

BUDGET REVIEW COMMITTEE

JULY 23, 2007

ACTION REPORT

A meeting of the Budget Review Committee was held Monday, July 23, 2007 at 7:10 p.m. in the Aldermanic Chamber.

Alderman-at-Large David W. Deane, Chair, presided.

Members of Committee present: Alderman Mark S. Cookson
Alderman Greg Williams
Alderman Richard P. Flynn
Alderman Daniel L. Richardson
Alderman-at-Large Fred S. Teeboom, Vice Chair
Alderman-at-Large James R. Tollner

Members of Committee absent:

Also in Attendance: Alderman-at-Large Brian S. McCarthy
Alderman Richard LaRose
Carol Anderson, Chief Financial Officer/Comptroller
James McNamee, Esq.
William Barry, Police Commissioner
Timothy Hefferan, Chief, Nashua Police Department
Thomas MacLeod, Nashua Police Department
Donald Conley, Dep. Chief, Nashua Police Dept.
Jackie McKnight, President, Nashua Teachers' Union
Bob Sherman, President-Elect, Nashua Teachers' Union

COMMUNICATIONS

From: Jim Mealey, Nashua School District Chief Operating Officer
Re: Resolution R-07-236, Salary Schedules

**MOTION BY ALDERMAN DEANE TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

NEW BUSINESS – RESOLUTIONS

R-07-235

Endorsers: Alderman Richard LaRose
Alderman Michael J. Tabacsko
Alderman-at-Large James R. Tollner
Alderman Marc W. Plamondon

**APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT
BETWEEN THE NASHUA POLICE COMMISSION AND THE NASHUA POLICE
SUPERVISORS ASSOCIATION FROM JULY 1, 2006 THROUGH JUNE 30, 2009**

Chairman Deane

Attorney McNamee do you want to walk us through the significant changes that have been made in the contract from...

James McNamee, Esq.

James McNamee, Attorney. I was negotiator for the Commission on this contract. Let me start by saying that this saying this is the group of Police Supervisors. There are 32 police supervisors, 23 sergeants, and 9 lieutenants. This group is the heart of your middle management at the police station. The current contract that you have in front of you we've been negotiating actually since August of 2005. This unit has been outside and out of a contract since July 1, 2005. The major provisions, and I'm just looking at your costing sheet, which might be the best referral for you, for the contract is that it's a four-year contract. It starts in July 1, 2005 and it covers fiscal years 2006, 2007, 2008, and 2009. The wage increase, which is the largest increase, in the entire contract is zero percent in the first year, 4 percent in the second year, 4 percent in the third year, and 3.5 percent in the final year of the contract. Article 28 which is the wages contract also has a provision which states that if there is another increase, since this unit has taken a zero percent in that year, if an increase is granted in the first year of a contract to any other union negotiating a contract then this contract can be reopened for that year and that year only. There is no significant changes as you can see and no changes at all really in vacation, sick leave, bereavement, personal days.

The next item of change is the health insurance, and that's the next largest item. That's Article 14 of the contract. It goes in a stepwise fashion consistent with the sort of cost sharing concession that we had been requesting from unions. This union has agreed to go from paying 85 percent and 95 percent on its Point of Service and HMO. It's going to pay another 2 ½ percent in the current fiscal year that we're in, the third year of the contract, and another 2 ½ percent on each item in the final year of the contract so that in the last year of the contract the cost sharing the union would be paying 10 percent for the HMO and 20 percent on the Point of Service.

There are some other changes that you'll see where there was one holiday that was added – Veteran's Day holiday, which will be an additional cost. That starts in this current year. So there's no retroactive pay on that. The clothing allowance was increased and increases over the course of the contract by \$25 a year up to \$800 in the last year.

Wellness reimbursement allowance is in stated at \$250 per member. There was educational incentives were added. This is particularly important in a group like this, which is your middle management group. A category of incentive for obtaining an Associates Degree was added at \$250.00 a year as an additional incentive payment and for a Bachelor's Degree its \$750. So that's an increase over what it was. For a Masters, of Ph.D., or JD degree it would be \$1,000.00 a year.

Alderman Richardson

These are new with this contract?

James McNamee, Esq.

They're increases. The Associates Degree is new. The Bachelor's Degree is increased by \$250.00 and the Masters is increased by \$250.00, and Ph.D. and JD was added to that category. We have members of the command staff here – the Chief, the Deputy Chief. We also have Police Commissioner William Barry who would like to speak to the Committee, and Sergeant Tom MacLeod who's the negotiator and President for the Supervisors Association.

Chairman Deane

Before we get started on that, in Article 14 on page 14 on the top, that paragraph is that new language of "any City bargaining unit or other group of City employees who negotiates a contract with a more favorable health care package during the '08 or '09 than the City shall contribute 85 percent of the premium option A and 95 percent for Option B, and co-payments shall return to \$5 in medical visits and \$25 for hospital visits at the beginning of the respective years". Is that new language?

James McNamee, Esq.

Yes.

Chairman Deane

Is there any other new language that might have been overlooked?

James McNamee, Esq.

The contract that you received should have highlighting in it. All of the highlighted language is new language. Perhaps you didn't get the highlighted copy.

Chairman Deane

We didn't receive that. Mine isn't anyways. It's just basic. As of late, we've been having trouble with different items associated with attachments with CBA resolutions.

James McNamee, Esq.

I prepared this contract and highlighted all the sections in Acrobat. You should have either a photocopy, which would show it shaded, or if you had a color printer, it would show up with a yellow highlighting on all the sections that had been changed, amended, or that were new.

Chairman Deane

The only highlighting that's been done to this is by myself. I don't know whether that's something that our office should be looking at doing. The one that Thomas MacLeod just gave me is all highlighted.

Thomas MacLeod

My name is Sergeant Thomas MacLeod. I am the President of the Nashua Police Supervisors Association. Tonight before you is R-07-235, which is as you know is a 4 year collective bargaining agreement dating back over 2 years to July 1, 2005 with an expiration date of June 30, 2009. Should this contract eventually be approved by the full Board, this Association would begin to renegotiate a successor one in about 12 months from its signing. Lieutenants and sergeants who comprise the membership of this Association voted unanimously to ratify this contract knowing that for the first year of it no wage increases afforded to them. Further, we have agreed to double employee contributions to 10 percent as well as co-payments for medical and/or emergency room visits for subscribers and their dependents. Over the past 2 years, which is also the first 2 years of this agreement, we have been contributing additional monies towards health insurance premiums averaging 18 to 19 percent towards the family plans during both years without receiving any wage increase. This has been extremely difficult for these outstanding career professionals who protect the City 24/7 as well as their families while they face the continued rising costs of their everyday family expenses that they have incurred.

As some of you are aware, I have been an active participant in the Health Care Advisory Committee since its inception. I appeared before the Personnel Administrative Affairs Committee on May 10, 2007 when they heard testimony on O-07-101 for it to be established as a permanent working group. This ordinance did eventually pass the full Board, and I am proud to be associated with them. This group is collectively working hard to identify innovative strategies that the City can pursue if it so chooses to continue to maintain quality health insurance while containing future growth in the various health plan costs. The Health Advisory Committee already approved (inaudible) to health care consultant Jack Sherry by obtaining a guarantee from Anthem that it will not raise its administrative fees over the next few years. Any potential new health plans or pharmacy benefit managers that are identified probably won't be available until open enrollment for fiscal year 2009 which happens to be the final year of this particular contract before you tonight. Should that committee recommend any changes to health insurance benefits, then it is my intent to convey to the membership of their potential viability and overall costs affecting this to them.

Recently you heard about a voluntary method of purchasing prescription drugs from Canada which former Springfield Mayor Albano mentioned would save the City and subscribers a conservative 25 percent. This also was something the committee will be exploring in the fall when we reconvene after the summer recess. With the health insurance concessions we have made within this agreement and the fact that the Health Care Advisory Committee will be studying the strategies I mentioned above, the Police Supervisors Association are taking giant steps forward towards assisting and controlling costs in health care for both the City of Nashua and its members.

In closing, I am respectfully requesting that the Committee consider this point. Some of the lieutenants and sergeants who I represent have joined me this evening in an effort to convey to this Committee that we are very passionate about the commitment to this City and our profession as well. This is evident every day when we hit the streets or perform other valuable tasks in related capacities. We take personal pride in assisting others with keeping the crime rate well below the national average, which allows all citizens a rather comfortable life style. Last year the Mayor mentioned to the Board of Aldermen that Nashua was named the best place to live in the nation for health and safety. The members of the Supervisors Association certainly can take some of this credit for the work they do each and every day. With that being said, I am respectfully requesting

that the Budget Review Committee recommend for approval to the full Board of Aldermen at its next scheduled meeting R-07-235 before you tonight, which we feel is fair and equitable to both parties. Mr. Chairman I want to personally thank you for the opportunity to address the committee this evening. I'm certainly available for any question that you or any other members may have.

William Barry

William Barry – I guess the newest Nashua Police Commissioner. I don't have any written prepared remarks. I could have and presented some to you. But I want to speak tonight from my perspective as the newest police commissioner in relationship to what I've learned over the last 2 years. I came aboard as a replacement in September of 2006 and have grown to highly respect even more so the work done by all the men and women that work for the Nashua Police Department. It's a tough job to put it directly. It's something that these gentlemen and someday there will be women who are supervisors, they don't hear too often the word "thank you" – not enough from the Commission, not enough from the citizens, not enough from the people they help, and not enough from the people they protect. We as commissioners negotiated this contract in good faith. We have 23 sergeants and 9 lieutenants. They represent as stated the middle management but they represent the future of the leadership. The majority of them have 18 to 20 years in and simply put and respectfully stated by me as a commissioner and as a citizen of Nashua, they deserve this contract. They've gone on long enough, and they've worked hard, and they've continued to keep the level of services that they deserve it and we respectfully request that you consider approving it.

Now what happens if we don't approve it? Well we have Deputy Chief Conley and Timothy Hefferan will tell you there are 17 of the 32 that are eligible to retire. As you may know, we don't have step increases. We have a salary and that's what you get as you move on. But if individuals reach the point where they're not getting any further monies for work when they can retire and receive close to what they're receiving by working for the Department, we're going to start losing. We have lost them. So what happens when we lose a middle management police officer? Well several things happen. One – someone needs to move up to replace to that person. It's a chain reaction all the way down until we lose strength. Do you know what it costs to replace a police officer? What it costs to replace an officer, I've been told, is about \$55,000. That's bringing a brand new person in. What it costs to replace one of these gentlemen that have worked for 15 - 20 years? They know the streets. They know the individuals. They know the personalities. I look around this room and I see several natives. We all know if we grew up in this City who are the bad people, who do the crimes, where are the hot spots.

The institutional knowledge that these folks bring to our Department and our City is invaluable. We as commissioners negotiated hard. We believe that the monies that are spent on behalf of the citizens of Nashua for the police contracts they're my money, my tax bill. This is the best we could do, but this is a fair contract for them. It's a fair contract for me as a citizen. It's a fair contract for you as the keepers of the purse for the City. You asked for a zero raise in the first year. You got it. You asked for and we give and respectfully state reasonable raises (inaudible) with the cost of living standards, you got it. You asked for a health care give back, you got it. The contract that we present tonight is about as good and it is as good as we're going to be able to negotiate.

So what happens if it's not approved? Would I suggest that 17 of them will leave? No. If 5 of them leave that costs us – the citizens of Nashua \$250,000 to replace those 5. When they walk out the

door with the years of experience what happens? Obviously replacing them is not as responsible. We have an excellent department with excellent officers who take pride in their work but they're entitled to reasonable compensation. Do we have a problem with brutality? No. Do we have a problem with gangs? Under control. Do we have a problem with safety? Manageable. What the role of the supervisors forming the backbone of the team, we can't – and they'll be the first to tell you, they can't you safe but they can make you feel safe. Big difference. What do we do with our children? We can't keep our kids safe all the time, but we can make them feel safe. That's what a strong police department does. That's what strong supervisors allow to be done. They allow the command rank to have the confidence that they will carry out the duties needed.

The patrolmen that are out on the streets looking to these supervisors say the guys in there have been where I'm at, and I trust them. I trust them with my life. What more could we do as commissioners? What more could we do to get a fairer contract here? Not only fair to them, but fair to us and fair to the citizens. We've met the objectives. We negotiated. I think I ask, and I say this and I'm trying to say it humbly, the position of a police commissioner is one of great power but we don't use it. You never hear about us. We go about our job for \$100 a year. The men and women that have come before me as commissioners have great integrity, and I hope to meet the standards that have been set. As I stand before you on behalf of the commission and the union, I say please consider this contract with the integrity it's been brought. We're going to contribute back to the City coffers about \$560,000 out of this year's budget. I forget the exact number we contributed last year – my first year as a commission. Maybe Timothy Hefferan or Deputy Chief Conley know. We don't spend money willy nilly. We don't spend money because it's in our budget.

There's a clause in there that Thomas MacLeod indicated whereby if another union negotiates something other than a zero in the first year, that they have the right to open. What I would suggest to your gentlemen tonight is this can establish a fair benchmark. Police willingly and hard negotiated a zero in the first year. Every other contract coming forward that's your benchmark. Maybe to give back on the health insurance is not what we ideally would want, but it's something, it's a start, and it's fair.

The increases in salaries. Not at all unreasonable given what these gentlemen deserve. I say that respectfully because we need to retain them. I tell you the hardest part of my job as the newest police commissioner is looking at the strength chart going where are we getting our people to replace those that are leaving? We put out and advertise – if we have a class of 100 potential candidates, we may interview 8, and we maybe hire 2. Every time one of these gentlemen leave, they are replaceable but the institutional knowledge they take costs and has the potential to cost us money. I think we're all as the commission, and the union head, and the Deputy, and the Chief, and Attorney McNamee are willing to answer your questions. But my question would be if this contract is not palatable, what is? As we go along with this union and the contract wide open, you can't replace the people. At a certain point the fissure and the fraction in our department will be felt on the street. Without a contract, they continue to do the job. They continue to show up for work. They continue to follow the chain of command, and we see nothing but continued efforts to make my community and your community safe and more importantly make us feel safe. It is important for the business. It's important for the schools. It's important for the citizens to have that. These 32 individuals have negotiated in good faith with Thomas MacLeod at the helm. Believe me, it went back and forth for the 2 years that I've been on this. Two years without a contract, I'm done in

September of '08. That's when I run out. I hope that this contract will succeed my membership on the commission because it's the right thing to do, and it's the right thing to do now for these 32 individuals. More importantly, it's the right thing to do for the police department and our citizens. I'll certainly entertain questions. Thank you.

Timothy Hefferan

Mr. Chairman, members of the Budget Committee, it would certainly as part of my swan song be very easy to advocate for these gentlemen here and talk a little bit about from tugging at your heartstrings, they are some of the finest people I've ever been around in my life. But my job as a police administrator is not to talk from emotion but to talk from facts. My charge is to make sure that the officers who work here in the department doesn't lose its focus, his moral, his momentum, and ultimately the department's mission.

You may recall back about 18 to 20 months ago we had a general discussion having to do with contracts. During that time, I think it was you Alderman Deane that asked me if I had any thoughts. I spoke briefly about Manchester PD. It is rare in this business that we have and you have the ability to have hindsight, and I'm telling you this evening, that you do have the opportunity to have hindsight. When I look back at Manchester PD, and I mentioned this during that meeting, I talked a little bit about my concerns about extended contract talks. I knew from first-hand experience what had occurred in Manchester back in the early 90s. There were concerns about the duration of their contracts. As a result of that, the toll that it took upon that department not only then, but I can tell you factually that it continues today. They went several years without a contract. All the concerns that William Barry has alluded to tonight they are all trends and they're based upon trends and developments that I've been watching for a number of years now. With respect to our departure rate, we've had 32 people leave in the last 2 years through resignation and retirement. We advertised recently and got 470 people to apply and actually pay money for a police test. A third of those never even got out of bed after they paid for it. Out of 470 paid applicants, 109 were left standing to interview.

I've heard some members of the Board say before that our standards are too high. They're the same standards that we had in 1979 when I was hired. They're high, but they're no higher than they've ever been. There is a phenomenon across the country with respect to all agencies having difficulty in hiring and attracting people. There's a myriad of reasons why there are no people that are looking into the police field. There are a numbers of reasons to do with the high tech industry. Many of the people that are predisposed to this type of work are in Iraq. At the same time that we're having these departures and the inability to attract and recruit, we're also seeing a level of crime that is increasing. Robberies are up 76 percent this year. Assaults are up 86 percent this year. Burglaries are up 10 percent, domestic violence is up 14 percent, and assaults are up 62 percent. I am looking at these trends and I'm concerned with the rate of departures coupled with the difficult in recruiting as well as the moral and the momentum as we go forward.

I've been before this Board a number of times in the past. I can tell you that I've never embellished our position no matter how desperately I wanted a contract, or a budget, or any particular purchase. I'm not going to embellish any of those facts or figures tonight. As I said, I am dealing strictly with facts and figures and not from emotion with respect to this. I respectfully ask that you consider this contract for many of the reasons that William Barry has alluded to. It is rare in this particular instance that you do have the ability to have hindsight as 20/20. Manchester today ahs the FBI,

DEA, INS, sheriff's office, State police up there patrolling side by side with them because they lost their momentum, their focus, and their sense of mission up there through the 90s and they are paying a price today. All you need do is pick up the paper or watch Channel 9 each night, and you get some sense as the balance. There's a reason why 18 miles north of here there is what there is. In 4 miles south of us in Lowell, there is that problem and yet they drive through Nashua.

What I'm saying to you and asking you is to consider all of that in the context of what William Barry has eluded to. They are facts and figures that we have derived this information from that make us think that this is a fair contract and more importantly, allow us to continue on with the focus and momentum and the moral that we have had for some time now as we go into some difficult times with increases in a lot of serious crime. Thank you very much.

Donald Conley

I've been working with Attorney McNamee as the department's consultant if you will during the course of negotiations. There have been many good points made both William Barry and Chief of Police Timothy Hefferan concerning the contract. I'll state this. In the past several years, it has been that long that we've been in negotiating. The core of professional people that this contract represents – they've listened to this Board. They've listened to the Board of Aldermen. They take the health care issue seriously. They understand the need for them to increase their contribution. Thomas MacLeod mentioned that he's part of the Health Care Advisory Committee for the City, which I believe the Mayor started some time ago. Thomas MacLeod volunteers his time to be on that committee. That should show you that in his representation as a professional, it's responsible. He is truly buying into as are his members buying into the need to be looking at this health care cost and the sharing of those costs.

I think another significant point here, and it's been mentioned a number of time, but that zero percent in 06. They've agreed to do that. That's a zero for however long they work here. I understand that. It's something you never get back. Again, I think it relates back to their loyalty to the community and to the City. I think the contract is fair to the taxpayer. It's fair to them. Thank you.

Alderman Williams

This question is for Attorney McNamee. You negotiated on behalf of the Commission right?

James McNamee, Esq.

That's correct.

Alderman Williams

William Barry mentioned that the zero percent in the first year kind of set a bench mark for other unions as they come forward – kind of lay the ground work. Would the 2 ½ percent change to the health care, would that also set the same type of benchmark? For example, let me give you an example, if another union has negotiated 90 percent and they had a clause in there that said it could be reopened if another union got a more favorable deal and this one was approved at the 92 ½. Wouldn't that reopen the other contract?

James McNamee, Esq.

I think you might want to ask exactly what Commissioner means by a benchmark.

Alderman Williams

Let me ask you. Leave the benchmark right out of it then. Let me ask you this. If the secretaries were to get a contract approved at 90 percent but has a clause in there that says if another union gets a more favorable position on health care, theirs reopens. These folks come through and they get 92 ½, wouldn't that not reopen that portion of the secretaries contract?

James McNamee, Esq.

I suppose that would.

Alderman Williams

It would. So that would set the benchmark at 92 ½ citywide? Is that right?

James McNamee, Esq.

It might, but you actually have all of the contracts you have in front of you have a greater concession in this present fiscal year. The ones that you've had under consideration before and the ones that have been presented. I can't speak for the ones you're talking up tonight. So I'm not sure that – there's going to be a direct cause and effect. Could it happen? It could. But as you know the UAW contracts that we negotiated didn't have that sort of step wise progress in them.

Alderman Williams

I understand how it comes in steps. In September of 2007 we go to 92 ½, and then in September of 2008 we go to 90. I guess that's my question. If this is approved as it is, because most contracts say if another union gets a better deal in health care, and raises, or what not I guess that's my question. If that's where we're at citywide?

Chairman Deane

Those are the me too clauses.

Alderman Williams

I do appreciate – most of the contract looks pretty healthy. I just wonder out loud where we're at with this 92 ½ for this year?

James McNamee, Esq.

I think just to speak to it, what the union was concerned with is others have come forward but none have been approved of course. This union and every union that I've negotiated with has been very concerned about being the first ones out there. Because there has been a history in the past where

being the first ones to take a step and then the rules change and somehow they've given more of a concession than anybody has.

Alderman Williams

Right.

James McNamee, Esq.

That actually happened to this unit in one of their previous rounds in negotiation. I believe dealing with health care, in fact. So they're particularly sensitive to that. They wanted to ensure, I think, is the best way to say it that the union could take that step which they view as a step that's been requested essentially by the City, although they've negotiated with the Commission, and know that they won't be the only ones who do it. That's really the only intent of that. Whether or not it's going to have the cause and effect on other contracts, I can't tell you. It's not on the table with any other City Hall unions that I'm working with. They really are, frankly, gun shy about the fact that if they're the first one and everybody's got that problem and they take the step, and then nobody else does, where does that leave them? It's just some insurance for them on that. It's unlikely that you would give, frankly, that you would approve the cost items for anything with a greater health benefit in this fiscal year or the next fiscal year.

Alderman Williams

Thank you.

Alderman Flynn

I really don't know how to go about this. When I looked at these contracts my initial impression was that this is one of the fairer contracts that we've seen. To go back to some of your earlier discussions, I think I do a pretty good job of trying to talk to people throughout my ward. As genuine as I can be, I think that I other than someone complaining about an overnight parking ticket, people are very appreciative of the services that they get from the Nashua Police Department. That is not an issue. I think the budgets that have come forward to us, I think; we've been for the most part pretty fair at trying to generate appropriations that would match your needs. I think there's certainly no animosity. There's certainly no ill will between this Board of Aldermen, certainly not this alderman, and the Nashua Police Department. I would say that (inaudible) respect pretty permeates all those people that I talk with.

The problem we really have tonight is not, even though like I said this is one of the better contracts we've had come before us; we are in a pickle. We've got other contracts that are coming forward that have these same clauses in them – these me too phrases, that really reduce them to just side bar agreements. We've got something going but we don't understand the full exposure of what we have going. We're in that pickle. We're also in the pickle of somehow we have to come up with a plan. Some kind of overall strategy as a Board to come up with contracts that, for me at least, keep us under the spending cap. I'd say when we go through the numbers and we take the entire cost – rather than use the bottom line of your contract, what I try to do is take all of the items that I thought

were payroll related – longevity, overtime, holiday pay, uniforms, whatever those things might be. Actually that turns out to be on the average about 4 to 4 ½ percent per year. This excludes the health care side of it. That excludes the pension side of it.

As a City, I guess I'm not speaking to your contract but I'm trying to give you some idea of where we are in terms of good faith. As a City at \$220 million and a spending cap of 3 percent, that only gives us \$6.6 million to play with. If everybody that was on the city payroll were to get 4 ½ percent, the City payroll in terms of total W2 forms that the City pays out is about \$112 million. So at 4 ½ percent, that's \$5 million in W2 forms if everybody were to have the same contract as you. In addition to that if everyone was to be at 90 percent of health care costs, because of the way that health care is growing, we would still have an increase on the City's side of \$1.8 million. So you can see that we've already spent the \$6.6 million and we've left ourselves no room to move forward anywhere. We really are in a pickle. Like I said, I thought this was one of the fairest contracts that we've had coming forward to us. It really puts us at the limit of having to break the spending cap. Of course we haven't even talked about how much pension costs are going up, and dental costs are going up. We as a City have a lot of big issues ahead of us. What are we going to do with Broad Street Parkway? What are we going to do about the railroad? We're really in a pickle trying to find contracts that we as an alderman; I think the Board feels the same way. We're really in a pickle trying to find something that will work citywide. WE have to find something that's fair across the City. It's not to be disrespectful to one department or the other; they all render very good services for us. We're also kind of faced with not just this particular contract, we're faced with a lot of contracts that are coming to us with these me too phrases.

We are not allowed to negotiate contracts. I can't really say that if you change this number to one other number that I might be more interested. If you really were going to pay medical or hospital costs in 2007, I might be interested. I'm really not allowed to change numbers. We can strike phrases but we're not allowed to change numbers or begin to negotiate contracts. I guess I'd say my initial impression when I looked at this contract is I wanted to support it. As I worked through the numbers and recognizing that all units that work for the City of Nashua they be in the Assessing Dept., or the Fire Dept., or the School Dept., they all offer a valuable service. They all do good work. Unfortunately, all these contracts are coming to us with me too clauses. So we have to figure out how we're going to get around that. Quite honestly, no matter how I feel I only have 1 vote. So I can feel differently about this contract and maybe compromise myself. In the end, I can't control how other contracts are going to be voted on. So I can't put myself in a position of establishing this as a benchmark when, quite frankly in my opinion, this benchmark would put us over the salary cap. So as they say, we're in a pickle.

William Barry

Brief response. Thank you Alderman for your kind words. There is a health respect from us. We all work for the citizens. My role and the Commission's role we don't nearly put as much time as all you folks do into protecting our City budget.

A couple things I'd point out for the Police Department. In FY05, we returned \$660,000 to the City coffers from our budget. In FY06 we returned \$970,000 to the budget. In FY07 \$843,000 to the City budget. We just had a commission meeting last Wednesday and it looks as though we're going to return around \$560,000. We are in a pickle. What I suggest and what you're saying is all costs are going up. Costs are going up everywhere. What I respectfully point out to everybody

here is that their costs are going up. If they're not going to have a small increase in their salary, they're going to start looking to leave. I understand that citywide costs if contracts are approved will go up but what I would suggest to all of us here is that even the most conservative libertarian will tell you that if you don't spend for safety, you don't have a civil state society. In this cost that we present to you is something we as commissioners respectfully state we need this contract to keep our middle management as is stated, to keep the department moving forward. As a citizen, I am concerned about costs but more importantly as a commissioner I'm concerned about what happens if this contract isn't approved.

We don't negotiate an entire city labor contract with everybody all at once. We do contract by contract. What we suggest respectfully, the commission and the union, is this contract for those gentlemen, for this department, for this City, for this Board is fair. I can't and neither can you necessarily control what the next contract does. What I will say is that this contract is a necessity for our department. It's going to cost more. It's absolutely going to cost more when we start losing our individuals. That's just money never mind experience. Never mind the level of talent that leaves. Never mind the potential impact. We're not going to sit here, the commission's not going sit here and tell your potential war stories and horrors. That's not the way we'd ever do it. It's not the way I've seen my other more experienced commissioner do it. I'm not going to put out the what ifs the sky is falling. Quite frankly if you saw the reports that we see on a daily basis, a lot of activity. But it's controlled. It's controlled because of what they do. What we're saying to you as commissioners, I understand the costs. This is the best we can get but if we don't get this, costs are going to go up and there's a potential. I hope it doesn't occur, but there's a potential that the level of service goes down.

One police brutality case because we have to shift through a supervisor into a capacity role that he or she is not prepared for, then moves everybody up the chain, can far exceed the cost of this contract. I'm not suggesting it's going to happen and I think Risk Management, I don't know if anybody is here, they can tell you our issues with litigation with our department because of the level of competence are way down. They're way down in comparison to what other similarly sized cities have. So there are other costs that I can't tell you imprecisely with fact like the scientists would want, or the engineer that we save, but I can tell you passionately as my logic teacher would say, there is there. I appreciate and applaud your position Alderman Flynn and the position you take. I put you on one side of cost issues. I'm not sure if you'd ever get to this contract. We need people on the ends to balance the middle. What we as commissioners are saying is this contract is balanced. I'm not happy with it. Thomas MacLeod is not happy with it but we're walking forward. This is almost like a settlement. It's like a legal settlement. We've agreed that this is what is fair. We presented and respectfully state, and I'm not going to suggest go ahead don't worry about the other contracts. You got to worry about the other contracts, but what I'm saying is this contract is right for the City. It's right for the right reasons. Thank you.

Alderman Cookson

Thank you. I had some specific questions with regard to some points within the contract that I'd like to ask. I'll just open it up to whoever is best suited to answer. First I'd like to ask a question with regard to – Alderman Deane this is probably more directed to you – between pages 6 and 7 there seems to be an e-mail that's been submitted from Elaine Marcoum to Donna Graham. It's part of this particular resolution. I'm not so sure that it's appropriately placed in there. Even if there's an issue with it being there. So...

Chairman Deane

Basically we approve the cost items. This is just – remember we just went through this rigmarole with this. This is nothing more than an attachment that's included and can be amended with just accepting and placing on file. I don't know why this ended up in there. Maybe Attorney McNamee can answer that. It was sent from Elaine Marcoum to Donna Graham. It just says attached is a PDF file for the Supervisors contract.

James McNamee, Esq.

I have no idea why it's there. I did notice it on your website.

Chairman Deane

So that's a mystery item.

Alderman Cookson

Okay. Thank you. On page 11, Article 10 – vacation policies, there is a section I believe it's called "unused vacation accruals". It says, "vacations shall be taken prior to the end of the calendar year and may not be carried over without the specific approval of the Chief". My question would be how many requests have been granted to carry over that vacation time? I would just say within this – help me understand within this fiscal year, how many requests have you carried or granted?

James McNamee, Esq.

None.

Alderman Cookson

How many have been requested?

Timothy Hefferan

I believe 2. I could qualify that by saying I don't think those 2 requests were even of this union.

Alderman Cookson

Thank you. Article 13 – clothing allowance. I see from the chart that each year we increase the clothing allowance by \$25 going from \$725 in FY06 to \$800 in FY09. My question with regard to that is what's the cost for a uniform or clothing? What's prompting this \$25 increase per year?

Timothy Hefferan

It's largely driven by the market itself. I think pairs of pants, plain pants, are \$65 to \$75 depending upon the rank of the person and what embroidery has to be performed on it. Shirts that I believe \$40 to \$50. It's just driven by the costs and the markup that we're experiencing from the vendors themselves to keep pace with that.

Alderman Cookson

All right. Thank you. The next section, Article 14 – medical insurance. I'm looking specifically at paragraph D where it begins, "effective July 1, 2008". I've noticed in many of the other contracts that have come before us that there is the elimination of a named carrier. In this particular contract, I see that the named carrier continues. Could I have comment on that please?

James McNamee, Esq.

It may be even better to have Thomas MacLeod talk to that. All I can say is that this is extremely important to this membership that they know that this health care that they have is available to them. They play a very strong card at the table. Not to get into negotiations too much, which is they are in one of the most dangerous professions in the City. They need to know that they have reliable health care for themselves and their families. So they don't want to move out of this. But they have agreed, and as Thomas MacLeod said, he is working on the task force that the City is running in trying to come up with alternative health care plans and programs. So they're certainly willing to work with this. I think that's a sign of good faith for sure. I don't know if you need anything more than that, this is extremely important to this membership.

Thomas MacLeod

That was one of the things that was brought up and is actually in the health care report that was submitted to the Board of Aldermen. Of the companies that actually can provide health insurance in the State of New Hampshire, I believe there's only 6, of those we interviewed – if my memory serves me correctly 4 or 5 of them, of those 4 or 5 we found Anthem and Harvard Pilgrim Health care to be 2 of those that we would want to consider keeping here. We're looking in our health care consultant Jack Sherry works for over 200 municipalities. One of the first things he said at our first meeting back in October was when all is said and done; we will probably see Anthem remain as one of the carriers for the City of Nashua. We have a lot of people that enjoy having Anthem health insurance. Until the committee can actually explore and get proposals put out and RFPs in the fall and looking at other providers, maybe at that point we would consider something in the fourth year of the contract or when the new contract comes up potentially adding another provider or changing one. We'll have to see what happens. We're still exploring that with health care advisory committee. So we felt that it was best to leave it as is.

James McNamee, Esq.

Can I add just one other thing, Alderman Cookson? You'll note that in the first year of the contract Blue Cross Blue Shield Plan JWM, the expensive plan, was in there. One of the negotiated items was to negotiate that out. Of course the census of people using that was nothing in this union, but it's important to have that out because it was so expensive. If it were on the list, it would be something available to members.

Alderman Cookson

In that same section, Article 14, I'm looking at the section entitled "dental insurance". I'm just reading the first paragraph. "The commission shall ensure through the City of Nashua that a two person dental plan coverage A, B, and C is supplied at no cost to each employee covered under

this agreement, except for the single employees who shall receive 100 percent paid 1 person dental plan.” My question is – I have 2 questions in this section but my first one is where is letter C?

James McNamee, Esq.

Coverages A, B, and C are designated coverages under the dental plans. A and B does not refer to the A and B that you see underneath.

Alderman Cookson

What does it refer to?

James McNamee, Esq.

(inaudible) never model of literary skill, but I know that is the reason. A, B, and C are just different designations of types of dental plans.

Alderman Cookson

And there is no actual definition of A, B, and C within this particular contract?

James McNamee, Esq.

No.

Alderman Cookson

It's understood?

James McNamee, Esq.

Yes. It's a standard.

Alderman Cookson

By whom?

James McNamee, Esq.

It's a standard by Risk Management and the insurance department. Those are standard coverages offered by Delta Dental.

Alderman Cookson

How many single employees do we have and how many are taking advantage of this 100 percent dental?

Chairman Deane

There's a \$64,000 question for you Attorney McNamee.

Thomas MacLeod

I don't think that information is available this evening now.

Chairman Deane

Only Mrs. Anderson would have that.

James McNamee, Esq.

Actually the Chief looked like he was about to come up.

Unidentified Male Speaker

Not as far as the dental but as far as the health insurance, I have those numbers. Although I wouldn't provide the names, but I do have the numbers for people who have family plans. Seventy-five or 78 percent of our membership has a family health insurance plan. I do not have the stats on who takes advantage of what dental plan though. I will say that the family plan for the dental is picked up by the Nashua Police Relief Association. The members themselves that work at the police department have money withdrawn out of their checks on a weekly basis. It's a separate entity within the department. They actually pay for 100 percent of the coverage of the family plan not the City.

Alderman Cookson

I have a question with regarding to Article 17, the work schedule, Schedule A and B. I'm curious; again, I have 2 questions on this particular topic. First is who determines which schedule one works? Then as a second part to that is there additional compensation for those on Schedule A since they receive 17 less days off per year?

Timothy Hefferan

Administration management determines what work schedule each individual works based upon their job description and so forth. The 17 days off that one gets is if they work a 5 and 2. Most of our department works a 4 and 2. By working a 5 and 2, it's determined that you work 17 additional days that the 4 and 2 does not. So that's how they get those additional 17 days. So that all being equal in the entire department. They're all scheduled with the same amount of days off. Does that make sense?

Alderman Cookson

It does. I believe those are my questions. Thank you very much.

Chairman Deane

Let the record reflect that Alderman Tollner showed up at 8 p.m.

Alderman Teeboom

Thank you. At least there's hope. This contract is only 26 pages. The teachers' contract is 58. I won't be here for that. I have some specific questions also. I'm just trying to figure out this contract, although it seems like a fairly (inaudible) to deal with. First of all, question number one is I don't see a salary schedule Attorney McNamee. What happened to the salary schedule?

James McNamee, Esq.

Article 28 should have the wage statement in it. It shows the amount of money that sergeants and lieutenants will earn each of the years.

Chairman Deane

Page 23.

Alderman Teeboom

Are those steps?

James McNamee, Esq.

There are no steps.

Timothy Hefferan

There are no steps in this contract.

Alderman Teeboom

So that makes it a lot simpler. We don't have to do a lot of steps, and categories, and subcategories, and god knows what.

James McNamee, Esq.

It's pretty straightforward.

Alderman Teeboom

The second question is I heard the Commissioner keep referring to the first year of the contract. I'm trying to figure this out. Is this a 3-year contract?

James McNamee, Esq.

Four years.

Alderman Teeboom

Based on that, I see that their average salary increase is to what Alderman Flynn was talking about. The first four years, looking just at the salary – the compensation and not talking about total compensation, if I average it out over 4 years that's 2.88 percent per year because the first year is a zero increase. Is that correct?

Timothy Hefferan

Yes.

Alderman Teeboom

Then take the full compensation, especially with that 23 percent increase, I think on pensions. So there's a big whammy here. Your average is 4.55 percent. Is that correct?

James McNamee, Esq.

I haven't worked the averages. Your calculator is probably spot on.

Alderman Teeboom

Well we do a cost item, so we're dealing with the costs not into speeches. So referring to costs. It came out to be 4.55. So I would say, if you could confirm then – it's pretty easy to calculate, so what you get for salary within the 3 percent of the spending cap. If you take the total compensation, specifically due to pensions, there are very large hits in pensions, then it's 4.55. So we have to take that into account. That's on overtime. One of the things is always noted about the police department, maybe to the Chief as well as to the Attorney, one thing everybody always talks about when they talk about the police department is the overtime. You have more overtime in your budget than everybody. The last time I looked it was \$1.5 million.

Timothy Hefferan

Correct.

Alderman Teeboom

And that's not part of the standard compensation. That's extra.

Timothy Hefferan

That's correct.

Alderman Teeboom

This is the supervisors contract and not the...

Chairman Deane

23 sergeants and 9 lieutenants.

Alderman Teeboom

Right. We're talking about 32 people here who are supervisors. What's the average overtime for each supervisor?

Timothy Hefferan

I have no idea. I couldn't provide that to you tonight. I can tell you that most of the overtime is given to the patrol officers because that's where we're down 19 bodies. The way it's used is because we're down 19 bodies, that 1.4 million and then some is mostly for coverage. It's offset by the vacancies and the salaries that we've had through the 19 vacant positions. We can certainly get that to you, but I'm not equipped to give you that.

Alderman Teeboom

I'd like to get a number because I'm referring to Commissioner's twice, or 3, or 4, or 5 times referring to (inaudible) those people. I'm not totally sure you'll lose supervisors who get paid overtime. If they get overtime. That counting was not before us. So I'd like to ask for in the record if you would Mr. Chairman the average overtime.

Chairman Deane

So you want overtime...

Alderman Teeboom

If you could break it down by (inaudible) it might be even better.

Timothy Hefferan

Can you be more specific as to what you're looking for? For example, we have one sergeant that made quite a bit of overtime and we have others that have made none. Are you looking for the high earners, or are you looking for the average between, what exactly are you looking for?

Alderman Teeboom

I know about the 1.5 million in overtime in the budget. What I'm looking for is how much on average that you feel that one person gets all the overtime and some of them get none, then you can break that down. I'm looking for the overtime these supervisors get on average.

Just to let you know where I work, supervisors never got overtime. It's a police department thing and maybe it's a fire department thing. I never really thought about that. That's the reason I'm asking.

James McNamee, Esq.

Alderman Teeboom you asked me to check your numbers on the averages.

Alderman Teeboom

Yes.

James McNamee, Esq.

I just wanted to let you know the bottom line on the costing sheet where it says overall average increase – it actually averages out to 4.3875. The reason it may be different from your number is because the actual in this costing, the amount of overtime is slightly overstated. So it's probably slightly less than what you calculated.

Alderman Teeboom

So you have 4.38 and I have 4.55. We won't quibble. It's a small number.

Chairman Deane

Mrs. Anderson it's been stated that the overtime has been understated or overstated Attorney McNamee?

James McNamee, Esq.

On your costing it's slightly overstated.

Chairman Deane

So it's overstated on our cost analysis?

James McNamee, Esq.

Yes.

Chairman Deane

And what makes you...

Carol Anderson

What occurred on that is when it was costed out, it was costed out at 1 ½ times what the salary is, but it should have remained at a 4 percent increase and not a 6 percent because the 1 ½ is

already in the base number. So it should have only been at 4 percent. So that's why overall on the whole contract it reduces the annual amount by .15 percent. The numbers that Attorney McNamee gave are correct. Those are the ones we provided earlier.

Chairman Deane

So if you went down to the overall average increase, you would reduce each one of those by .15.

Carol Anderson

I can give you the numbers - on '07 that number should be 6.11 percent; on '08 it should be 5.86; and on '09 it should be 4.09. So when you average it out, it comes out to 4.39 percent overall over 4 years. Alderman Teeboom was correct. If you kept the numbers the same, it was 4.55. So the correct one is what Attorney McNamee said at 3.9.

Chairman Deane

What is '09 4.09?

Carol Anderson

The last one was 4.09.

Alderman Teeboom

And that's because overtime was overstated?

Carol Anderson

Slightly yes. We took 1 ½ times the rate. It should have only been at the straight 4 percent and not at 6 percent.

Alderman Teeboom

Well let me just say that I can figure out the average overtime. It's rather large because if the numbers are correct even within a few tenths of a percent – just to give you an idea. The last of the overtime budget, and I just want with me and verify this with me, is the overtime for the last year is \$448,746. If I divide that into the 32 people we're dealing with here, that's all we're dealing with here 32. We're not dealing with the other 200+ people. If I divide it by 32, I wound up with an average overtime the last year of the contract of \$14,093. That's on top of their regular salary. That's a lot of money for a supervisor.

Timothy Hefferan

That a lot of hours that they've spent getting too.

Alderman Teeboom

I don't want to give a speech, but that concerns me. You've got regular time. Then you've got regular time. Then you've got an enormous amount of overtime that your staff spends. The patrol officers spend and then the supervisors spent. Then on top of that you've got all these special services when you guys go out and stand and watching construction people as an example. I don't know. Some of your people must be half asleep by the time they get back from duty. We've mentioned this before because you've got regular time, you have overtime, and you have special time.

Timothy Hefferan

You did bring it up once before. As I said to you then and I'll say it again, you have no basis to worry about whether they're half asleep. We monitor it. They're responsible and there's no basis for that plan. They are not half asleep. They're extremely alert.

Alderman Teeboom

Well I wouldn't expect you to say anything else of course.

Timothy Hefferan

I wouldn't.

Alderman Teeboom

Aside the \$14,000 in overtime, let's talk – so maybe you don't have to answer the question. But is some supervisors get a lot more overtime than others and some get more than \$14,000 and some get less.

Timothy Hefferan

That's correct.

Alderman Teeboom

Some could have an appreciable more than \$14,000?

Timothy Hefferan

That's correct.

Alderman Teeboom

Maybe we should know what the top overtime earners are getting.

Timothy Hefferan

Can you tell me where you're getting \$440,000 figure? I'm confused as to how you're deriving that.

Alderman Teeboom

Right here. It's right off our sheet on the cost analysis. Just to give you an idea, the first year overtime is \$351,000. The next year of the contract is \$402,000. The next year of the contract is \$426,000. The last year of the contract is \$448,000. So the overtime keeps going up and I haven't yet computed the rate increase on whether that's a standard 3 percent increase per year.

Chairman Deane

Mrs. Anderson I take it that the Financial Services Department took a real fixed number and then they equated the increases on the average of overtime, and then tacked on the increase to the time and a half and just worked that number across with whatever the actual number that was worked in '05 so that could be tracked and '06 could be tracked. Then they took that average amount of overtime and tacked on the pay increase to the time and a half and just worked that number up.

Carol Anderson

Yes. In fact, that was the way it was done. Then in '07 I believe that that's an actual number then. So it's '08 and '09. If you actually took the last year, the '09 year and you subtracted approximately 15,000 from that number that would take care of the 4 percent versus a 6 percent. So if you take 15 off of that, then you're looking at \$433,000 instead of the \$448,000. That would be a more accurate reflection.

Chairman Deane

But when you look at these numbers, in '05 it was \$354,000 and then it dropped to \$350,000 in '06. Although it's a small fluctuation isn't a lot of the majority of overtime driven by events catastrophic situations that are...

Timothy Hefferan

That's correct Alderman Deane. We have no control over the predictability of what instances may drive the overtime. Although some supervisors may earn quite a bit more than others, I'm thankful that there are sergeants and lieutenants that do take that overtime because we do need that quality assurance out there. During the last 2 years because of the number of departures, we sent an awful lot of new supervisors to training to schools that take 2 to 3 weeks. During that period of time, we have to hire supervisors to fill in for that period. We seem to have reached a point where we don't have that turnover rate at the moment. Some of that overtime should level off. But there are a number of reasons that drive that overtime. As I stated to this Board before, I can show you the policies and I can match line for line the overtime we approve, where it goes, and for what purposes. There is no orchestration of monies going to anybody in this department.

Alderman Teeboom

Can you tell me this though as we talk about this – if you look at the '05 to '06 there's a slight decrease in overtime. I calculated it like a 1 percent decrease. But then the next year, there's a 14 percent increase in overtime. The next year it's a 6 percent increase on overtime, and a 5 percent increase in overtime. So why is there a decrease between '05 and '06; a 14 percent increase between '06 and '07.

Timothy Hefferan

Most of what I just referred to most of our supervisors that retired and we prompted to call the new ones and send them to these schools was during '06. Also off the top of my head, I certainly can't recall the nature of the crime and the activity that would have prompted that. It has prompted us as managers to completely modify our ability to look at overtime over the last 4 or 5 years. As I said, I can account for each overtime slip as to who gets it, for what purposes, and I am completely satisfied. Although I am not equipped tonight to give you specificity as to why one year is different than another. I am comfortable with the basis that we use when we made those overtime decisions.

Alderman Teeboom

Well you must have made quite an adjustment this year in FY07 that's what we're in. This is talking about FY07 so that's FY06.

Chairman Deane

I think the Chief just stated that through the retirement attrition and taking those who are moving up the ranks and they got their certifications and educational needs, there were others filled in for them while they were achieving those items. So that's where some of it came.

Alderman Teeboom

So you had a lot of new people that got certifications in '07?

Timothy Hefferan

We were actually backlogged to the point where these new supervisors spent 2 weeks at Roger Williams College in Rhode Island. We were actually so far behind, that we were sending 2 per semester. That went on for over a year. Every 3 to 4 weeks we were sending 2 more. That's how far behind we were with the amount of promotions and departures that we had. As a result when those folks are living down at Roger Williams College for 2 weeks, we still need the same level of supervision at the department assuring the quality of the work that's being done. I can point to '06 as being one of the more significant years that we had with respect to that.

Carol Anderson

When you look at the 14 percent, and if you take 2 percent off because we need to pay retroactive on the contract because they do receive an increase for '07, so we will pay a

retroactive on that amount. So if we turn around and its 14 percent, take 2 percent off of that because it was 6 percent. So its really 12. Then take 4 percent of that for the contract increase, and what overtime really increased was a total of 8 percent. That's what it really increased not the 14.

Alderman Teeboom

If you compared back to the base that they were making.

Carol Anderson

Yes. So it's only an 8 percent increase over the previous year.

Alderman Teeboom

Let's switch to something else. The health part. I think Alderman Cookson already talked about it briefly. On page 13 – I'm trying to understand the carve outs. A term that Director Lemieux likes to use. It means she can carve out prescription and go elsewhere. That's the guy I was talking about that came here from Springfield and told us you can carve out and go to Canada. I'm trying to read this language here. I think you need to be lawyer. Just in plain language, can this contract allow for carve out if this gets approved?

James McNamee, Esq.

I'm not sure what you mean. The language is in here.

Alderman Teeboom

Well you negotiated it. I hope you understand the language. I don't.

James McNamee, Esq.

I don't think carve out is so much a term of art. What this does is it designates effective July 1, 2007 there would be 2 health care plans. In addition if the City wants to, it can offer a comparable plan. It can design its own plan, which may include carving out prescription benefits to be offered by a pharmacy benefits manager. So it could be anything from simply a pharmacy benefits program that's being offered to a full health care program that would essentially compete with the other two.

Alderman Teeboom

Does this union do mail in? Do they have a prescription mail in ability?

James McNamee, Esq.

Yes.

Alderman Teeboom

They can do the mailing rather than going to the CVS and fill the prescription.

James McNamee, Esq.

Yes.

Alderman Teeboom

Now in this carve out, and you use the term carving out prescriptions, so it's a term used in this contract now. If Director Lemieux comes to us and says have I got a deal for you. We're going to go to Canada and buy all our prescriptions in Canada from this point on. What does it take for this union to approve that? Or does the union have to approve it? Does the language allow the City to this unilaterally?

James McNamee, Esq.

Yes the language does allow the City to do that.

Alderman Teeboom

Unilaterally?

James McNamee, Esq.

Yes.

Alderman Teeboom

Without approval by the union?

James McNamee, Esq.

Yes but the union members don't have to accept that plan.

Alderman Teeboom

Well that's what we're after. What good is it if they don't accept the plan?

James McNamee, Esq.

This language was negotiated so that City, because it's got the health care task force that's moving forward trying to design more cost effective health care and pharmacy benefits plans, has in response frankly to the fact that the named carriers are extremely important to this unit, we said okay but we would like the opportunity to present you with a better plan. So the City can develop a better plan. If it's truly a better plan in the market place, people will migrate to that from these 2 plans. That's what was intended.

Alderman Teeboom

I think I understand it now. You've got Blue Cross Blue Shield and I can come up to you and Director Lemieux comes up and says I have a Teeboom plan. Have I got plan for you. Then some of these guys can decide to go with the Teeboom plan or to stick with Blue Cross Blue Shield? It's up to them each individual person/member to decide that?

James McNamee, Esq.

Yes on the enrollment date obviously. There's a period of time when people can enroll and change plans. But yes each one would have that option.

Alderman Teeboom

So we can have 5 Teeboom plan and 22 in whatever they were in?

James McNamee, Esq.

Yes.

Alderman Teeboom

Let me go to page 17 – sick leave. I need to understand that as well. It talks here about you can accumulate up to 15 workdays per calendar year. Is that in addition to the vacation time?

Timothy Hefferan

Yes. They're two separate articles.

Alderman Teeboom

So Chief you're over 20 years in the service?

Timothy Hefferan

Yes.

Alderman Teeboom

So right now you're allowed 30 work days vacation time plus 15 work days sick time for a total of 45 work days – that makes it 5 per work week right? You could be 9 weeks gone and get paid if you don't take any sick time?

Timothy Hefferan

I could.

Alderman Teeboom

I don't know why you're retiring. I'm trying to understand where we're at. Outside detail, page 22. That's when I see officers with their yellow jackets directing traffic. Can you tell us in addition to the overtime, additional regular pay, how much money does the average person in the union make on outside details?

Timothy Hefferan

I couldn't tell you that. Some of them don't take any of the overtime outside on the roads and others do. So I'd have to get an overview of the entire thing.

Alderman Teeboom

I would say they would probably take an hourly pay cut and take \$36.81 an hour right?

Timothy Hefferan

The hourly rate for department overtime is certainly better than that of an outside detail on the side of a road.

Alderman Teeboom

I wonder if you could provide that? Can we ask for that also then – the average outside detail paid for each of the union members – for the average? You don't make it up between lieutenants and sergeants. So that's fine. Article 26.

The final question in on dental – page 14. I take it Attorney McNamee that's the Delta Dental plan?

James McNamee, Esq.

I think it is, yes.

Alderman Teeboom

It's a type, we can't correct it here, but a dental plan doesn't necessary have an A, B and C. I think you're talking specifically about Delta Dental that should have been put in language I think.

James McNamee, Esq.

Probably because these are not works of literary art for sure.

Alderman Teeboom

Someone ought to proofread these a little bit more carefully. It's certainly one of the easier contracts we've seen before us. It's straightforward. It's fairly easy to read except for a couple of these minor points. Thank you.

Alderman Tollner

Thank you. First of all I apologize for being late.

Chairman Deane

Apology accepted.

Alderman Tollner

First of all just before I forget. The dental insurance – I don't think you would want to name the dental plan Alderman Teeboom because we want the flexibility as we move forward to possibly change or use a different vendor in the future. I think there are some of the things in the contract that I think a number of us on the Board of Aldermen had asked for. One of them dealt with medical insurance, and that was to provide a little bit more flexibility to the City. On page 13 I think we have that with the flexibility of the City having the ability to add another health plan. If down the road we find it to both the employees and the City's advantage to choose another option as far as the prescription drugs, then the increases in the contract. This contract I know it was stated earlier is 0, 4, 4 and 3 ½ with an increase to the health insurance. So that's one of the reasons why I endorsed it and I'm very comfortable and I will support the contract. Thank you.

Alderman Teeboom

Just to point out to Alderman Tollner, you missed my point. My point was not necessarily that I was endorsing it. My point was assess plans A – Alderman Cookson picked this up – coverages A, B, and C. Without knowing what plan we're talking about, it has no meaning. So (inaudible) words A, B, and C ought to be struck or it ought to be tied to a plan. That was my only point on that.

Alderman Tollner

Okay. Thank you.

Thomas MacLeod

Can I just respond to the dental discussion? The dental discussion we never had any negotiations to change any language in the dental part of that article. So that's the language that's been in the contract for at least the past few of them. So nothing has changed. We didn't negotiate any language. That's the existing language as it stands today.

Chairman Deane

Now if we had gotten a highlighted version of the language changes, it would have been helpful to us but that didn't happen.

Alderman Richardson

I was looking at Article 18 – sick leave – on page 17. I was wondering if you could turn to that. Under retirement cash value you've got 2 paragraphs A and B there. I have a difficulty understanding both of them. I know that they didn't change from the prior contract, but I still have a difficulty with them. It says, "the cash value of accrued and unused sick leave in the amount of 120 days shall be paid each employee eligible therefore at the time of retirement from the department with at least 20 years service", etc. etc. There's no caveat there. There's no statement there that it's accrued vacation or sick leave. It's a statement that there will be 120 days. I was thinking that that should say up to 120 days of accrued, correct? Isn't this, in fact a cap? It's not everybody gets 120 days when they leave. If they've accrued it, then can take about 120 days. Is that correct?

James McNamee, Esq.

That's correct.

Alderman Richardson

So the way I read it says everybody gets 120 days.

James McNamee, Esq.

We're fortunate that the association has never read it that way. That's not the way it's been read nor the way it's been practiced. But yes you could; again, these are not models of literary clarity. I could see how you could read that in there. This has always been taken to read up to. So if you leave with 90 accrued days, that's your payout. If you leave with 122, you only get 120.

Alderman Richardson

How about your interpretation in the future? Maybe somebody would want to make a point of that and say this is what the contract says.

James McNamee, Esq.

I'm hoping you're not giving Thomas MacLeod any ideas.

Alderman Richardson

Well that kind of thing makes me nervous. Both of those paragraphs read the same way.

James McNamee, Esq.

But they have read this way since May 12, 2003. There was a single crew before that. This was a grandfather clause that was put in in the previous contract. All retirements that have taken place since then have considered up to the 120 days. That's the intent and the purpose of it.

Alderman Richardson

It would certainly that would be the intent, but we are looking at the letter of the contract and certainly people do that. Lawyers do that don't they?

Chairman Deane

You stated earlier Attorney McNamee that there was language that was stricken was new or changed and see the highlighted language?

James McNamee, Esq.

Any of the highlighted language we'd have a change to.

Chairman Deane

Under the sick leave, the contract that I got from Thomas MacLeod, that's highlighted as well.

James McNamee, Esq.

Right.

Chairman Deane

So it's new?

James McNamee, Esq.

Yes. The change was that it initially said something about for the – it's actual language. I can tell you exactly what it was. It just said "on the date of signature of the contract or July 2, 2002, whichever is later". Instead of having that language go forward, actually it said on the date of the signature of the contract. So rather than have that language going forward, which would have then actually created an exposure for people because this contract will be signed some time in the future. So all the people who retired could come back and theoretically and say this didn't go into effect until this current contract was signed. We just put the actual date when the grandfather clause went into effect so that it would be clear and everybody would know when it started. That's the only change to that article.

Alderman Richardson

I want to go to page 22 – outside details. I've calculated numbers. I'm okay with the number that's there. The question I have is – that's an hourly rate paid to the employee but what about the burden? I don't see anything in there about the burden. How do we collect the amounts due the City for retirement, and all the benefits, the health, etc.?

James McNamee, Esq.

It comes from the rate, which is what \$40 an hour?

Carol Anderson

Yes. It is inclusive in the rate. When it's billed out, it's billed for their hourly rate plus the cost of the benefits – the pension, the FICA, the MEDI, whatever is applicable. Plus there's also a small administrative fee that is collected.

Alderman Richardson

I guess I might as well get to the big gorilla that I see. That's these clauses. These reopener clauses. I was looking at the clause at the top of the page 14; the reopener clause there's the medical and dental. I was comparing that with the reopener clause on page 23 on the bottom for wages. They are worded quite different. The one for the medical and dental there's "if any city bargaining unit or other group of city employees negotiates a contract with more favorable health care package during FY08, FY09, then the city shall contribute 85 percent of the premium for option A, 95 percent for option B, and co-payments \$5 medical, \$25 hospital for the beginning in respect of fiscal years. Then I go to the wage reopener. That was a "shall". Then it says the parties agree that in the event the City approves a general wage increase a subordinated clause for any other bargaining unit in the city in the first year, the successor contract to a current or expired contract which is greater than wage increase provided for the first year of this contract, then the commission shall make a good faith effort to provide additional wage increase to the association to equal highest. So in one clause we're saying that the City shall do something, and in the other clause we're saying that the commission shall make a best good faith effort. I'm okay with that for the wages. Certainly the commission can advocate for the police. The problem I have is with the one for the health care where it says the City's fundamentally compelled to revert back to the 85 and 95 option. I have a problem with that.

As far as the costing goes, I've done computations. I don't have too much of a problem with the numbers there. I do have a problem with that clause because what that does is it opens Pandora's box. You can't really put your handle around that. What some other union might get affecting this contract.

James McNamee, Esq.

I think you've got the essence of the clause okay. Although I would just offer this one correction. The clause under the health care is not a reopener. It doesn't reopen the contract. It is a clause that says that we will take the step. This union is saying we're going to take the step but we need to know that if you do something better for anybody else in this period of time, then we go back to where we were. That's self-executing. There's no reopener or anything. That truly is a cost item for you to consider. The clause under the wages is one, which is just an opportunity if they're not satisfied with the efforts of the commission advocating on their behalf, they can reopen the contract. One way or the other, that would need to be negotiated, presented to you, and it would be a cost item at that point. At this point, it's not a cost item for you.

Alderman Richardson

The other thing I just wanted to state – there's been at least 2 different people who've stated that the union has come to us aseed to certain requirements that the Board of Aldermen have had. The fact of the matter is is that the Board of Aldermen had never really given you direction at all.

James McNamee, Esq.

That's correct.

Alderman Richardson

It's been the Mayor and his staff and the commission.

James McNamee, Esq.

In this case, it's the commission.

Alderman Richardson

As far as having that first year at zero, we've had a non-meeting discussing things before but we've not ever given you direction.

James McNamee, Esq.

I think that's where the concern not that there's a reopener, so it's really not a cost opener for you on that, but that's where the concern of the union lies. It's not really clear that this Board or a future board would still think that a zero in the first year is appropriate. If you were to start granting retroactive increases to people in the first year of their contract, this unit just wants an opportunity to come back to the table and negotiate about that. As for the health care, it is what it is. We're trying to move in a certain direction, and they're willing to go out there. For this unit, I have to give them credit because they are the ones who got their hands burnt the last time. They went out, took a big step, and everybody took a big step back after they did that. So for them to now be willing to go forward again and just say by the way if you don't deliver on it this time, if you give somebody something better, I want you to put me back where I was. That doesn't seem too unreasonable to me. I can understand you have a problem with it; you need to understand the mindset of the union that we're dealing with here. They've been burned once.

Alderman Richardson

Thank you.

Alderman Tollner

On the last couple of points. I have no problem with both of those clauses. I think Mr. McNamee stated both of them very well. The Mayor may have given some direction, but I think as stated in some of the meetings that we've had with the Police Commission, when they ask for some direction as far as where to go to, I don't think they received any communication from at least this board any guardrails where this board was comfortable moving forward with. I think we've asked all the unions to contribute more towards their health insurance. This particular union has done that.

The clause that they have asked for as far as protecting them as being one of the first unions to step forward is a very reasonable one. I look at that clause as a clause that would help us in dealing with other unions. If we are trying to get to a particular point with regard to benefits or health insurance, and we approved this contract, when we go to sit down and negotiate or communicate with other unions in those conversations we can say to them we've agreed to certain stipulations with this particular union and it behoove us to change and offer more lucrative benefits to those other unions. I think when you look at this particular contract, as I mentioned earlier, zero, 4, 4, and 3 ½ with the concessions on the health insurance. Really the only things they're asking for is if we go beyond that with other unions they're protected. I think all those issues are very reasonable ones for us to consider for approval. Thank you.

Alderman Teeboom

There is a flip side of course to what Alderman Tollner just said. The flip side is that with (inaudible) gotchie clause. I don't know what Alderman Richardson calls it; I call it gotchie clause. They come up and says you got a better deal than we got, we're going back to 90 percent and 85 percent and 95 percent. We're going back to where we used to be and the City pays more. The flip side is that forces us to make sure that every contract that comes in has this deal or better for the City being the City pays a little bit less. Then the next contract come in and holds it the way it is, meaning it's more favorable – it's almost (inaudible) that we have to reject that contract. Like a set of dominoes or like a deck of cards, this wobbly house all built up with the gotchie clauses, you pull one of them out the whole stack of cards come out. The first guy that pulls us in is going to get rejected no matter how good it may be in any other area. That's the flip side. You understand that?

Alderman Tollner

I do. You have to start somewhere.

Alderman Flynn

A couple of things. First off I don't know Mrs. Anderson if you could speak to this. This back page where we talk about city costs and status quo. Was there a reason why put the wrong numbers under FY06? We set FY06 but we put in the numbers for FY05. We've had problems with the data that's been coming to us. I don't think it makes any difference, but I wonder why or if that was a conscious decision to put the wrong number in? We have the status quo for city health costs and its 408, but this uses 359.

Carol Anderson

When I look at that it would still end up being the same thing because if that's the case, FY05 the 359 both years '05 and '06 would be equal. So it doesn't make a difference when you're looking for – it won't make any difference on the number. It would still be the \$51,000 overall 661.

Alderman Flynn

That's how I reasoned it out, but I really didn't know if there was something else behind it, or some other consideration in cranking out these numbers for us.

Carol Anderson

No. It would still be the same amounts in both lines.

Alderman Flynn

The other thing I'd like to go back to – I hear this expression a lot “we have to start somewhere”. Are we starting in the year 2006, or are we starting in the year 2007 in terms of a budget committee and in terms of the financial impact of this contract? Did the City set any money aside in FY06 for contracts? For contract increases?

Carol Anderson

The only amount that would be set forward is there was a clear directive that zero would be put aside for the first year. Zero would be in the budget for the first year of any new contract. Other than that, each division put in the amounts of money for the subsequent years. So there's carryovers. You see that on the escrow legislation and you'll see amounts for contingency negotiations, and then some of the other departments had some money in there. We put that on the escrow legislation to carry it forward.

Alderman Flynn

So was there money put aside in 2006 for that contract contingencies?

Carol Anderson

Unless they had some of the unions would have been getting an increase for '06. If they were supposed to get one and they had taken zero on a previous year or were going to take this, there's nothing in the previous year. So the first year of each contract I would say there is not money that's been put aside.

Alderman Flynn

That's where we're really struggling is when people want to figure out the average of these contracts, I don't think it works to figure out the average over 4 years. I think it works if I'm the guy cashing the paycheck. It doesn't work if I'm the guy that has to put the funding in for those checks because FY06 is gone and we're talking about the funding really for the last 3 years of the contract. Again, I know if you average out the 4 years, you fall underneath the salary cap. If in fact you recognize that FY06 is gone, people were outraged that year by the way even though there was no salary increases how much their taxes went up. There was quite a discourse over the amount that people's taxes escalated during that period. As we sit here on this board looking at the money that we've put aside in 2007 and again looking at 2008 and 2009 going forward for these 3 years of this contract, I still maintain that if you take this particular contract and factor in all of the salary costs and spread it out over all the units, frankly there's only 3 big units – teachers, firemen and the police, that's almost all of our salary costs of the city, those 3 units of the 112 million, those 3 units are 93 million of the \$112 million in salary that we pay.

So this is really where it comes down. You have to figure out how you want to handle those 3 groups. This is just a small section within that group. I hear this expression of you have to start somewhere. Again, I say that if you take all of this, the things that would show up for the 3-year period not the 4-year period. If you take all of the things that would show up on a W2 form, that turns out to be not the 4 percent at the top, you have to add in numbers below the line, you don't have in health care, you don't have in dental, you don't have in pensions. But all those other things that are there in this contract and show up in the spreadsheet over here. If you add in the overtime, if you add in the longevity, holiday pay, the clothing allowance, if you add those things in that turns out to be closer to 4 ½ percent. Four and a half percent over the total city payroll is \$5 million of extra spending if everybody got 4 percent. That's \$5 million. Our health care at 90 percent, this particular package is 92 ½; our health care at the share of 90 percent growing 14 percent a year is almost \$2 million. That's \$1.8 million increased. So we are at that 3 percent of \$220 million trying to call this the contract we have to start somewhere. This was a problem to me when I first came on this board.

Everything we looked at at contract time, everything that we did as a budget committee, we really couldn't touch. That was contractual. We were limited. We couldn't do anything about that. That's in the contract. We can't do anything about that. That's in the contract. Payroll and salaries are the biggest part of - again it's just about half of our entire budget. That doesn't count the other things that we have no control over. We've talked about those – the bonded debt, the pensions, whatever it might be – the pensions, the health care costs, all those other things that are over and above the payroll costs.

Again what we're doing is we're telling the next Board of Aldermen – if this is where we're going to start, we're telling the next Board of Aldermen that you are up against a salary cap the day you walk in and you're going to be up against it for the length of the contracts that you agree to if this is where we start. It's not a good place to start. I very much wanted to be in favor of this contract. I really thought that it was close to being what we could do, but it really just is not from my calculations just does not put us where we want to be to be able to meet the salary cap and meet the law that I believe we're going to try to uphold. Again, it depends on whether you're averaging 4 years or 3 years. The first year is gone.

Carol Anderson

I'd just like to make one comment. I understand what you're saying about the first year being gone. But the reality is this is still a 4-year contract. When you look back at what the police department has returned, did not expend it because of that time, the reality is it's still a 4 year contract and they have over time each year returned money back to the general fund. For them, they've spent less than they were allotted.

Alderman Flynn

Again, we're only talking about not their total budget. Today we're talking about just payroll right here. I would expect every division if we did do our job and gave them too much money or if they didn't need the funds, I would expect that that would be a standard practice. Although it's commendable, I think it's commendable for all \$112 million worth of payroll that we put across those employees that work for the City of Nashua. But the problem becomes that we have no money set aside for 2006. That year has come and gone. We spend at A rate, whatever that

rate might have been, we spent at that rate. We even had to raise taxes to spend at that rate with no increases in salary. That's behind us. Going ahead what are the costs of this contract going ahead? I think you've got to look at those 3 years and how they affect our spending based on what we're tying our selves into. Again, that's how we walked in here a year and a half ago. We walked in here with everything being contractual not much we can do about it. So we have to start somewhere. This isn't quite where I'm willing to start.

Thomas MacLeod

May I just make a comment? Through my research in preparing for tonight, I was able to come up with some information relative to funding for this particular contract. William Barry mentioned that unused monies for FY05 was \$660,000, FY06 was \$970. Last summer the Board of Aldermen approved a resolution to escrow \$350,000 to be used towards FY06 and FY07 salaries. Of that \$350,000, there still remains approximately \$305,000 that's still available for those particular fiscal years. I'm not a financial person nor do I attest to be, but it appears that the money is available there to substantiate and to sustain any raises during those particular fiscal years. Further the fiscal year that just expired on June 30th, as William Barry mentioned, there's approximately \$840,000 that remains. My suggestion would be respectfully just to pass another resolution to escrow some of those monies to sustain the contract for the remaining portion. If that were to occur, you would be able to fund this particular contract as well as the others at the police department without having to tap into any of the contingency negotiation money that was put aside for FY08 in the tune of \$2.9 million. We could self-sustain ourselves with our escrowed monies. So that would just be a suggestion. I just wanted to make you folks aware of that.

Chairman Deane

It's up to the department to bring forth their escrow requests. We keep bantering around these large numbers. A majority of the large numbers of dollars that were returned from the police department were appropriations that were approved by the Board of Aldermen that obviously weren't expended by the police department, and I'd say about 99 percent of it was payroll money where they couldn't hire enough staffing and things of that nature. The Chief and the Commission would come in at budget time along with the rest of the staff and say we need X amount of bodies to operate the police department. Karen Smith would give us this detailed program budget, which is a very nice document we get every year, and we go through it and the monies would go out. What transpires with the police department after that over their new hires and maintaining their staffing levels, that's an administrative function of the police department. I don't have anything to do with that. We give them the money they go and they set the staffing levels. But that's where the majority of that monies come in. Mrs. Anderson, what has been requested by the police department for escrow this year?

Carol Anderson

I'm not sure I have it with me.

Chairman Deane

I don't remember off the top of my head, and I have all that stuff in my truck. I know the school district came in with \$435,000 I think it was.

Carol Anderson

They requested the one from the prior year funding for the \$304,953. That was an escrow from the previous year. That is for '06 and '07. Then the other amounts are all small but not related to contracts. There's some for clothing. So it's the 304 is the only one that's been requested for that.

Alderman Teeboom

I have a question in that regard. This question got political constituent just the other day. The question was well why do they have the overtime. Do they really want to hire people or just keeping paying overtime? I've paraphrased that question. My question to you is the following – you have about 17 vacancies I understand.

Timothy Hefferan

Nineteen.

Alderman Teeboom

Nineteen at this point. If you hired any number of those vacancies would the overtime come down?

Timothy Hefferan

Absolutely.

Alderman Teeboom

The reason you have such a large escrow is because we fund almost a full force, correct?

Chairman Deane

Correct.

Alderman Teeboom

Then we have overtime because we feel that you won't be able to fill those positions and then you have to pull off the overtime. That's basically the way the system works. One thing you could do at the next Board of Aldermen meeting at the next session is to Alderman Flynn is you reduce the overtime. That's one area you could cut. It's an assumption that you still have salaries. Could you take the salaries for the positions that are not filled, can they be converted to overtime?

Chairman Deane

Yes that would have to be done by resolution. They can't transfer into the 11; they can transfer out. Correct?

Carol Anderson

And they can transfer amongst the payroll line items.

Chairman Deane

11, 12 and 13 lines.

Carol Anderson

Yes.

Alderman Teeboom

Yes and that's my point. It's not clear to me – this is for our next term, after you take your seat next term, and I'm here next term, we do the budget all over again next year, one thing I want to examine is that question because we do fund all the positions – and you'll be the Chief then, and we fund the overtime and the presumption that then all the positions will be filled. We don't have to do that. That's one comment I want to make.

The second comment I want to make is Alderman Flynn mentioned salary cap. There is no salary cap in the spending cap. The spending cap doesn't say squat about salaries versus non-salaries. It says there is a spending cap.

Chairman Deane

I think he meant spending cap Alderman Teeboom.

Alderman Teeboom

Well I'm just trying to clarify it. He's a big boy. He can take care of himself. So if you have a 4 percent increase in salaries, then a 3 percent, and either you hire less people or you cut a cruiser, or less in the police station. That's just the way the spending cap works. The spending cap is blind to just how this whole balance works by intent.

The final point I want to make, by the way, is a piece of housekeeping. The reason I was confused about the 3 years or 4 years – if you look at the body of the resolution it says July '06 and if you look at the contract it says July '05. One of the first things we've got to do is we've got to amend our resolution.

Chairman Deane

Mrs. Anderson, the majority of the money that's not used by the police department that's returned to the general fund that doesn't go through the escrow process is used to reduce the tax rate, correct?

Carol Anderson

Yes either to reduce the tax rate or to increase fund balance.

Chairman Deane

Right. That's what we've done with that money. We could look at reducing the police department budget by looking at the return funds, doing an analysis on the returned 11 line funds and what's in the overtime, and cut the overtime and let them sit over there and when Karen does her line adjustments she just goes out of the 11 and adjust it down. I think one of the other concerns that was raised by the Chief at one point is that we can do that or we can supply the funding, but he wants to make sure that we have the 11 line money in place to cover the new hires.

Alderman Teeboom

Not true. That was my point. He could switch from a 12 line to the 11 line.

Chairman Deane

Right but we can look at that Alderman Teeboom.

Alderman Teeboom

You missed my point.

Chairman Deane

I didn't miss your point Alderman Teeboom.

Alderman Teeboom

I think you did.

Chairman Deane

Well we can talk about that at a later date.

**MOTION BY ALDERMAN DEANE TO AMEND THE TITLE OF THE RESOLUTION BY REPLACING THE DATE OF JULY 1, 2006 WITH JULY 1, 2005
MOTION CARRIED**

MOTION BY ALDERMAN TOLLNER FOR PASSAGE OF R-07-235 BY ROLL CALL

ON THE QUESTION

Alderman Richardson

I still have a real problem with the way that this retirement cash value is worded. It's extremely poor wording. It opens the City liable to pay everybody who retires 120 days. It's there in black and white even though it might have been interpreted by people retiring in the past that there was a cap not to exceed...it says quite clearly in meaning that it's 120 days. I see that as a liability. I don't know how I can let that pass.

James McNamee, Esq.

You took me a bit off guard because as you said, we didn't negotiate Article 18 except to change the dates and put the dates in. The discussion we had before I conceded to you you could read retirement cash value as you indicate. However as the discussion went on, I went back and looked at it. I no longer would concede that to you. It does not expose the City. It's subject to the accrual rate, which is clearly stated previous to that. There's a maximum amount of accrual. There's no way that this could be viewed as a grant of additional time to somebody who's retiring regardless of what their current accrual balance is.

Alderman Richardson

We have another Attorney here, how do you read that?

William Barry

I agree with Attorney McNamee. The situation is that a retiree can only take what they've saved, what they've accrued. To read it any other way it isn't the pattern, it isn't the practice. I don't think Thomas MacLeod who I believe is also an attorney would agree with that would be the pattern practice of the retirees coming through the union.

Thomas MacLeod

I'm not an attorney but thank you for that. There have been supervisors who have retired with less than 120 days and the administration has not bumped their time up to 120 days to pay them that cash value. They accrue them on a monthly basis that shows up on our paycheck and what they have accrued over their time spent at the department is what they get paid. They don't automatically bump you to 120. There have been supervisors, like I said within the last couple of years, who have left who have had less than 120 days and that's what they got paid for.

Alderman Richardson

Nonetheless it's still poorly worded.

James McNamee, Esq.

It may be, but regardless of the practice, the wording is “an employee may only accrue a certain amount”. The employees before made 12 of 2003 and employees afterward. But there’s a limit on what they may accrue. Then the cash payout at retirement is the cash value of accrued and unused sick time. So clearly not a model of literature, no contract is, but it certainly gets the job done within the contract. It doesn’t rely at all on past practice, but clearly the past practice has followed the intent of the language. I knew you were concerned with that so I went back to it while the discussion was going around. I’m glad I got a chance to address your concern.

Alderman Williams

I just wanted to clarify my position. I talked at the beginning about contracts at 90 percent, 92, 95 – I have not supported contracts at 95 percent health care. I have supported 90. I said when I asked the questions earlier about 92 if it would impact other contracts, and it’s clear that it will which means if I vote in favor of this we’re pretty much setting ourselves up that 92 is the new number for all contracts. All the contracts have those me too clauses. I’m going to stick with the 90. I’m not going to support 92. So any contract that comes in at 92 I just can’t support. We need to get down the 2 percent. It’s just not doing it for me. The rest of it looks fine, but I just can’t take that part. Thank you.

Alderman Flynn

I would say that’s a very good point. A couple things – that in here as well as there’s at least an intimation under health care that this change in contributions for hospital visits and office visits for this particular contract doesn’t take place until the following year. So like contracts that might be coming before us later tonight or tomorrow night, that provision also would apply I would imagine to those contracts that they’re contribution towards hospital and doctor visits would not take place also in addition to the 92 ½ percent kicking in.

The other comment – I don’t mean to be argumentative at all, I’m really thought at first I could support this contract, but I’m not trying to be argumentative I assure you. I would say that when you return money to the City quite honestly as an alderman we make an appropriation we never anticipated that we were funding future year contracts with those funds. I mean we heard what your genuine needs were for that year. I think we tried to respond as best we could within the limits of the funds available. If you had had more resources, we’d be further along gang violence; we’d have more enforcement of speeding. You had a plan for those funds. The plan never, ever was to fund future year contract increases. It’s hard to think that that’s they way we would do that. Other departments don’t have necessarily the luxury of those kinds of returns to the City of Nashua. They’re budgets are a little bit more perhaps inflexible or certainly not \$15 million budgets, so they don’t have a couple percent for them is not an awful lot of money. Again, I don’t think that was anybody who signed off on raising taxes last year. The intent of that was for services with the police department. It never ever was to start putting money aside for future year salary increases. I recognize that maybe that money would be there for your first year, but again I don’t know where the money would come from for the next 2 years going

forward. Again, I've tried to be very attentive to what you've had to say tonight. I think you recognize that I'm trying to find something that I think creates just a little better balance for the City. All along I've never certainly felt that there was any situation here where we would be compromising or showing any disrespect towards your officers, the lieutenants, and the sergeants. I'm pretty sure you took it that way.

We struggle with this comment about bargaining in good faith. As Alderman Richardson said, we really don't have much of a chance to be involved in the bargaining. This is our only forum right here now to try to give some kind of general statements as to where we stand, or to just either accept or reject. We really can't go in then and say that if this number is 91 instead of 92, or if this number here were 80 days for sick leave accrual instead of 120, or it was 150 instead of 120 we're not allowed to do any of that bargaining. We don't want to get into that. It's difficult for us to think that we're doing everything that we can to bargain with you in good faith. We certainly tonight, at least I certainly think I listened very attentively. I do appreciate a lot of your comments. Thank you.

Alderman Tollner

I disagree a little bit with the last speaker. We have had an opportunity to convey to the different commissions and the different departments what the Board of Aldermen is comfortable with. We've had some meetings. So we did have an opportunity to express to the commission and the different departments what this board was comfortable with. We may not have all agreed, but there was an opportunity for every member of this Board of Aldermen to convey a range of what we were comfortable with. As a Board, I don't think we've done an affective job. I'm going to ask the President to schedule a meeting to provide everybody with another opportunity to explain to the different commissions and boards what we're comfortable with. We've had a number of contracts that have come before this Board whether they were UAW, or secretaries, or police, or teachers. We're all going to have a different opinion. Sitting on this Budget Committee for this term, I'd just like to find out from the Budget Committee's perspective what could they live with and what couldn't they with? Here's a perfect example of a contract where concessions have been made – zero in the first year and very reasonable increases with the union giving back some health insurance contributions. We can't come to a place where we can approve it. Like I said earlier and I'll repeat again, you have to start somewhere. It may not be at a level that we said we wanted. But my god we have to approve a contract where we can put a stick in the ground and start somewhere.

I'm going to ask the President of the Board of Aldermen to schedule a meeting with the Mayor again and provide every alderman around this horseshoe an opportunity to present or convey what they can live with. We've had some contracts where some aldermen said if you change this I'll vote for it. It was changed, and they still don't vote for it. I will ask again the President to schedule a meeting and allow each of us an opportunity to provide what we can live with so we can provide that information to the people that are negotiating on the City's behalf. Thank you.

Alderman Teeboom

I was going to support this, but then I listened to Alderman Williams talk about his 92 percent, and I listened to Alderman Richardson talk about the gotchie clause. Guess what, I'm taking a peek because this is fair game. Other union contracts are fair game because this clause is talking about other union contracts.

Guess what, I'm taking a peek. The next collective bargaining is going to come before us this very evening namely the teachers' contract. What the teachers' contract says – the City shall contribute 84 percent effective September 1, 2008. This is what the teachers' contract says. The police supervisors says effective 2008 the City contributes 80 percent. Right there there's a gotchie. If we approve this contract tonight, and this is to some of the blue shirt people there, then we cannot approve the teachers' contract because the minute we approve the teachers' contract there's a gotchie on the police department's contract. They're going to say I'm no longer doing the 82 percent – 80 percent because the City's paying 85 percent to the teachers. So you're going to have to take your shot at this thing. I'm not running for any office. So here's your shot. If we approve the police department's contract tonight, we cannot in all good conscious approve the teachers' contract. If we approve the teachers' contract and we approve the police contract tonight, then right away the police department can execute this clause. I don't see Attorney McNamee shaking his head in the negative. That's the gotchie. I don't know where we are with the 30 days thing, but I now move to postpone indefinitely until the next budget meeting this police department's contract to see what's going to happen to the teacher's contract.

MOTION BY ALDERMAN TEEBOOM TO HOLD R-07-235 UNTIL THE NEXT BUDGET MEETINGON THE QUESTIONAlderman Tollner

I won't support that motion. To the previous speaker and other members of the Budget Committee, when I say you have to start somewhere if you were to approve this contract tonight, that would relatively be the new starting point for some of the other contracts where you have to start or step off of. Some of these contracts as Mr. Mealey said the other night doesn't obligate the City to reopen those contracts. In the case of the secretaries' contract the way that wording was. If we were to approve this, again, this is a mechanism for us to lean against and then start new discussions with the other unions. That's one of the opportunities of approving this particular contract this evening.

Right now unless the Board of Aldermen, the Mayor, and the City can get all the unions to come together at one time and agree to exactly the same contract – and I've been on the Board for 14 years, Alderman Deane and Alderman McCarthy have been on the Board a number of years, I don't think we've ever been in that position for all the contracts would either be equal or come due at the same time. So your point is correct that if we were to approve this, the next contract that came up we'd have to make adjustments. We couldn't pass that because then it would affect this one. By postponing this one and then you're discussing the teachers' contract after this discussion is finished doesn't give you any more leverage in approving this one.

Alderman Teeboom

Just a question. Because what he just said, and as long as we're on this Board you vote up every contract, if we approve this contract tonight before the teachers' supervisor union, because this clause in the teachers' contract are you prepared to vote negative on the teachers' contract?

Alderman Tollner

I'll talk about the teachers' contract when we begin that discussion.

Alderman Teeboom

See that's a problem. That's why that motion is on the floor.

Alderman Tollner

Alderman Teeboom if I was to answer that question would you vote for this contract right now?

Chairman Deane

I don't want to get into this.

Alderman Teeboom

I am asking to indefinitely postpone to think about this number one and to look what's going to happen. I'm not negotiating with you Alderman Tollner.

Alderman Williams

I just wanted to jump a little bit. Alderman Teeboom brought up a point and the subsequent that's on the agenda. He brought up the part that's for option b. Option c is more in line with what we're talking about here tonight. The police contract, here's what we're discussing, the police contract also says that if anybody gets anything more favorable they go back to 95 percent. Here's a reason not to hold because the teachers' contract option c, page 11, says that they "91 percent effective September 1, 2008". In the police contract that we're discussing it's 90 percent in 2008. Therefore the teachers' is more beneficial; therefore the police go back to 95 if they're both approved. That's the problem. If they're both approved, the police go back to 95 because the teachers are at 91 and the police are at 90. It's already written in there. It's not reopened. It automatically goes right back to 95. So you can't have both. The police can't go to 92 and then next year go back to 95 and the teachers are at 91. If the teachers is approved, the police go back to 95.

Alderman Teeboom

Page 10 talks about 85 percent.

Alderman Williams

That's for option b. Go to option c.

Alderman Teeboom

I haven't even read the contract. They're inconsistent is my point. You've got to vote for one or you vote for the other. You can't vote for them both. That's my point. That's why the motion is on the floor.

MOTION CARRIED

R-07-236

Endorser: Alderman-At-Large Steven A. Bolton

**APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT
BETWEEN THE NASHUA BOARD OF EDUCATION AND THE NASHUA TEACHERS'
UNION LOCAL #1044, AFT, AFL-CIO, FROM SEPTEMBER 1, 2006 THROUGH AUGUST
31, 2010**

Chairman Deane

We got the updated clean copy on what day? Did that come Friday?

James Mealey

It was Wednesday or Thursday and then the column that had years of service was corrected and sent on Friday.

Chairman Deane

That didn't make it in our packets though? It was dealt with in the afternoon, correct?

James Mealey

I believe so.

Chairman Deane

These were all done at noontime.

Alderman Williams

Mr. Chairman you sent an e-mail on Wednesday evening. It says attached please find a clean version of the teachers. Is that the most recent?

Chairman Deane

That's the one that Mr. Mealey sent, and then it was further changed.

James Mealey

Only the column on the schedules that says years of service yes.

Chairman Deane

The cost analysis didn't change did it?

James Mealey

It wouldn't from that, no.

Chairman Deane

So you still have in '07 a 6.71, in '08 a 5.56, in '09 a 5.99, in FY10 it's 6.44?

James Mealey

Correct.

Chairman Deane

So that's good. And your status quo in your proposed contract changes to \$46,396,240? Did you get that page Jim?

James Mealey

You're talking about the health care...

Chairman Deane

These are the projected increase in health care costs.

James Mealey

The bottom number is 2.687451.

Alderman Teeboom

Mr. Chairman do we have a copy of the health projection? Was that sent with the new contract?

Chairman Deane

That's the last page of the resolution. The attachment with the resolution.

Alderman Teeboom

It didn't come with the contract?

Chairman Deane

Yes it did, but this is just an attachment. The contract is just an attachment to the resolution. It's not part of the resolution.

Alderman Teeboom

I know but where is the...

Chairman Deane

The very last page.

Alderman Teeboom

The contract itself or the resolution.

Chairman Deane

It's not numbered. It's the last 2 pages that Mrs. Anderson included. Do you have the cost analysis that was presented to the Board of Education?

James Mealey

The cost items were discussed in non-meetings with the Board of Education. I do not have that.

Chairman Deane

Wasn't there a cost analysis done for the Board of Ed. to review?

James Mealey

Yes it was done for the Board of Education. It was discussed in the non-meetings when they were talking about the teacher contract.

Chairman Deane

I never heard back from Mr. Dowd. Ms. McKnight did you have some opening words?

Alderman Flynn

I just want to be sure I get all the documents that we had here because it's gotten a little confusing as we've gone along. We had a resolution but that resolution didn't have any of the new appendices in it. Then we had a memo to President Rootovich dated July 9th, which was the salary schedules. Then I think this didn't work. I couldn't get this to work, and then there was a lot of dialog, and then we did get what we called the clean copy last Wednesday. That was a word document. That worked out okay. I printed that out. It still didn't work because when you

tried to interpret it, you couldn't use seniority and steps. That's what we talked about Friday in a couple of back and forth e-mails. Correct Mr. Chairman?

Chairman Deane

Yes.

Alderman Flynn

Now what's transpired now to clarify that? We're just supposed to cross something out on these pages?

James Mealey

No. What happened was I sent over the contract and I sent over the new schedules but I did not send them over together. I sent the contract over to the office of the Board of Aldermen and to the legal office, and I sent the schedules to payroll to Doreen Beaulieu because she does the costing. Assuming that the schedules would also be included with the contract but they were not. That's my fault for not following up. So when that was pointed out, I sent a letter to President Rootovich indicating that the schedules needed to be included as part of the contract. They had been approved by both sides.

Then a request was made of me to send over, again, a clean copy, which had the schedules in the contract – the body of the contract itself. When that was done, the column that reads "years of service" didn't change. It stayed the same. But it had to progress one year each time the schedule was changed. I made that correction and sent that on Friday to Alderman Deane. I think Alderman Deane sent it to everybody on the Budget Committee. The only difference between the first clean copy and the last copy was the column in the schedules that reads years of service.

Regarding those schedules, it's not that it's not important, but what's really important with those is whatever step you're on in a particular year you're moving to the next step. No matter what your years of service are or what it says on the schedule for years of service, whatever step your own you're moving to the next step the following year.

Alderman Flynn

What copy was the Board of Education using the clean, or the cleanest, or the original?

James Mealey

They used a copy that had all of the changes either bolded or struck-through so they could see what differences there were between the old contract and the new contract.

Alderman Flynn

Which was the clean copy? The copy we had the bold, and the struck-through, and the underlined, and the red, and the blue.

James Mealey

Right and they had they schedules, but the schedules were on separate sheets on paper.

Alderman Flynn

So they had the cleanest copy?

James Mealey

Well they didn't have any different copy from what you got, although the language went to you and the schedules went to get costed by payroll.

Alderman Flynn

That's fine.

Chairman Deane

Ms. McKnight did you have some opening words?

Jackie McKnight

Given the hour right now, I think I'll decline from comment at this time.

Chairman Deane

We have 15 minutes left of this meeting.

Jackie McKnight

Right so I thought you might want to get to the question and answers so that Mr. Mealey and I can help you sort out anything that you need help with.

Alderman Teeboom

At least in the 15 minutes get the closure on the question when I moved the motion to postpone the other one. Okay. Let's understand the health care thing because I even had a disagreement. It seems like Alderman Williams and myself, which rarely happens. Maybe this is a first. Could you help us out here? Let's go to the clause and figure out exactly what it is that you are proposing on the health care contributions. We can figure it out compared to the contract we just postponed because – and the reason we have to this now is because they're all interrelated. There's no contract anymore that stands by itself.

Chairman Deane

So we're going to go to Article 53, page 10.

Alderman Teeboom

Help us along here and tell us what it is that you're recommending.

Bob Sherman

I want to defer since I'm incoming, but the first thing Mr. Teeboom I would make a note on which may be different from what is in the other contracts – if you take a look at 53(b). You notice what's been added is the Harvard Pilgrim Point of Service Plan. Namely I'm a believer and personally of competition between health groups and that therefore is that I want to put on notice Blue Cross Blue Shield that now there is a plan that will challenge whatever rates their giving us for a Point of Service plan. Until this health committee, which I am a member of and have been very active both Jackie and I get off the ground.

Chairman Deane

Could you state your name for the record?

Bob Sherman

I'm Bob Sherman and I'm the incoming President for the Nashua Teachers' union. I served on teacher negotiation teams all the way going back to 1975, and in the health care area is that I have been a past member when Matthew Thornton started out as an HMO. I was a member of the Matthew Thornton Board of Trustees for a time period and have been all these years very involved in the health insurance and the health insurance language.

Alderman Teeboom

Anyway why don't you go to the percentages and dig right in to page 11 if you would. I'm comparing it with the previous contract.

Jackie McKnight

Are you looking specifically for a me too clause in this Mr. Teeboom.

Chairman Deane

Absolutely.

Alderman Teeboom

Absolutely. That's what concerns us. The me too clause...

Jackie McKnight

I don't see any language in there. I don't know Mr. Deane, do you have any...is there language in there that you see that you'd like me to address?

Bob Sherman

I just want to underline, there is no me too in this contract. I have laid out, I know the direction where you want to go; I've taken our negotiating team and I think the School Board has taken you down that road where you want to go. I know the HMOs is that by the end of this contract you will be at the 90 percent.

Alderman Williams

I just want to jump in. The me too was in the police supervisors' contract. Police Supervisors' contract called for if anybody had a better deal than theirs they'd revert back to 95 percent. This particular contract that's being presented to us this evening has an HMO at 91 percent September 1, 2008. The police were at that point going to go to 90 percent at that same date, but theirs had a me too automatic change back to 95 if anybody had a better deal. That's what I was referring to. This is exactly what this contract says on page 11 – 91 percent effective September 1, 2008. That's for HMOs and most of your – I would imagine, a disproportionate number of your membership is an HMO and not on the Point of Service. Isn't that correct Mr. Sherman?

James Mealey

Right. The percentages are in front of you. You can see that. I think the difficulty in determining if you're concerned about a me too clause – the difficulty in determining is this better or not because while the percentages aren't the same, there's a prescription concession that's been made by this group. Not being familiar with the police contract, it's going to be difficult to determine if one's better than the other.

Bob Sherman

But we do go in the following...

Alderman Williams

I did I have a question that I don't think was answered. I asked what percentage of the subscribers were on Point of Service and what percentage were on HMOs. I didn't get an answer to that. Does anybody know?

Jackie McKnight

Well there are approximately 597 members are on an HMO plan; 201, I believe, are on a Point of Service plan. There are another 200 that do not take health at all.

Alderman Teeboom

I'm just confused now. I'm looking at page 11 where it talks about 85 percent effective September 2008. What is Alderman Williams referring to?

Alderman Williams

You're referring to option b, which is Point of Service.

Alderman Teeboom

I don't see an option c.

Alderman Williams

It says it right there in the same sentence.

Alderman Teeboom

So there's different percentages for - their options refer to plans?

Chairman Deane

Yes. This is really poorly...

Alderman Teeboom

Let me just figure it out. No wonder the attorney left. I would have left too. I got to go home and get a sketchpad to sketch this all out. Not that I won't do it anyway, but I have to have a monopoly type pointer here because I can't figure it out. There's different percentages for different contracts. Meaning one is Blue Cross Blue Shield, one is called Harvard Pilgrim, and the other one is called Harvard. And there's different percentages (inaudible) to different plans. This is really wild.

Chairman Deane

Ms. McKnight can you give us an overview of this paragraph?

Alderman Teeboom

Yes of the whole plan, the whole thing.

Jackie McKnight

The contract the way it's written right now is very similar to the existing teachers' contract whereas there are 3 options laid out.

Chairman Deane

Can you explain to us whether it's existing or not. Can you just give us an overview of each sentence as it exists.

Jackie McKnight

I guess what you would be looking for – you want to know the percentage changes.

Chairman Deane

Right the 85, 84, 08 and 83.

Jackie McKnight

Basically what's happening is effective September 2007 the Point of Service Plan is going to go from 15 percent contribution to 16 percent contribution on the employees part. The following year we will go to 17 percent. Does that help?

Chairman Deane

And how many people in the district?

Jackie McKnight

201 on the Point of Service. Effective September 1 for the HMO, currently we're paying 5 percent. That number increases to 8 percent. Then the following September it goes to 9 percent. Then the last year of the contract, it goes to 10 percent. So there's a jump from 5 to 10 percent over the life of the contract. In addition to that, I think it's also important to notice as Mr. Mealey pointed out that there has been a change in benefits because the office visits are going to increase. Any teacher visiting the doctor is going to pay an additional percentage from \$5 to \$10; an emergency room visit is going from \$25 to \$50. That's effective July 1, 2007.

Then in addition to that, you'll notice that the teachers have also increased the co-pays on their prescription drugs. With 21 percent, I think, of the health care budget being driven by prescriptions in the City, we actually felt that this was more cost savings for the City than actual increases in premiums. Again with it driving the budget, I think it's 22 to 25 percent – I'm not sure. Mrs. Lemieux could answer that but I believe it's a very high percentage. So in that case, you'll see that we have increased, and those are pretty laid out right there on page 11 what they actually increase to.

Bob Sherman

Mr. Teeboom even though only b and c were addressed; the thing is it has to be addressed. The JWM plan is the top of the line. It's the old indemnity plan. The thing is is that the employer or the school system only pays the amount of the Point of Service anybody that still wanted the JWM plan has to pay that increase difference in cost. That was put in in the 1990s knowing that the JWM being so much more expensive. People were dropping out, and that's indeed is what happened. People have dropped out of the JWM plan, moved to the Point of Service plan because of the increase in costs. I believe in the City there's only 7 individuals. Those individuals, I believe, are retirees. They're living outside this area, and therefore wanted to make sure their health care costs were covered whether they were in Florida, Arizona, or so forth. Just to give you a historical background.

Chairman Deane

There's still 3 or 4 active employees that pay the \$1,600 plus a month for a family plan or whatever.

Bob Sherman

Yes but they're picking up that difference from the Point of Service to the JWM. I knew this was going to happen and this was the purpose. The teachers were the first to agree to making that change.

Chairman Deane

Was there a smaller demand to maintain that plan within the rank and file?

Bob Sherman

That's where into the issue of retirees and there's some individuals there are. That's why I think eventually costs will catch up to them. It's not costing the City anything more in addition because your costs there are limited to the Point of Service –b.

Chairman Deane

But the retirees working rates are predicated on your use correct?

Bob Sherman

No. You need to talk to Maureen further about it, but they have their own group but it's their group is part of everybody's group.

Chairman Deane

Right so their rates are predicated on your use.

Jackie McKnight

But the rates are set for individual plans. So the JW use the use of that plan is driving that rate.

Chairman Deane

But they still benefit from it, the retirees right? It still costs us money to have the retirees on the plan then?

Jackie McKnight

It's no more than under the Point of Service – I think what Bob is trying to say is that they have to contribute as much above whatever the Point of Service is. So it's not costing you additional

because even if they were on that Point of Service, you'd be paying the exact same amount. They're picking up the difference.

Alderman Teeboom

Mr. Chairman on the surface of this thing, I can't value what the prescription cost is. The percentage I can understand. The percent deals the teachers (inaudible) and the City pays more – the City contributes more on the teachers' plan no matter which option you take than the police. That's my point. So if we approve this teachers contract and then we turn right around and approve the police department's contract, the police is going to turn right around and say we want the same deal as the teachers have. That's my problem.

Unidentified Male Speaker

That's actually reversed.

Alderman Teeboom

No it's 91 percent.

Unidentified Male Speaker

It's 90 and the police were going to 90 and this is 91.

Alderman Teeboom

No 90 percent is the police so 90 percent and 85...

Unidentified Male Speaker

Police are going to 90 percent on September 1, 2008. The teachers are going from...

Alderman Teeboom

Let me finish. The City pays 10 percent in the police; the City pays 9 percent or 8 percent something in the teachers. So the City pays more for the police.

Unidentified Male Speaker

Which then reverts the police back to 95.

Alderman Teeboom

That's right. So the police says we want the same deal the teachers have. That's the problem. That's the problem. I was just about ready to approve the police department's contract because I thought the 4 percent I could live with until I saw this gotchie clause. It's Alderman Williams that pointed out the gotchie clause. In my opinion if you want to approve the police department's contract, and I do, then we cannot approve the teachers contract without asking for objection of

this cost item, which rejects the contract. They've put us into this position. We didn't put ourselves in that position. Our negotiators put us into that position.

Chairman Deane

Is there language in the secretaries contract with a reopener clause?

Jackie McKnight

I'm talking about the teachers' contract tonight. The secretaries' contract...

Alderman Teeboom

I'm sorry I mean teachers.

Chairman Deane

We're talking about a problem where there has been language to all these different contracts that, you can call it whatever you want to call it, but each contract triggers another cost item in another contract that somebody approved. So if you approve this and 6 months later you approve another one, then it triggers this and it triggers that, there's a net effect on these cost items that if you – they work against one another. I'm sure there's a reason for it. The clerical has a reopener clause.

James Mealey

Yes it has one similar to the one Alderman Richardson referred to earlier which he said he didn't have a problem with in that it only...

Chairman Deane

On the wage side?

James Mealey

On both. It refers to both in the same paragraph saying that they have the right to just (inaudible) negotiate or open negotiations, but it doesn't obligate the City in any way to change it.

Chairman Deane

The word "may" I believe was the hinge that was described by you at our last meeting.

James Mealey

Well as I said at the last meeting, it only obligates us to go back to the table with them but not to make any changes.

Alderman Teeboom

I'm sorry not the teachers' contract not the police – the contract said “then the City shall contribute”. There's a reversal clause that's a non-negotiable reversal clause in the police contract. It says if anybody got a better deal, we go back to where we were. Irreversible clause. It hits like a hammer blow.

Chairman Deane

Okay we understand that that's cast.

Alderman Cookson

Just a quick comment. I'm having less issue with the police contract as we continue to discuss this. I would rather pay 95 percent for 32 employees than I would looking at 965.3 full time equivalent employees for the teachers contract as they go down from between 85 to 80 percent. So even if this contract is percentage wise is better or seems better and the police supervisors, lieutenants, sergeants want to reopen negotiation or not even reopen negotiation because it automatically goes back to that 95 percent, it's 95 percent for 32 employees. Now I understand that we also, while we're also looking at these individually, we have to look at them holistically. So yes we do have to be aware of the secretarial contract. We do have to be aware of the teachers' contract. All the UAWs. We have to be aware of those, and we have to watch those very diligently. But as we look at this in comparison to the one that we just reviewed, I'm having less issue with having the police at 95 percent just because this contract is a bit better.

Alderman Tollner

I think the people that are negotiating – first of all I think we have 2 issues. I think as I stated earlier this Board of Aldermen has to come up at some range that we're comfortable with. But the people that are negotiating the contracts on the City's behalf it's clearly evident that they're not talking to each other. These clauses are absolutely in conflict with each other. I think the Mayor needs to have a meeting with those individuals that are negotiating the contracts and those individuals that would like to get agreements for their membership together and make sure that the left hand is talking to the right hand. They clearly are in conflict with each other. I come from the school if you approve one contract then you can start from there and work towards other arrangements with other unions. It's done in other municipalities. But you have to get all the negotiators in the room and have an understanding of whatever the me too clause is that there 's some level of consistency across the different unions regardless of whether it's UAW, secretaries, fire, police. We have another 3 hours worth of meetings and I don't think we're any further along in any of these contracts than we were before anybody came in the chamber tonight.

Again, I'm going to ask the Mayor to get a meeting together both with the Board of Aldermen as well as those people negotiating the contracts to get some clarity as we move forward. Otherwise, this isn't going to work. It's clearly evident that it's not going to work. Thank you.

ADJOURNMENT

**MOTION BY ALDERMAN TEEBOOM TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 10:03 p.m.

Alderman Daniel Richardson
Committee Clerk