as a Board. Hey the Board of Education just hired their own lawyer for an issue. We really need somebody who represents the Board of Aldermen at this point in time.

Alderman Deane

Perhaps with your background Alderman Bolton you can help me with this. If we hire a lawyer and his opinion differs from Attorney Connell's then where do we progress from there into mediation? Would we have to hire a mediator and pay them?

Chairman Bolton

We are not at any real different point than we are now. The city attorney's office renders opinions, and any other lawyer we would hire would give us opinions. We are free to follow those opinions or not follow those opinions. When two lawyers have opinions that differ they both represent entities with an interest in the outcome that is what courts and Judges are for. I can envision situations arising when it would be necessary for the Board of Aldermen to seek services of council other than our own Legal Department. My opinion is those situations are few and far between and we probably don't need to have a lawyer on standby in order to deal with that. Most of the time we do not have issues that separate the Board of Aldermen in its official capacity from the Mayor in his official capacity such that the Legal Department has a conflict that is irresolvable. Sometimes we don't like the opinions we get, but we may well be better off following them than not.

There is sort of an authorial story on the law about the town that had one lawyer who was having trouble feeding his family and when the second lawyer moved into town and opened his practice they both got rich. That is the kind of situation that can arise. I hope that answers your question.

Alderman Deane

Thank you.

Chairman Bolton

Is there any further discussion? The motion is to recommend final passage of R-05-305.

MOTION FAILED

**MOTION BY ALDERMAN DEANE TO RECOMMEND INDEFINITE POSTPONEMENT
MOTION CARRIED**

R-05-308

Endorsers: Alderman-at-Large David W. Deane
Alderman Marc W. Plamondon

**ESTABLISHING AN EXPENDABLE TRUST FUND FOR ACCEPTING CONTRIBUTIONS
FROM DEVELOPERS FOR TRANSPORTATION IMPROVEMENTS TO WHIPPLE
STREET**

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE_____

MOTION CARRIED

R-05-310

Endorsers: Alderman-at-Large David W. Deane
Alderman Kathryn D. Vitale
Alderman Marc W. Plamondon

ESTABLISHING AN EXPENDABLE TRUST FUND FOR ACCEPTING CONTRIBUTIONS FROM DEVELOPERS FOR PEDESTRIAN SAFETY IMPROVEMENTS TO EAST HOLLIS STREET

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE_____

ON THE QUESTION

Alderman Deane

Thank you. This is just another one ... **tape flipped** ... we weren't allowed to do it; so when the contributions come in from the different work in different areas, this is the format we have to use. Thank you.

Chairman Bolton

Is there any further discussion? The motion is to recommend final passage of R-05-310.

MOTION CARRIED

NEW BUSINESS – ORDINANCES - None

Chairman Bolton

Earlier today Chief Financial Officer Anderson and Division Director Lemieux asked to address us on a few issues to update us during the discussion segment. If there is no objection I would suggest we proceed to that now.

HELD IN COMMITTEE

Resolutions

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

DISCUSSION

Maureen Lemieux provided the committee with an update on:

- The updated assessments on the city's web site were up this morning, but taken down in the afternoon due to technical difficulties. The assessments will be back up by noontime or so tomorrow with no problems.
- Alderman Dion questioned increasing the elderly tax exemptions. His intent is to introduce legislation. The hope was expressed that a first reading, second reading, and subsequent vote take place Tuesday evening (to allow to get MS 1 Form changed and filed with the State so that they can set a tax rate hopefully around the end of October). Mrs. Lemieux stated "The overall assessed valuation for the city went up by 29% - they looked at

what the impact of a 25% increase would be on the elderly exemption and a 30% increase. We currently have a little over \$124 million worth of property that is exempted, which results in just under a \$2.5 million shift of a tax burden from the elderly who qualify for these exemptions to the rest of the taxpayers. A 25% increase in the exemptions would have resulted in an additional approximately \$616,000 shift, a 30% increase would result in a \$740,000 shift so there was only about a \$135,000 difference between a 25% and a 30% increase. The reason that Alderman Dion went with the 30% is because the single family homes went up on average or as a class by 33%.”

Alderman Lozeau questioned when application could be made for a new elderly exemption. Director Lemieux responded that no one else can apply, but the State changed the date this past year and it was moved from August 15th to April 15th. People would have to have filed by last April 15th to qualify. This would change the exempted amount for everybody on file. Anyone else who would qualify from this point forward would have to wait until next year.

- With regard to the insurance situation, the report from the actuaries has been received for what should be carried for the IBNR (incurred but not received) reserve accounts. The IBNR requirements for the health insurance remained virtually level with last year, however, because of a tremendous increase in worker’s comp. claims that we have had and the different tremendous liability claims that we have had, the actuary has decided that we need to have \$1.4 million more set aside in IBNR than we were anticipating. We have had \$1.8 million set aside in each of the past few years and expected it to fall pretty much in line with that. The report said we need \$3.2 million set aside. It is believed that we are still reasonably well situated. Because the extra \$2 million that was asked for in the spring in this year’s budget to replenish both the IBNR and the unallocated accounts the thought is that we will end up in reasonable shape (with \$800,000 of unallocated for health insurance and \$764,000 for property and casualty in unallocated). Last 5 years of prior year claims have been analyzed - seems to hover between \$800,000 and \$900,000. Will take another look at current year property and casualty budget where a few thousand may be found. Believe will end up reasonably well off. The requirements were for us to set aside an additional \$1.4 million.

Alderman Lozeau asked what kinds of claims are being received that are affecting the payouts. Mrs. Lemieux responded in the Worker’s Compensation arena we have 1 claim that is valued as a \$366,000 claim, we have paid out \$246,000 already, but have a reserve of another \$120,000 on that claim. We have another claim that is valued at \$800,000 – we have paid out \$454,000, we believe we have another balance of \$336,000 that will have to be paid out. Won’t all be paid out in FY ’06 will spread out over time. The claims that we submitted to the actuaries totaled about \$2 million of items that are potentially outstanding.

Alderman Lozeau questioned whether we are being proactive in attempting to avoid these types of claims. Mrs. Lemieux responded that we do run safety programs, training programs, etc. A significant increase in Worker's Compensation claims have been noticed that will be addressed.

Alderman Lozeau questioned whether the city continues to evaluate whether we should continue to be self-insured. Mrs. Lemieux stated that the issue is settling prior year claims that is the difficult part to project, however, we believe that the city has been saved millions of dollars by being self-insured.

- The city is looking at the energy costs. The gasoline prices – we just went out and got 50,000 gallons of gasoline and had to pay \$.45 a gallon more than we did in June/July. We buy it in 50,000 gallon increments so hopefully when we go out the next time maybe prices will have stabilized. Have looked at the heating costs for last year – the actuals came in at just under \$1.5 million. Some of the buildings are heated with oil and some with natural gas. The natural gas prices – Keyspan is petitioning the PUC for a 15% increase. We are paying virtually twice as much for oil. We need to determine building by building how they are heated, what the costs were for last year to get a handle on what can be anticipated as an increase in cost. Our electric costs were just under \$3 million last year. Believes PSNH will be looking for an increase in the single digits.

When the original budget was put together there was a little over \$1 million in the budget than we spent as actuals in '05 (20-22% more than the actuals in '05). What we do not have a handle on yet is what people have done with the bottom line cuts. Need to ensure that money is maintained in the line items for the energy costs.

Believe energy costs will be anywhere from \$500,000 to \$750,000 higher than anyone would have predicted. Will provide an update to the committee in a month or so.

Alderman Deane stated that a portion of monies coming from FEMA (\$250,000) could be used to offset additional costs at the street department. He questioned what percentage of these funds could be utilized for fuels. Mrs. Anderson stated that she is unclear if it restricts what the monies can be utilized for.

Alderman Deane stated that he is of the belief that the fuel account, that current resides in the

Street Department to cover all departments within the city, should be split up and listed in the individual departments.

Recalling the time when this type of budgeting was done (gasoline, advertising, purchasing of computers, etc.). He believes it came from a confusion of centralized budgeting with centralized purchasing. He is of the belief that we could still have one agency in charge of seeking out all of the gasoline and diesel fuel for the best price while still carrying the actual expense in each department's budget, which would provide a truer indication of what each department is actually spending and would provide the managers in various departments control over a portion of their budget.

Alderman Deane questioned what has been done to date to begin the process of the '07 budget. Mrs. Anderson stated that they are reviewing the old assessment report, had conversations with the Mayor and Alderman McCarthy. They are just starting that now. Alderman Deane requested that updates be provided at Budget Review Committee meetings.

Mrs. Anderson stated that as soon as the '06 budget was passed the departments have started looking into '07. Discussions have taken place almost on a weekly basis.

Alderman Johnson questioned the creation of non-essential employee lists.

Alderman Lozeau questioned whether energy audits had been performed or contemplated. Mrs. Lemieux stated that several audits have been performed through PSNH, and a return call was anticipated from Keyspan to start those discussions. The different departments have been approached on the idea of energy efficiency.

Alderman Shaw questioned when the budget screens would be opened, and if the accelerated schedule would be followed again this year. Mrs. Anderson stated that it hasn't been defined as of yet. There were some difficulties with opening this up early last year. Is not sure whether a decision has been made as to when the '07 budget would be delivered to the Aldermen. Mrs.

Lemieux stated that she has had conversations with the Mayor and it would be her recommendation and Mrs. Anderson's recommendation that they return to delivering the budget in April. There are just too many things that they do not have a handle on when the budget screens are opened in November.

Alderman Shaw requested more communication take place between now and April if that were the case of the timing of the submission of the '07 budget.

Mrs. Lemieux responded that if they were looking to have items program driven for the next budget, conversations have been started with President McCarthy and would need to continue with the Board concerning which programs would be included.

ADJOURNMENT

MOTION BY ALDERMAN DEANE TO ADJOURN

MOTION CARRIED

The meeting was declared closed at 8:20 p.m.

Alderman David MacLaughlin
Committee Clerk