

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(Called by Mayor Guinta)**

April 9, 2007

4:00 PM

Mayor Guinta called the meeting to order.

Mayor Guinta called for the Pledge of Allegiance, which was led by Alderman O'Neil.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard, O'Neil, Lopez, Shea,
DeVries, Garrity, Smith, Forest

Absent: Alderman Thibault

Mayor Guinta advised the purpose of the meeting is to provide an opportunity for discussion regarding the FY2008 budget. We'll see how much time permits... allows for this meeting, but I think we'll go as long as we have to tonight, so I may not be able to attend the School Board meeting. We're going to go in the order of:

- a) School
- b) Fire
- c) Police
- d) Building
- e) Assessors
- f) Office of Youth Services
- g) Senior Services

Then if time permits:

- h) City Solicitor
- i) Human Resources
- j) Finance
- k) City Clerk

School Department

Dr. Michael Ludwell, Superintendent of Public Instruction, stated good afternoon. We appreciate the opportunity to review the proposed '08 budget and the impact it may have on the School District. Ms. DeFrancis, who is the Business Administrator, will start with a little bit of background.

Ms. Karen DeFrancis stated the report that we had sent on Friday, and we have two reports here: the impact of the Mayor's budget, as well as our budget book, which we had sent over on Friday. On the impact of the Mayor's budget, the first section of the report identifies the variance from the Board of School Committee's budget of \$150.6 million to the Mayor's budget of \$147,250. This is a reduction of \$3.4 million to what the Board of School Committee had approved on March 12th. The Mayor's budget indicates a reduction of 46 teachers, which the district has calculated at a cost savings of \$1.8 million for these positions, leaving a balance of \$1.6 million that has to be made up in other line items. We have not recommended a plan to the Board of School Committee as of this point, and are working on identifying costs associated with options that the Superintendent will now discuss.

Dr. Ludwell stated thank you again. The pack that we distributed Friday included a section on possible options. These included everything from Building Maintenance reduction and elective offerings at the high school level to reduction in supplies, reduction in the Textbook line item, savings from increasing transportation two miles, staff reduction through attrition, plus approximately five other options that we are also looking at. We're in the process right now, as Ms. DeFrancis said, of costing out each one of these. I would imagine when we present to the Board, it will not be a single item but probably some combination thereof.

Ms. DeFrancis stated I don't know if everybody brought the budget book with them, but I'd like to briefly go over just some of the impacts on our expenditures that we were faced with this year. On the first page of the budget book, you can see that we had some major fixed increases from the '07 budgets when we were budgeting for '08. All of these increases added up to \$3.3million. They include \$635,000 in the increased debt service that was given to us by the City Finance Department. We have \$2.7 million in increased severance payments. For fiscal year '08, we have 117 teachers retiring and last year, in fiscal year '07 we had 41. So the impact of that is \$2.7 million on the '08 budget. We had the mandatory increase in the State retirement contribution. The rate, which is dictated by the State, went from 3.7% to 5.8%, and that is going to cost the School District \$1.4 million in the fiscal year '08 budget. The step increases that are mandatory as well are about \$1 million, for a total fixed increases of \$5.7 million. Some offsets to that which we were able to achieve were the savings by replacing retirees with employees at a lower pay scale. Typically we budget for...in the past we've budgeted for those replacements at a BA5, and for fiscal year '08 we were a bit more conservative and budgeted at a BA3. So we achieved a little bit more savings than usual there. And that was a million dollars. And also we had some position eliminations, 29.5 in total, which included 25 at West, due to the Bedford situation, and 4.5 in the Administration Building. So again, the total net fixed increases before we even start the budget process is \$3.3 million that we had no control over.

Dr. Ludwell stated one other item I'd like to mention is that as we've reviewed this budget with the principals, I think to a person, every principal felt that, in making cuts, we should

try to protect the core classroom teachers as much as possible. So I would anticipate a final proposal to the School Board would decrease several other items prior to the issue of staff. I would like to end, and then entertain any questions, that this was already a very conservative budget that the School Board approved. A \$3.3 million reduction will have a significant impact on the School District. Having said that, we would entertain any questions you might have.

Alderman O'Neil stated I don't know if this would be for Dr. Ludwell or for Karen. The step increases that you identified in your budget book is a fixed number. Is that, so we're talking apples to apples, is that cost of living or is that longevity steps or what steps are they?

Ms. DeFrancis responded they would be both. The majority of them would be, obviously, the teachers. Next year, even if the contract is not settled, we still have to bump the teachers up. So if they are currently a BA1, next year they would go to a BA2. So that's the cost associated with bumping the teachers up, as well as any other staff.

Alderman O'Neil stated I guess I don't understand that, Karen. Even if there is not a settled contract, there is a fixed cost. Can you explain that to me?

Ms. DeFrancis responded because if the teacher is currently a BA1, next year they would move to a BA2. However, it would be at the current salary schedule. So there would not be a COLA in there, but they actually go to the next step.

Alderman O'Neil asked do you know how many teachers fall into that?

Ms. DeFrancis responded I would say over half of our teachers. We have about 1,300 teachers. About 1,200 of those are on general fund and about half of the staff are currently on a step 14, so obviously they would not be bumped up, so I would say it would be about half.

Alderman O'Neil stated about 600 teachers. Thank you very much.

Alderman Lopez asked could you elaborate just a little bit, just about where do you see the School Department being with these types of reductions? I know you say different cuts here, different cuts there. The ratio of students in the classroom, different types of programs that you mentioned. Could you just elaborate just a little bit more? Where do you envision the School Department being if this budget is given to you?

Dr. Ludwell stated one item I mentioned was the reduction in the Building Maintenance. Obviously if you reduce the amount of money you're spending on maintaining the buildings, they're not going to be as clean as we might expect them to be. Another area, I think we had \$600,000 in Supplies, \$800,000 in Textbook Adoption, and we could see significantly

cutting into both of those items. Obviously the staff reduction through attrition...any of the other items we do, I can see us still having to reduce staff through attrition. And that's obviously going to have an impact. Now, we will try to have that attrition happen as far away from the core classroom as possible, but I can't guarantee that that will happen in every case. I also would see some increase in teacher/student ratios.

Alderman Lopez stated I'm looking for your budget. Is it in your packet here? Karen, do you want to help me out? Is it in the packet, you're entire budget?

Ms. DeFrancis responded yes.

Alderman Lopez asked what page? I had it but I lost it. Oh yes, thank you very much. I was looking beyond page two there. I notice a difference, and maybe we can have some explanation either from the School Department or the Mayor. The difference between the Educational Aid, which you've indicated in you particular budget was \$49,357,620, and the aid is \$49,010,028. Can anybody explain that?

Ms. DeFrancis stated where we got our number on page four of the reports are revenues from Education Aid; \$49,357,620 is from Governor Lynch's proposed budget.

Alderman Lopez asked is that the increase of five percent? Is that the numbers you used?

Ms. DeFrancis responded that's what we used.

Alderman Lopez stated and I presume, Mayor, you took the five percent out. Is that correct?

Mayor Guinta responded correct, but there's a new number that's even higher than that now.

Ms. DeFrancis stated I have not seen that number. I had just heard the five percent.

Mayor Guinta stated the current law calls for \$49 million. Governor Lynch's proposal is \$49,357,000.

Alderman Lopez asked is that the number we're going to use or are we going to use the number you have in your budget?

Mayor Guinta responded the proposed number by the Governor. Karen, what's the number you're using?

Ms. DeFrancis responded \$49,357,620, which is on page four of our budget book.

Alderman Lopez asked you're going to use what number, Your Honor?

Mayor Guinta responded essentially it's up to the School District what number they use.

Alderman Lopez stated but in your budget you have \$49,010,028. Do you want to change that number?

Mayor Guinta responded I have \$49,010,028. If that number...if you're comfortable increasing the number, that's I guess something we need to discuss.

Alderman Lopez stated I guess I have to understand. You're not counting the five percent in the School Department when you're putting your budget together. Is that correct?

Mayor Guinta responded correct.

Alderman Lopez stated and the School District number on the State tax, \$23,003,011, and in the Mayor's budget you've got \$23,670,935. Can somebody explain that?

Ms. DeFrancis stated actually our number on page four of the reports is the same number that we're getting this year for the State tax. I'm not quite sure with the Governor's budget how that State tax would work. Basically, the State tax and the local tax has to come from the local taxpayers. So, in our scenario, from local taxes, whether it be from State or local, but in total we would have to get \$78,077,608. But as far as what portion of that is coming from the State tax, I'm not sure what the Governor's budgeted...if that's how that would work as well.

Alderman Lopez stated I know, but I'm looking at the revenue coming in under the School District under State taxes. It's \$23,003,011 in your book and then under the Mayor's budget it's \$23,670,935. I'm trying to get which is correct.

Mayor Guinta stated I believe the revenues that I have included were more...\$50,000 more in surplus and then additional monies from the Bedford account, which I think we understand that has to actually all be used up this year. So, it increases our revenues to the \$23,670,935 number that I proposed.

Alderman Lopez asked is that how you understand it?

Ms. DeFrancis responded well I could say where I got the \$23 million on the State tax on page four. That actually came from the current law. So, the current law, we would get the \$23,003,011. But again, we're looking more or less at the total bottom line. The total local taxes would be the \$78 million, regardless of how much is collected...if the \$23 million goes up to \$24 million, then the local tax would go down to \$54 million. It's still the \$78 million that has to be collected from the taxpayers.

Alderman Lopez stated and one last question that I have. If one balance is \$750,000...that's revenue or surplus?

Ms. DeFrancis responded there's actually on the impact of the Mayor's budget on page two of that report...

Alderman Lopez stated okay, you've got \$500,000 as a fund balance from the previous year. That's revenue?

Ms. DeFrancis responded right now that would reflect revenues.

Alderman Lopez asked and that comes back to the City?

Ms. DeFrancis stated that's correct. To reduce taxes on our MS24 report next year.

Alderman Lopez stated okay, I guess, Your Honor, you added \$250,000 more that the School District is going to give us back. Can the School District explain that?

Ms. DeFrancis responded I can explain that. When we presented our budget to the Board of School Committee, our surplus at the time was \$750,000: \$250,000 on the revenue side and \$500,000 on the expenditure side. The \$250,000 we wanted to use for the Hallsville roof, so when we prepared the budget we did not include that \$250,000 on this report here. So again, the surplus at that time was \$750,000: \$250,000 from revenues and \$500,000 from expenditures. So this \$500,000 at that point represented expenditures. Now two months later, now that we're past the budget process, we have...I would refer you again to the report that we handed out, the impact of the Mayor's budget. Page three of that report...our surplus as of March 29th is a million dollars. It's now \$500,000 on the revenue side and \$500,000 on the expenditure side. So when we bring this forward to the Board of School Committee, that \$500,000 would almost likely represent the revenue piece, because we cannot spend that.

Alderman Lopez stated right, but then on the expenditure side you could spend that. But you would be \$250,000 off if the School Board did spend it, which it probably would.

Mayor Guinta asked can you just clarify...when you talk about the surplus, are you projecting it at a million?

Ms. DeFrancis responded yes, \$500,000 on the revenue and \$500,000 on the expenditure.

Mayor Guinta asked is that the total surplus or is that what you're projecting today?

Ms. DeFrancis responded that's what we're projecting as of...

Mayor Guinta asked what's the total surplus?

Ms. DeFrancis responded that is the total that we're projecting as of this point.

Mayor Guinta asked have you spent any of the surplus to reduce the projected amount to what you're stating the projected amount is today?

Ms. DeFrancis responded we actually have reserved \$200,000 in our supply line item, so if you were to add that to it, it would \$700,000 on the expenditure side.

Alderman Roy stated thank you, Your Honor. A couple of words I jotted down that I'm going to call the Superintendent on. You made the statement of significant impacts and protecting core classes. Reading between the lines, that, to me, talks about outside of your four majors and starts talking about athletics and music and art and things like that. So, am I reading too much into your statement, or are there things that are going to be cut that we're not hearing tonight? Or potentially cut. I know you haven't met with the School Board...

Dr. Ludwell responded they are potential. You're not hearing them. I'm trying to give you the areas that we probably would go to first. But the core areas are exactly what you said; protecting that third grade teacher who's teaching the three R's and progressing out from there. So, are we looking...and I think...I didn't read the whole list, but I think if you go back to the first page of the report we submitted, it did include looking at Fine Arts. It did include looking at athletic programs. It's including looking at our health programs. And I say significant impact because we're having to try to balance whatever we do against the State's standards and I think it may be very difficult.

Alderman Roy stated and just so everyone at home is clear, where do you stack up against those State standards right now?

Dr. Ludwell stated we're making every attempt right now...and as you know, the tuition agreement requires that we meet the State standards at the high school levels. We have, I think, adequate student/teacher ratios at the elementary level. Obviously, there are areas that we need to look at. We also are facing accreditation issues and I think two high schools, their accreditation report mandated additional counseling services at them. So, we're right at, I believe, the State standards.

Alderman Roy stated okay, but we're still classified District in Need of Improvement?

Dr. Ludwell responded yes, we are.

Alderman Roy stated switching gears a little bit, and I just want...and I know we're trying to get through this in a matter of days. I don't want to leave things unsaid. So when you start talking about elementary art and fine art programs, and yes, supplies and textbooks, even though we're one step removed from the School Committee members, we were still getting calls this year about paper supplies and teachers were talking about having to bring things to school if they wanted to use them. So, further reductions are going to be a further impact on the teachers and the students. I, for one, didn't like hearing that this year, and I'm sure I'm not going to like hearing about it next year. But switching gears to the maintenance cost. What was the square foot number in the school budget proposal for school buildings?

Ms. DeFrancis asked are you talking about the square foot maintenance cost?

Alderman Roy responded yes. If you have the recommended, that's going to be the next question. And what would be funded under this budget is the third question.

Ms. DeFrancis stated on page 108 of the budget book, the City Facilities Department had asked for...well they submitted to us three separate proposals, as the Mayor has indicated: 102% budget; 100% budget; and I believe it was 97% or 98%. We have chosen somewhere...it's not exactly the 102%. I think it's \$100,000 less than what they asked for in the 102% budget. So it's a little bit more than their 100% budget but not quite the 102%. Under the 102%, if you were to look at page 108 of the budget book, you could see that at the 102% it's sixty-six cents per square foot. Under the 100% budget it's sixty-five cents per square foot.

Alderman Roy asked okay, and what is the average? I believe last year we got an average of New Hampshire schools or New England schools.

Ms. DeFrancis responded I don't have that information. I would have to get that from Tim Clougherty.

Alderman Roy stated I believe Tim quoted it as \$1.92 per square foot, if my memory serves me correctly. So, I look at that as a pay now or pay later. The Superintendent talked about it being clean schools, but we're also talking about basic repairs and basic maintenance. If we keep prolonging that and not doing the preventative maintenance, we're just going to end up five, ten, fifteen years from now in another \$105 million renovation contract, which doesn't help the taxpayer at that point either.

Alderman Forest stated Karen, actually I'm looking at page three, and I know you have some numbers here. Your object number which would be 621, natural gas, the number that's here on this page three, is that the number you projected or is that the number that was deducted for the '08 budget?

Ms. DeFrancis responded that it what we are anticipating for the '08 budget.

Alderman Forest asked and what was the deduction on that for the '08 budget, compared to the '07 or '06 budget?

Ms. DeFrancis responded if you look at page six of the report, there's a four year trend in here. So let's see, line item 621, natural gas, it actually has gone...let's see, our budget for '07 is the fourth column of numbers over and our budget was \$1,570,900, so we're actually projecting it to be a bit less for fiscal year '08, based on our usage.

Alderman Forest stated so the other question would be going down the line with natural gas and electricity and fuel oil, I know the price has gone up since June or July. And the numbers that were used here were your numbers or the Mayor's projected numbers?

Ms. DeFrancis stated no, this is our projection. The budget book is the Board of School Committee's projection.

Alderman O'Neil stated Your Honor, I'll start with you if I can. The budget you presented of \$147 million and you took in account a reduction of 46 teachers. Is that correct?

Mayor Guinta stated yes.

Alderman O'Neil asked does that include the twenty-nine and a half positions that were already recommended or are those above the forty-six?

Mayor Guinta responded I believe it's additional. But also, there's a couple of different ways...when I look at trying to give this Board a recommendation, I use a number of different methods to try to arrive at a number that is appropriate. First of all, everybody understands that I am trying to provide tax relief, and I'm starting with the idea that we have \$4.8 million in new revenue dollars to spend. So, if I'm going to begin with the premise that we have \$4.8 million in new dollars to spend, and I do believe that the people in our City would like to see some tax relief. Those are the two basic premises I began with. And then, essentially, you know, the big three or four departments are School, Police, Fire, and Highway. The rest are obviously significantly smaller, although some of the services that are provided, for example by Health or OYS are equally important. So trying to divvy up that number was the way I approached the general budget...when I started to look just to pare it down just to schools, I did a couple of different types of analysis. I looked at their spending trends, which I did last year. And I looked at their surplus. In each and every year, they are averaging surpluses, as we know. I believe, particularly in a year where we have significantly less dollars to spend than in previous years, we ought to be looking, as a Board, at appropriating what's necessary, rather than including the surplus amounts. If you look at this year's surplus, which I know is in this book projected at one million but it's \$1.2 million

if you don't prepay. If you remove that from the \$150.6 million and then, theoretically we move another \$1.2 million for the fiscal year '08. I did the math just now. It happens to come down to the number that I presented. I have looked at the trends in years past of the surpluses that were provided, and I think we have to move toward an actual cost of spending, rather than seeing these increases in the surplus. The other thing we haven't talked about yet is the health insurance trust. I know the intention...I think there's, I don't want to say consequences, but that trust has been built far faster than I think we ever intended. While I think there probably is a need for certain trusts at the school level, I don't know if the amount that we have in there today...Is it \$1.9 million?

Ms. DeFrancis answered yes.

Mayor Guinta asked and we're expected to add to it?

Ms. DeFrancis responded we have, on the last page of the report in the budget book...we currently have in the health care trust, as of our audited financial statements, \$1.859 million. We're expecting to transfer into that at the end of this year about \$750,000 which would bring that health maintenance trust up to \$2.7 million. As everyone is aware, the biggest transfer went into that account during fiscal year '06 of \$1.7 million and I agree that I don't think anyone anticipated we would have that amount of a transfer into that line item in one year.

Mayor Guinta stated so I think those are things that I looked at and said, as a matter of policy, what is the percentage that we should have in that trust account? Should we as a Board continue to fund that trust account, knowing that by either accounting standards or municipal government standards or School Board standards, that that number is probably close to where it should be, depending on which standard you apply? I think from an educational standard, while it's important to have a reserve in that account, should we ever need to utilize it, I can't think of a time, with maybe minor exceptions, where we've had to utilize that kind of account. And should we be changing that policy? If we did this year, that \$750,000 that's going in would be available for either tax relief or for a one-time revenue source. But again, I looked at this from different angles. I looked at the student/teacher ratio and looked at the trends from the '04-'05 year to this current year and next year. I'm feeling that the amount of teachers we should retain essentially would be a level amount from this current year to the next calendar year. And in my view, because we've seen an eleven hundred student drop from '04-'05...and it's not just at West, by the way. It's all the high schools and most of the other schools. Those are the things I think we ought to be looking at to properly determine what's the amount of teachers we need in each particular classroom. And I know what you've communicated to me is that's different than class size. Absolutely it's different than class size. But we ought to be looking at what kind of a bang for a buck we're getting, and with the negotiations with the teacher union, are we properly utilizing the teachers' time. Those are things I think we have to start looking at. Those are things that I

digested as I tried to come to a number, but I've got to tell you, it's not easy to come to a final number. But again, the premise I started with is that \$4.8 million ceiling. I believe, as a matter of policy, we've had year after year of tax increases and that we need to try to hold the line and pull the brake a bit. I think a half of one percent tax cut is a modest cut. It does mean that we're going to have to reshape and redefine how we appropriate our dollars. And obviously you saw in the budget that Police and Fire got the most significant increases, percentage-wise. Schools did get an increase, almost \$2 million, but there are ways that I think we can look at this to insure that they're not going to reduce the number of teachers in a classroom. And if you look at the student/teacher ratio, it's going up in certain schools for next year, despite the fact that the number of students are decreasing. Those are things that we ought to be looking at. And I know the School District looks at it, but we need to look at that and take that into deliberation as we decide what the final number is to appropriate.

Ms. DeFrancis asked can I just make a comment on the surplus?

Mayor Guinta responded yes, sure.

Alderman O'Neil stated wait a minute. I...

Mayor Guinta stated I'm sorry. Alderman O'Neil has the floor.

Alderman O'Neil stated it was kind of a yes or no question, Your Honor.

Mayor Guinta stated I think I said yes in the beginning and then I gave an expanded response.

Alderman O'Neil stated all right. I want to clarify...Karen, I'm sorry. I want to stay on this number of teachers. The budget you prepared. You already knew there was a recommendation that I believe the School Board voted on that there would already be a reduction of 29.5 positions.

Dr. Ludwell stated that's correct.

Alderman O'Neil stated Your Honor, your number of 46, as the District is laid out, is over and above that, correct?

Mayor Guinta responded yes.

Alderman O'Neil stated that's not specifically West or administration?

Mayor Guinta stated correct.

Alderman O'Neil stated so am I reading into this, if I do the math, you're allowing 42 expected vacant positions to get filled? Something like that? You've got 117 retirements.

Mayor Guinta stated that sounds correct.

Alderman O'Neil stated so somewhere around 42 positions could be filled, classroom teachers. I just wanted to make sure I understood that part of it.

So it's 46 plus the 29. Question for the District: The 25 positions that are expected to be saved at West...I know there's a lot of ongoing discussions by the Administration and by the School Board and the community in general about what happens to West. Does the rejection of those 25 people or positions affect what happens to West?

Dr. Ludwell responded no, it doesn't. It's directly related to our projection of losing, right now, 483 students, currently Bedford students at West who are moving to their own high school.

Alderman O'Neil stated so no matter what programs, whether it's redistrict, there's these new magnet programs, Special Ed programs, those are not affected by this reduction of 25 people.

Dr. Ludwell responded no.

Alderman O'Neil stated a couple of quick others, Your Honor, if I can. Karen pointed out that, page 108, where actually, Karen, the recommendation from the School Board is to go back to sixty-five cents per square foot cost?

Ms. DeFrancis responded close to that, yes.

Alderman O'Neil stated so we're actually going back to a level somewhere below fiscal year '04. Correct?

Ms. DeFrancis stated that's correct.

Alderman O'Neil stated two other questions: Can you give me a general overview of athletic reduction? I know one of the positions I think that's recommended in the cut of four and a half positions is the school Athletic Director, which...I can't see that, based on...How many young people do we have that participate in athletics in the City?

Dr. Ludwell responded I believe it's around 3,500. These, again, are just options. These are not recommendations that are going to the Board of School Committee. But if we have to reduce significantly our budget, I asked the Athletic Director to look at all components of an athletic program – teams, sports at the middle school level, pay for play, every aspect of the

program and our intent was to put that on the table just as we'd put on areas of the Fine Arts program also.

Alderman O'Neil stated if I can just comment on a couple things regarding athletics. It's always been considered short money. It's a good investment. In many cases it keeps young people in the various schools. I just don't see how losing a full time City Athletic Director and not making significant changes within – I'm not even sure what their official titles are called within the three high schools – but either their salaries are bumped up or they're given more time to do the job. It doesn't seem to make a lot of sense, with more students than ever participating in athletics. So that's my two minutes of athletic comment.

Dr. Ludwell stated the number of athletes this year was 3,495. Some of those may be a duplicate count, playing two sports.

Alderman O'Neil stated finally, any idea...one of the bullets you have here, Dr. Ludwell, savings from increased transportation to two miles. Any idea how many new students would be affected by that?

Dr. Ludwell responded no. All of these we're just in the process of costing out right now.

Mayor Guinta stated I'm sorry. Did you want to clarify something on a...

Ms. DeFrancis stated I did. Earlier when you talked about the \$1.2 million surplus that you had taken right off the top of the \$150.6 million, I just wanted to clarify that that \$1.2 million, \$500,000 of that is revenues, so to take that right off the top of the appropriation of \$150.6 million is not appropriate.

Mayor Guinta stated okay, but I mean, let's do the math a different way. You take a five year history of what the surpluses are. We're averaging that number, so from that perspective, I think we ought to be looking at...and I don't disagree with the idea or approach that at the end of the year if you have a surplus, that's fine. However, I think that needs to be part of the decision making process that we make here. So, part of it is revenue, part of it is expenses.

Alderman Shea stated thank you, Your Honor. A couple of things: The 46 teachers...the critical problems existing today are at the high school level, as we both obviously know. Would that mean if the 46 teachers were not funded, and you intend obviously to fund as best you can, as many of them, would that entail any major areas like science and math, because of the fact that it's difficult to get these? Could you elaborate somewhat on that?

Dr. Ludwell stated one of the avenues I asked all principals to pursue would be to provide us with the impact of losing one, two, and three teachers in their building. Obviously, the

impact might be greater at an elementary school because it's so much smaller than a large high school, but yes, we are looking at in the core areas. I've also asked the secondary level to look at their electives, and perhaps we will be forced to reduce or eliminate some electives so that we can add additional core courses.

Alderman Shea stated a few years ago there was a discussion held and there were added to the School Department health teachers. And these health teachers used to go into the classrooms...maybe they still. Is that still being done where health teachers go in and explain about health concerns or are those positions now eliminated?

Dr. Ludwell stated several years ago, several positions were added. It provided obviously health education for the students, but it also provided for the mandatory prep period that teachers are guaranteed under their contract. That is an area we're also looking at.

Alderman Shea stated in other words, how many health teachers do you have, say going into the elementary level now?

Dr. Ludwell stated I believe fourteen.

Alderman Shea stated so in other words, what you're saying is if push comes to shove, those people possibly would not have their contracts renewed, in lieu of the fact that at different elementary levels or at different either junior high or middle schools, or high schools, where critical core values are necessary, that would probably be an option. I'm not saying you're going to do that, but it might be an option. Is that correct?

Dr. Ludwell stated I guess I would go back to my earlier comment that our first priority is protecting the core classroom teachers.

Alderman Shea asked would you consider that a core classroom teacher?

Dr. Ludwell responded I consider, from my perspective, is it a critical position, yes, but is it a core position, no. I think that's the number one issue – protect those teachers.

Alderman Shea stated a couple of other thoughts, or comments. I know Alderman O'Neil went into some of these points. One has to do with the savings from increasing transportation to two miles. I know you haven't made that decision, but is that possible? I mean, in other words, is it mandated by either State or City ordinance that kids have to be transported 1.4 miles from a school, or can you extend that to two miles, depending upon...

Dr. Ludwell stated we can extend it. It's been a long-term practice, as I understand it.

Alderman Shea asked now how about the transportation provided by the School District for parochial school students? I know that certain members have kind of objected to that because, obviously, they're given...and naturally they contribute to the City and they do very well. But I'm just saying, would that be a consideration as well, that the school would have to obviously...if they were to say public school children have to live two miles away but parochial kids can be transported from the North End of Manchester to the West Side of Manchester without any thought of the distance. Would that have to be a consideration? I don't know. I'm just...

Dr. Ludwell stated no, State law mandates that we provide them transportation, as you're aware. Today's world we do provide transportation and as you're aware, the students don't necessarily go to the parochial school closest to their home. And so we would have to accommodate that.

Alderman Shea stated okay, that answers that. Now you mention too here, eliminating Building Level Instructional Coordinators. Is that the BLIC's that you're talking about here?

Dr. Ludwell responded yes, it is.

Alderman Shea stated okay, so that's another consideration as well. All right. Thank you very much.

Alderman Lopez stated thank you, Your Honor. Dr. Ludwell, maybe you can explain...the \$2.7 million balance that you're going to have in the health care. I believe I was watching on TV, in reference to the line item on health care, how much of that is committed to this year's budget that was passed by the School Board?

Ms. DeFrancis asked you're talking about the fiscal year '08 budget?

Alderman Lopez responded that's correct.

Ms. DeFrancis stated our initial estimate would be that we could need up to \$1.1 million. However, I think that's been reduced now that Anthem has come down with their rates. They've come down to, I believe, 9.2%. Originally when we prepared the budget we were expecting a 12% rate increase. So you're probably looking at anywhere from \$500,000 to \$700,000 that we may have to take out of the health insurance trust if the health insurance claims costs come in...on average over the past several years...I think we actually have an analysis in the book here, that our average over the past seven years has been about 13%.

Alderman Lopez stated thank you. One last question. The revenue that you have, the surplus, \$1.2 million?

Ms. DeFrancis stated correct.

Alderman Lopez asked \$750,000 is from the health insurance?

Ms. DeFrancis responded no. That does not include the health insurance trust.

Alderman Lopez asked it's in addition to?

Ms. DeFrancis responded yes.

Alderman Lopez asked okay, where's the other \$1.2 million? Where does that come from?

Ms. DeFrancis responded if you look on page three of the report that we had sent over on Friday, we've identified a million dollars of that surplus as four items. You can see on the revenue side our interest is coming in right now at about \$250,000 and that's due to interest rates being much higher than expected, much higher than budgeted for. Also, the tuition revenue, we're expecting an additional \$125,000 there. When we prepared our second semester bills for Bedford, we realized that there was an additional \$200 per student that, in accordance with the new Bedford contract, we could charge. We had not budgeted for that last year. So again, on the revenue side we're looking at about \$500,000 and about \$500,000 made up of those two line items. On the expenditure side, right now we're looking at two major items that make up \$500,000 of the \$700,000. On the benefits side, it's been our past practice to budget about \$200,000 for life insurance. That would allow four pay-outs for individuals that have passed away. There was one year when we did have four employees pass away. That was our highest year. However, the past three years of trending we've had maybe one, sometimes zero. So for fiscal year '08 we have reduced that to a \$50,000 line item. However, in fiscal year '07 we did budget \$200,000. As of today, we have not had any pay-outs. In addition to that, our dental insurance came in a lot lower this year than we expected. So right now on our benefits line item, we're showing about \$250,000 and then on our debt service line item, there's an additional \$250,000 and that was due to...City Finance had gone out to finance for the Clem Lemire, as well as the CIP debt from last year. And that financing wasn't done until February. When we built the budget last spring, we anticipated them going out earlier in the year. So, we had anticipated during the budget process we would have two payments on that debt, and since they did not go out until the end of February, we only have one payment on that debt. So that line item will have a \$250,000 surplus.

Alderman Lopez stated one more follow-up, Your Honor. How many more square feet is the school increased its maintenance? Does anybody know?

Ms. DeFrancis stated say that again?

Alderman Lopez stated square footage. In the schools.

Ms. DeFrancis asked how much was added?

Alderman Lopez stated was added.

Ms. DeFrancis stated I don't know that number.

Alderman Lopez asked you don't know that?

Ms. DeFrancis responded I don't know. I'd have to check with Tim Clougherty on that one.

Alderman Lopez stated you don't have the documentation that as we get on to the Highway Department, one of the things they're recommending is four more custodian positions for the schools to eliminate, in order for them to meet their budget. So, I'll just give you that information.

Alderman O'Neil stated thank you, Your Honor. I just want to make sure...Karen I want to go back to the question I asked earlier of step increases. In the \$150 million budget that was approved by the Board of School Committee, forget step increases that are due. Is there any number in that for a cost of living increase?

Ms. DeFrancis responded there is. However, being in negotiations, I don't think we can speak about that.

Alderman O'Neil stated okay, that's fine. But there was a number in there? Your Honor, in your number of \$147 million, is there some money for cost of living adjustments for School District employees?

Mayor Guinta responded yes.

Alderman Roy stated thank you, Your Honor, and I won't request it but at some point when we're in non-public with negotiations I'd like to hear the two numbers, both from School and the Mayor's office. My questions go back to something Alderman Lopez started earlier. There's a \$667,000 - almost \$668,000 - odd difference in the revenue numbers, and I'm just wondering if someone...and I think Bill had alluded to what some of that went to and how the Mayor came up with a different number on School District numbers. Bill, could you elaborate?

Mr. Sanders stated two things that the Mayor included, in addition to the School number was he increased the surplus that would be returned by \$250,000. And he increased the Bedford capital tuition utilization to its entirety. That is, we cleared out the account, as we

now understand we are required to do under the indenture agreement. So we increased the Bedford capital tuition by \$12,700, and that is the difference between the School District's number and the \$23,670,000. I guess to be clear about something that Alderman Lopez was asking earlier, the \$23,670,000 is not comparable to the State tax number that's on the School District's form. The revenue number that is shown in the Mayor's proposal as it has been for many years, I think, excludes all taxes, State and local. And it also excludes the Equitable Education Aid. So if you look at the revenue estimate that the School provided, all the numbers on their revenue estimate provided by the School are identical to the Mayor's, with the exception of the two items: the surplus estimate and the Bedford capital tuition.

Alderman Roy stated I still come out with a \$205,000 discrepancy. The two numbers you listed were \$212,700 and \$250,000. Unless I'm doing the \$23 million math wrong, there's still a \$205,000 difference.

Dr. Ludwell asked and you're adding those two numbers to the \$23,003,000? Is that what you're doing?

Alderman Roy stated or subtracting that from the School District's number, compared to the Mayor's revenue number.

Dr. Ludwell asked two separate?

Alderman Roy responded yes, they are. I could go through a couple of steps in the calculation. Would that be helpful? One of the things that bothered me is over the last few years we've always asked to see the D24, DD24 that gets submitted to the State at the end of the fiscal year. I was quite bothered last year that once we were done the budget season, the numbers seemed to change between the Mayor's budget, the approved Aldermanic budget, and then what gets reported to Concord. Maybe for one of our upcoming meetings we could have copies of what went up to Concord last year.

Dr. Ludwell stated absolutely.

Alderman Roy continued so we could verify some of the numbers.

Dr. Ludwell stated what's happening there is when we file those forms in their final form in November, at which time the tax rate is set, there are a few areas that you know more information about. For example, your interest income, your student enrollment so your tuition can change. Hopefully, we will know for certain what we'll get for Equitable Education money. So there are things on the revenue side that change; the expenditure can never change but the revenues can change, just based on more information, and that's the only reason that...and we'd be obligated to amend them because the Revenue Officers in

Concord review the schedules, and before they'll approve the tax rate, they'll go through each revenue item and tie it out and ask you to change it if they think it needs change.

Alderman Roy stated and while I don't disagree with any of that, and that's why I think in the Charter we're given till the first or second Tuesday in June to see some of those changes, but I would like to see those forms if possible.

Alderman Gatsas asked could I get a clearer explanation of line 441, please?

Ms. DeFrancis responded 441 is our Rental of Land and Buildings, and if you look at page three of the report, there's a column that says detail page number. What I've done this year is include the detail that goes along with that line item, so if you flip to page 85 of the report, there are several line items listed here. Our athletics, we rent pools and that costs us \$15,000. We're still renting some modular classrooms and you can see that there's four that we're renting and the cost associated with those modulars are there. Our Easter Seals building is...when we prepared the budget it was \$242,000; however, we have recently received a letter from Easter Seals and that's now up to \$303,000. We also have a warehouse that the Athletics Department, as well as our Fine Arts Department, and also our School Food Department utilize, and those amounts are listed there as well as our Commercial Street rent at \$250,000, for a total of that line item of \$592,000.

Alderman Gatsas stated the Easter Seals building is how many square feet?

Ms. DeFrancis stated I'm not sure. Kara, do you know?

Kara ????? stated about \$17,000.

Alderman Gatsas stated and the other question I have is on...actually I've got a few questions. On 322, and that's page 74. If I take a look at what the history on that line item is, in 2005 you went from somewhere around \$827,000, and we're budgeting now for \$1.4 million. We're pretty close to almost doubling that line item and I guess my question is, I'm trying to see where those expenditures have almost doubled and it's difficult to find it.

Ms. DeFrancis stated the largest item that has happened over the past several years...if you look at Special Education, it's bolded and it says IDA reimbursement of expenditures. You can see back in fiscal year '04 we were actually able to offset that account by \$485,000 and fiscal year '05, \$347,000, in '06 only \$75,000 and for '07 we're estimating about \$100,000. What's happening there is because our costs of special education are going up, what we pay out of the IDA grants is basically covering salaries, so there's not a lot of money left in that grant to cover some of these other expenditures. So that I think is probably the biggest change that you would see if you were to look at the '04 number compared to '08's. I'd have

to look at some of these other line items. They have pretty much stayed consistent so it definitely is the Special Education line that has gone up.

Alderman Gatsas stated I guess my question is is how much money do we have in abeyance right now because we aren't meeting the thresholds that we're supposed to?

Ms. DeFrancis stated I'm not sure I understand the question.

Alderman Gatsas asked aren't there some Federal funds that are held in restriction until we get back to schools without needing improvement, but you get it back during the school year?

Ms. DeFrancis responded yes, I believe it was \$1.2 million for fiscal year '07 which we got back or we were able to spend. We have to set that aside in the beginning of the year for school choice, I believe. And we did, I think, in February get that money, and that's been allocated to other programs throughout the District, other Title I programs, obviously.

Alderman Gatsas asked and are those Title I programs in any of these line items?

Ms. DeFrancis responded no, this is just General Fund that we're looking at here.

Alderman Gatsas asked and how many total dollars do we receive in Federal dollars coming in from No Child Left Behind and the likes?

Ms. DeFrancis responded I'd have to check into that. Total Federal funds are about \$12 million to \$15 million dollars – all of our Federal funds. How much of that is earmarked for No Child Left Behind, I would have to do research on that.

Alderman Gatsas stated Federal funds are between twelve and fifteen million dollars. Is there any way that you can get us an allocation of how much those funds are and how many positions are allocated to those funds, because I noticed that you've made a footnote in the front of the budget that twelve employees that no longer have Federal funds are moved to the General Fund side, and I'm wondering why they can't be incorporated into the Federal funds if there are new funds that are available.

Ms. DeFrancis stated I could get you a listing. Actually, during our budget process we did have a work session on Federal funds. So we already have this information prepared and I could get that over to you.

Alderman Gatsas asked and can you add to that...can you just give us a more detailed breakout of the Grant Transferred positions? Because I think you've got a little over \$700,000 this year in that line item alone.

Ms. DeFrancis responded I think that's included in here on page 61 of the report. Right now we're expecting from Title I...last year Title I we had to pick up six positions in the General Fund. We're saying that Title I can now cover three additional positions, so that's actually offsetting the General Fund. Title IIA we're expecting to pick up six positions in General Fund. Title IV, one position – the Carl Perkins, which is our vocational education grant, just about four positions: 3.67. And the IDA grant, four positions, so that makes up the twelve positions.

Alderman Gatsas stated and if we can go back to Special Education, can you tell me how many children are serviced with those dollars that we see, for speech pathology, physical and occupational therapy? In each one of them, not total number, but in each category please?

Ms. DeFrancis stated okay, we'll get that.

Alderman Roy stated my question I was going to save for later, but a question for Finance...Alderman Gatsas touched upon the rental of buildings. What is the debt repayment on a million dollars?

Mr. Randy Sherman, Finance Department, stated right now I'd probably use about seven and a half percent of the principal, would be your annual payment.

Alderman Roy asked do you have a figure per million what we're paying?

Mr. Sherman responded I don't, on me, but if you just take that and do the simple math. You're right, you're looking at something like Easter Seals, which I think was the question. There's the possibility that if you're looking for an administration building, you're looking for new elementary schools, it's those types of things where we're paying rent and rent on the portables. I think if you brought all that together and actually looked at new construction, you'd probably be able to save some funds.

Alderman Roy stated okay, a question that I'd like answered, just for tomorrow night.

Karen, I believe you said Easter Seals just went to \$303,000. And the Commercial Street rent on page 85 is roughly \$252,000.

Ms. DeFrancis stated that's correct.

Alderman Roy stated so Randy, if you could let me know what those totals would buy us for a building, it would be appreciated. Thank you.

Alderman Gatsas stated if I try and do this on a reverse pattern, I notice that the major offset you have on the first page is a million dollars for the replacement of the retiree teachers. I

think last year in the numbers that I just looked up, we used roughly \$55,000 for the 117 teachers that were retiring, on a top level number, and that's at about \$6.4 million. And we used a number for replacement teachers on an average of about \$35,000. And those two numbers, when I add them up and subtract them out, it's about \$2.3 million in a difference of allocation. So, if we go back in and make those adjustments, it's about \$1.2 million less that we can just subtract off of the \$145.5 million, of where we started from, from last year.

Ms. DeFrancis stated I'd have to look at that calculation. I'm not sure I'm following along with it.

Alderman Gatsas stated okay, \$55,000 times 117 teachers is roughly \$6,435,000. One hundred seventeen new hires at \$35,000, and I'm leaving the offset for benefits because it's probably going to be a wash. It might even be less expensive because you may be hiring younger teachers who may not have as many health problems as the older ones that are retiring. The number of \$35,000 times 117 is \$4,095,000. The difference between those two is \$2,340,000. You have an allocation of \$1,036,000.

Ms. DeFrancis stated that is actually the change from the teachers that retired in fiscal year '07. The 41 teachers that retired in fiscal year '07 versus the 117 that we expect to retire in fiscal year '08, that would be the savings, if you compare those two numbers. If you want to know how much we're actually saving on replacing those retirees, that's the 117 retirees, if you turn to page 66 of the report (66-69). This is a list of all the teachers that are retiring, the 117. What we're saying is that 24 of those positions will not be filled due to the West situation. So that savings is on page 66 to the right-hand side, that \$1.1 million. The rest of the teachers we're saying that we would replace at a BA3, which the cost of that would be \$28,818. And if you look at page 69 of the report, the right-hand column, the total savings of the entire 117 positions is \$2.8 million. \$1,136,000 is the 24 positions that we're not replacing for West, and the \$1.7 million is the remainder of those positions. So that's the actual cost savings of those positions in the '08 budget. The million dollars that you're referring to on the first page is basically the difference between the teachers that retired in fiscal year '07, the 41 teachers, versus the 117 teachers in '08.

Alderman Gatsas stated say that again.

Ms. DeFrancis stated the million dollars on the first page is the difference in savings between the '07 retirees of 41 and the '08 retirees of 117.

Alderman Gatsas asked why do we want to talk about '07 retirees? Because that's in last year's budget.

Ms. DeFrancis responded because that's what that analysis is doing. If you look at page one of the report, we're saying that if you were to look...

Alderman Gatsas stated let's leave that, because we've already made those adjustments in last year's budget. So we shouldn't be talking about those 41 retirees of '07 because they're already in the mix of the '07 budget. So let's just talk about the retirees that are here, and that's 117. I'm just trying to do...

Ms. DeFrancis stated that's fine. If you look at page 69 that would be all the calculations for them.

Alderman Gatsas stated if we take your number of \$145.5 million of what you were budgeted last year, and if we subtract the \$700,000 in surplus that you said was there; and if we take out salaries for 117 retirees, and pull that out; and then 29.5 positions that aren't going to be replaced at West, and we pull that out; and then if we come back to the top lines that you say that you need, which is \$634,000; \$2.7 mandatory increases and step increases, is \$5.7. If I take my first three subtractions out and then I put back in \$5.7 million, I come to a number of \$142, 375, 746.

Ms. DeFrancis stated I think one of the things you'd have to do, for instance, if you look at page one...I agree that with the debt service you would add in the \$634,000 but for the next line item, that \$2.7 million is only the difference in the 41 retirees compared to the 117. If you're starting with the '07 number of \$145.5, then you need to say then how much does it cost for the 117 teachers to retire? And that number is on 65, which is \$3.9 million, almost \$4 million.

Alderman Gatsas stated but that's what you should be showing in this report and not any sort of comparisons for '07, because '07 is a number that is already in the bank.

Ms. DeFrancis stated right, that's not what we were trying to show here; we were trying to say, what is the change from the '07 number to the '08 number?

Alderman Gatsas stated okay, so you're telling me that it's about \$1.2 million more.

Ms. DeFrancis asked where do you see the \$1.2 million?

Alderman Gatsas responded you said it was \$2.7 million; then you said that on the next page, which I haven't looked at, is \$3.9 million. So if I took the number that I gave you and added another \$1.2 million, it's somewhere roughly at \$144 million. That's basically a quick...with everything out and not talking about any increases in any other line items. And that leaves you roughly \$3.5 million, which is about three percent, across the board on everything. A little less than three percent. And if I look at some of your offsets, they are at about two percent, and when you go through the others, you may be a little bit higher than

three, but it's pretty close to that, and I haven't gone in and looked at every individual line. So \$147.5 million is not far from...if you were looking at a line item to move forward. And that doesn't even include the additional \$400,000 that may or may not be coming from the State, or your additional tuition increases, the surplus and the Bedford account.

Ms. DeFrancis stated I'm would have to look at your numbers, and I know that you're putting some numbers out here which I'm sure make sense to you, but I would need to look at them, because we do stand behind our numbers and I'd have to compare the two to see what the differences are.

Mayor Guinta stated well let me just add to that. If you look at page seven, Salary Detail – there's three sections. Salary Detail at the top is 73 and 73. Essentially that's the same. The Additional Costs under the teachers appears to be roughly the same. Where you get into a dramatic change is in the District-wide, which you do take into account the retirements, and the savings on the retirement of replacing teachers at a lower rate. What has not been explained and maybe needs further clarification is the Salary Adjustment account. It went from \$1.2 to \$2.6 million. So can you talk a little bit about why that's necessary.

Ms. DeFrancis stated I will. I will talk about it, but there are some things that maybe we need to go into non-public to hear about. Under that Salary Adjustment line, we have our substitutes or our per diems and we also have any COLA's in there. I know that Alderman O'Neil asked about COLA's earlier and that's where that is: in that line item. Those are the three items that are in there. Whereas the COLA's under fiscal year '07 are included, since we already knew what the contracts were. In the \$73 million, up on the top right-hand side for fiscal year'07, the COLA's are already included in there.

Mayor Guinta asked have you looked at any items that can be saved through the negotiations? Have you looked at the City Retirement payment system that you have, or have you looked at also the health insurance and going out to bid? I don't know when the last time the School District went out to bid but there are legitimate savings that we're identifying on the City-side, but we're striving toward obtaining those savings so we don't have to make cuts in other areas. Have any of those three items been addressed during the budget process this year?

Ms. DeFrancis responded anything that happens in negotiations would have to come out, and any consensus that are made in negotiations would have to come out of that Salary Adjustment account. So if something was increased during negotiations, professional development or something to that effect, we'd have to get it out of that line item, as well as any offsets, savings.

Mayor Guinta asked what about putting insurance out to bid? Are there things that you don't put out to bid that you should be putting out to bid? I use insurance as an example because that's been very helpful on the City-side. But I don't even know if the School does that.

Ms. DeFrancis stated right, I don't know if we've ever gone out to bid. Maybe Bill would recall if we had when he was here. I don't recall ever going out to bid for health insurance. Our Board has been very strict about going out to bid on many line items. So, we have anticipated going out to bid on other line items that we typically do not. We have anticipated that for next year as well. Copiers is an item.

Alderman O'Neil asked do you want a clarification? I was looking up something else as Karen was answering your question about the Salary Adjustment. I'm not sure what page you were on...

Mayor Guinta stated seven, of the yellow booklet.

Alderman O'Neil stated the budgeted number approved by the School District or School Board was \$2.6 million for Salary Adjustment. Is that correct?

Ms. DeFrancis stated that's correct.

Mayor Guinta asked Alderman Gatsas, did you have more? I can go to Alderman Pinard.

Alderman Gatsas stated I would like back a report that would deal with '08 and not a reflection of '07, and structure it that way so that we see numbers...so that we don't have to try and put numbers back and forth, because for us to have to allocate funds for retirees over and above, I think it's a clearer picture if we see what the cost in '08 is going to be, rather than what was paid in '07, less that cost in '08.

Ms. DeFrancis stated I think that I have it in here already. If you look at page seven of the reports...again, on the right-hand side we have a detail page number. So if you wanted to look up who was included in the School Board for \$28,000 you'd go to page eight. It's the same all the way down the page, so if you wanted to look up the cost of the severance, of the \$3.9 million, you would go to page 62 to 65. The savings on those retirements of \$1.7 million, you would go to page 66 and 69. So if there is anything that's not in this report we can certainly get that for you, but I certainly feel that we do have a lot of the backup that you would need in order to determine where some of these costs are coming from.

Alderman Gatsas stated and all the people that participate on the Federal funds, do they see increases on a yearly basis?

Ms. DeFrancis stated increases as far as COLA's, yes they do. Under the teacher contract as well or the para-professionals contract.

Alderman Gatsas asked and where do those funds come from?

Ms. DeFrancis stated out of the Federal funds, out of the grants.

Alderman Gatsas asked and what happened...didn't you tell us we were getting less money in some of the grants?

Ms. DeFrancis responded right now most of our grants have been...we have been told that they would be level funded, so that's why we're saying if our grants are level funded for next year, we would have to pull in twelve teachers off of the grants in order to keep those teachers on staff.

Alderman Gatsas asked and what about the salary increases?

Ms. DeFrancis responded that would be covered for the rest of the people that are under the grants.

Alderman Gatsas asked even though they're level funded.

Ms. DeFrancis responded right. That's why we have to pull into the General Fund other positions because the grant doesn't have enough to cover both salary increases, benefit increases, as well as maintain the same staff.

Alderman Gatsas asked when those positions were hired, weren't they hired with the understanding that if the grants went to zero, that they were no longer in position?

Ms. DeFrancis responded I would have to check. I don't know if it's that way for all positions or just certain positions. I guess it all depends on the School Board, the programs that those teachers are offering, and whether or not the School Board wants to keep those positions on staff. In this case these twelve positions they have agreed to pull into the General Fund.

Alderman Osborne stated yes, Your Honor...just a short note, when we were talking about Easter Seals, seeing it's in my ward. About four years ago I was onto that kind of a project there when I went in there and saw that we're paying \$236,000 a year at that time. So, I had the idea of taking that money and bonding it, which would bring about...probably could at that time bring about two and a half million dollars. And today if you're talking about Commercial Street and adding that rent or lease that we're paying over there, we probably

could bond somewhere in the area of six to seven million dollars. So I think the wise move is to do something with that this time.

Mayor Guinta stated \$7.4 million, with all the rent that we're paying.

Alderman Osborne stated I figured that out in my head here, just because...

Mayor Guinta stated well, you're very good.

Alderman Osborne stated I just want to bring it up. I hope it follows through this time.

Thank you.

Alderman Lopez stated a couple of questions and one clarification...If the Governor gives an additional five percent, does that go back to the schools or does that come back to the City-side for Finance? Or do they keep it kind of as revenue for 2009?

Ms. DeFrancis responded once we find out what the Governor's budget is, when we prepare out MS24 report in October, that would be the number that we would include on the MS24 report. So basically, if for some reason we got \$500,000 more than we're projecting now, that would go to reduce taxes on the education side, on our MS24 report.

Alderman Lopez asked even though you're not budgeted for it?

Ms. DeFrancis responded no, because our final revenues will be set in October.

Alderman Lopez stated excuse me, Karen. I'm looking over there.

Dr. Ludwell stated she was answering the question correctly, though. If the budget is passed and then subsequently the Governor's higher Adequate Education number is approved the excess \$300,000 would be a revenue surplus to the School District in the next fiscal year and would be returned to the taxpayers. The only money that the School District can spend is the money that is appropriated in the expenditure line.

Alderman Lopez stated right. The point that I wanted to make is they could not spend it. It has to come back to the City as a revenue in 2009. Alderman is shaking his head, no.

Would you clarify?

Mayor Guinta stated the law is very clear. The money that's sent by the State must be used for education in the State in the year that it's sent or it goes back to the General Fund, or the Education Trust Fund at the State. It's very clear where it goes.

Ms. DeFrancis stated we would know that before we actually set our revenues in October, so we would have it on our MS24 report that we would prepare in October.

Mayor Guinta stated for 2008.

Alderman Lopez stated but the point that I'm making, whatever the budget you would have is the budget that you would get. And I think the Senators up there at the State level...so I think both Finance Officers have got to clarify that to make sure, because I look at it as the revenue coming back for when we do the '09 budget. As a revenue they would not be able to spend it because we didn't give them the expenditures. Is that correct? Finance Officers, so if you guys want to look at that later on, since there's a dispute between somebody who's up at the State Senate. I want to go back to the '07/'08. I get a little confused there. The teachers get paid for July and August in '08. Is that correct?

Ms. DeFrancis stated that's correct.

Alderman Lopez asked what bearing does that have on...we're dealing with a budget...I think the Mayor said, if I recollect, he dealt with numbers in the past up to '06 and '07 to move forward. So I'm wondering, is there any disparity there, as numbers go, from what Alderman Gatsas was speaking of?

Ms. DeFrancis responded I'm not sure again. I'd have to look at the numbers that were included in the Mayor's budget or what Alderman Gatsas is speaking about, but the way that we budget for our teachers is...everyone knows we pay teachers, you know their annual salary divided by 26. When we actually budget for those salaries we have four paychecks at the old rate – the rate that they're at right now, the rate before they get stepped up – and then 22 of the paychecks at the stepped up rate. So, when you're looking at a teacher's salary, if somebody is a BA8, and that makes \$35,000, you would not see \$35,000 in next year's budget. It would actually be a little bit less than that because it would be four paychecks at \$34,500 or \$34,000 and 22 paychecks at the \$35,000 rate. So when we're building the budget, we have to look at all of the teachers and their individual salaries, and actually have to do almost like a weekly calculation that says we're going to budget for them four at the old rate and 22 at the new rate. I would assume that the Mayor probably budgeted it the same way as well.

Alderman Lopez asked did you budget the same way as the School District did?

It's a little confusing. I just wanted...

Mayor Guinta stated if you're asking, do I take into account their pay periods and what fiscal year they're paid in, the answer is yes.

Alderman Lopez stated and Alderman Gatsas, could you explain that last part about the '08 that you're looking for? I'm not too sure. Do you understand what the Alderman is looking for?

Ms. DeFrancis stated I'm saying that I believe it's already in this budget book, so if you feel it's not, please let me know and I'll get whatever it is you're looking for. But I feel the '08 costs are detailed out here from pages eight through page 69.

Alderman Lopez stated I was just curious...there's something else that you wanted.

Ms. DeFrancis asked do you have a list here of the different things?

Mayor Guinta stated let me just clarify it. We're on page one. The \$2.7 million, increased severance payments to 117 retirees. Then in parenthesis it says 41 in fiscal year '07. I think the clarification is...the \$2.7 million...is that for the 117 teachers that are retiring, and if so, are you saying that 41 of them happen to be retiring in fiscal year '07?

Ms. DeFrancis stated okay, I'm saying that if you look at page seven of the report, the 117 teachers that are retiring in '08 will cost us \$3.9 million.

Mayor Guinta stated in fiscal year '08.

Ms. DeFrancis stated in fiscal year '08. In fiscal year '07, the 41 teachers that retired cost us \$1.265 million. The difference of those two numbers is...

Mayor Guinta stated is \$2.7 million.

Ms. DeFrancis stated which is what you're seeing on that first page. And that is identified on page seven four lines up from the bottom.

Mayor Guinta asked does that clarify your question, Alderman Gatsas?

Alderman Gatsas responded no, because that number can't be right. Because if I take a look, and take a look at the savings on retirements replaced by a lower rate, you have \$1.7 million.

Ms. DeFrancis stated and again, that's on page seven.

Alderman Gatsas stated and that's what I'm looking at. But the actual savings is somewhere around \$2.4 million, if we just use a back-of-the-envelope \$55,000 and \$35,000. You're saying you're using twenty-eight. I'm not even using that number; I'm using a higher number of thirty-five. That's \$2.4 million. So I'm looking at this number and saying, I

don't agree with that number. So you need to tell me why your number is right, because if I do the math...

Ms. DeFrancis stated I think my number is right because again, on page seven, of the 117 teachers that are retiring, 24 of them we're going to save because we're not going to replace. And I'm saying that cost is \$1.1 million. The rest of the teachers that we are going to replace at a BA3, we're going to save \$1.7 million. Those two numbers are detailed out on pages 66 through 69. So that's how I'm calculating our savings on those 117 teachers.

Alderman Gatsas stated so the number you're using is not 141 teachers, because 117 that are retiring and 24 that we're losing at West, which to me would be 141 teachers that would be gone. You're saying that 24 are part of the 117?

Ms. DeFrancis responded that's correct. Out of the 117 people who have notified us that they're retiring, we're not going to replace 24 of those teaching staff.

Alderman Gatsas asked how come the teaching staff is still going up at West?

Ms. DeFrancis asked what are you looking at that says it's going up?

Mayor Guinta stated the Manchester School District sheet that I handed out on Thursday evening, which I gave a copy to you in advance and asked if it was accurate, shows West at 121 for this year and 125 for the school year '07/'08.

Ms. DeFrancis stated that's before the 24 teacher retirements.

Mayor Guinta stated but the projected number is 125 here. So this current year it's 121; the projected number is 125.

Ms. DeFrancis stated that 125 should be reduced by 24.

Mayor Guinta asked then why is it being projected as 125? You're saying it should be projected as 101?

Ms. DeFrancis stated correct. I'd have to double-check that schedule. The staff at West is definitely not going up. We're definitely reducing that staff by 24.

Mayor Guinta stated this was a document that I had given to the Administration, asked them to verify it was correct, and that was conveyed back to me, I think by Superintendent Ludwell, that it was correct. So...

Alderman Shea stated thank you, Your Honor. This is probably inappropriate at this time but there is a program that I watch. It's an athletic program; it's called *The Hot Seat*. Karen, you've been on the hot seat and you've done very well, I must say, very well. One of the things, and I'm going to digress for a minute, there was discussions where we were discussing about the Hallsville improvement, about the improvement of the bonding for the School of Technology. My understanding is that the School Department does not have to come up with the \$2.5 million until the '09 budget. Is that correct or am I incorrect in that?

Ms. DeFrancis stated that is our current understanding. However, at sessions up at the State legislative offices, the Department of Education did ask that the funds be put into the Governor's budget for the first of the two biennium. Whether or not that happens, I don't know. If the money was available July 1st of '07, we obviously would not have the money to go forward with the project until the second year.

Alderman Shea stated so if in fact the money isn't put into the '08 budget, then there is the possibility that you would not get the \$7.5 million or am I incorrect on that?

Ms. DeFrancis stated no, that's not my understanding. I think we can do the project in the second year if we choose.

Alderman Shea stated so in other words, in the '09 budget there has to be that money put in because that's when the improvements are going to start. Is that correct?

Ms. DeFrancis stated right. If it's not in the CIP budget for fiscal year '08, then we would have to wait until fiscal year '09.

Alderman Shea stated to put it in. But you wouldn't lose that \$7.5 million...

Ms. DeFrancis stated I can't answer that one hundred percent. It's my understanding that we would not, but I would want to wait until the Governor's budget comes out to know that positively.

Alderman Shea stated thank you, Your Honor. I just wanted that clarification.

Mayor Guinta stated just for clarification, the Governor's budget has come out. The House budget is coming out on Wednesday. And \$7.5 million is in the first year of the biennium.

Alderman Shea asked so does that mean that...

Mayor Guinta stated it means use it or lose it.

Alderman Shea stated so that the school would have to come up with \$2.5 million. Is that correct?

Mayor Guinta stated the City or somebody is going to have to come up with it.

Alderman Shea stated well if it's a school-related budget problem, then it would have to come either in the budget or, if it isn't in the budget, then obviously the school would lose that amount of money. Is that correct?

Mayor Guinta responded that is my understanding, Alderman. That's kind of what I said the other night.

Alderman Shea stated yes, but is your understanding the understanding that the Governor has or is it just your understanding?

Mayor Guinta responded well, his budget is his understanding that he put on paper.

Alderman Shea stated yes, but did he actually say that it would be in the '08 or '07 or '09?

Mayor Guinta stated that's what his budget says. His budget says '08.

Alderman Shea asked is that subject to change?

Mayor Guinta stated it could be subject to elimination. The House has sent it back to the Senate the same way, or I assume. They haven't made any changes.

Alderman Shea stated but I'm saying is, has precedent been around so that in the event that somebody makes a decision at the Senatorial level saying to the Governor, we appreciate your including that but could you include it that the stipulation would be that the Manchester School District would not have to come up with the \$2.5 million until the '09 budget? Is that possible?

Mayor Guinta stated the only thing the Governor has the ability to do right now...there's a budget that came from the House. The capital budget came from the House, or will come from the House on Wednesday. It will go to the Senate. If that budget is approved in the Senate, the Governor will have one of two choices: sign it, let it go into law...or three choices... or veto it. If he wants to veto something because there's a line item that he wants to move...so his ability right now is gone by his ability to do that. It's now in the Senate's hand, or it's still in the House's hands, but as of Wednesday it will be in the Senate's hand.

Alderman Lopez asked can I have a clarification, Your Honor? I just want to follow up with Alderman Shea here. I just want to know...if the Alderman is correct, is there an obligation

for us to prove that we have the \$2.5 million at hand to the State, or is it a letter that has to go up and say that we have the money?

Mayor Guinta stated let me have Finance clarify this, but here's my understanding. Let's assume it's included and the State budget passes with the seven and a half, or whatever dollar amount passes. Assume it passes. The City has to come up with its share. My understanding is we don't have to have funds identified in the fiscal year '08 budget. We can pass a bond resolution, which would then be sold in 2009 or sometime thereafter. So we could still move forward with the project without anything specifically identified in the fiscal year '08 budget. I want to just clarify that with Finance to make sure that my interpretation is accurate.

Dr. Ludwell stated it was my understanding when I was the Finance Director at the School that when the State made the \$7.5 million available that the District needed to make the \$2.5 million available. So I believe that the bonding would have to be concurrent with the \$7.5 million becoming available from the State because they're only going to reimburse seventy-five percent of the expenditures we incur. That understanding is about eight or nine months old so things could have changed there. That is my understanding.

Alderman Lopez stated just to follow up. I think it's very important. When the budget passes at the...and as they go through the budget they say, well Manchester hasn't committed. And they take out that money. Is that a possibility from the State Reps or Senators? Can anybody answer that? I mean, as you go through the budget...one senator is shaking his head that if they don't have an obligation from this City somebody could, I believe in the Senate or wherever it's at...

Mayor Guinta stated I'll go to Alderman Long, but if that's all the Representatives and the Senators need, we can send a letter saying we intend to support this project and bond it at the appropriate time. Done deal.

Alderman Long stated the Public Works and Highway at the House level did the capital budget and regarding MST there was a letter from the City saying they are committing to their part of the finances. I believe it was in '09, that they'd be bonding in '09 for it. The House okayed it. It now comes before the whole House on Wednesday and then it goes to the Senate. So my understanding is that that money is committed to us even though the Committee realized that our budget...that the City was coming up with their bonding in '09.

Alderman Lopez asked who sent the letter?

Alderman Long responded I believe it was Bob MacKenzie. Was it Bob MacKenzie or was it from the Mayor's office?

Alderman Lopez stated I think we ought to clarify it because they don't speak totally for the City in this bid.

Alderman Long stated I can get a copy of that and find out who sent it. But that's what the commitment to the Committee was.

Alderman Shea stated so you're helping out our Senators here.

Alderman Long stated it's in the budget that's going to be approved on Wednesday and then it goes to the Senate.

Alderman Shea stated thanks for that clarification.

Mayor Guinta declared a five minute recess.

Mayor Guinta called the meeting back to order.

Mayor Guinta stated Fire is next and they're apparently ready to roll. So I'll hand it off to the Chief and then Q and A from the Aldermen.

Fire Department

Chief Joseph Kane stated thank you Mayor and Aldermen for the opportunity to come and speak with you this evening. We have submitted a report in regards to our 2008 budget. I will say that we've had an opportunity over the course of the last several months to work with the Mayor in formulating our budget. The Mayor has put forward his budget. We wanted to emphasize the areas that are different between the Mayor's budget and stuff in our budget that we were looking for. The first thing that we have is the regular salaries. The salaries that HR put together and the Mayor's budget represent \$187,000 difference. The other salary line is the overtime. It represents \$267,000 difference in those two lines. In speaking with the Mayor as he developed the budget, as he did last year, he has a Salary Adjustment account that seemed to work very well last year. It seems to be working well and he plans to be doing the same thing next year as he did this year. So with that in mind, that's something we can work with and try to keep our budget within those constraints. The second area of our concern is basically areas that are not addressed in our budget at all. The first area is the COLA's. These would be contract obligations that we may have with Local 856 once they have a contract in place. That is not currently in our budget. Usually that is in some other budget, but I just wanted to point out it's not in ours. The other area that is not in our budget is unfunded severance pay packages. This item hasn't been in City Department budgets for a number of years and it's still that way. Over the years we've been able to absorb this out of our normal operating budget, but it's just an area I just wanted to bring forward for your knowledge. The next three areas of concern are Line 615 in our normal budget, for which we have funded \$65,000. This is for gas, oil and diesel. As you know the

prices of gas, oil and diesel have been fluctuating. It went down, it's up, it's back up high again and last year and the current year we anticipate spending about \$90,000 on that line item, which represents a \$25,000 shortfall. The next line is 761, which is Rust. Last year's Rust account, as some of the Aldermen may recall, we were able to fund out of end-of-year balance funds that the Board allowed us to conduct some rehab of some fire trucks. And that's maybe something that we were looking maybe to do again this year. Some of our trucks are getting pretty old. We have a couple of ladder trucks that we'd be looking to do some rust work on. Those are in excess of twenty years old. Their life expectancy is about fifteen, so we're way beyond their life expectancy. And the final area of concern is Automatic External Defibrillators (AED), which are devices that we carry on all of our vehicles. They are for cardiac massage. In the past year the national guidelines or the protocols have changed for how those AED's are operated and our current AED's do not meet the protocols, which means that we have to turn those AED's in or buy new ones – and there is an exchange for those. The cost of that is \$52,000. That's, again, maybe something that we could fund out of the fund balance at the end of this fiscal year if we're looking to do that. At this time if any of you have any questions I would be happy to answer them.

Alderman Shea asked will you have a surplus this year?

Chief Kane responded I'm thinking that we will have a surplus this year, yes.

Alderman Shea asked do you have any idea where...is it five cents or \$500,000 or whatever?

Chief Kane responded we're three months away from the end of the year, but we probably...I'm thinking somewhere around \$250,000.

Alderman Shea stated the second point is can you use any of this surplus for the items that you have here that might be necessary?

Chief Kane responded with the authority of the Mayor I can.

Alderman Shea stated the second is does your budget that the Mayor has given you include any clause? In other words, if for instance there is an adjustment as far as the COLA's, would you be able to meet that obligation under your particular budget?

Chief Kane stated the COLA's are not in my budget, no.

Alderman Shea asked so what would you have to do if you had to obviously...you have a contractual agreement. What would you do?

Chief Kane stated well, as in the past, the way COLA's usually are handled is if there's separate amount that really the Department Heads don't know, it's some sort of Salary Adjustment account that the Board and the Mayor...

Alderman Shea stated so you're assuming that if there is a contractual agreement that somehow or other, there will be money available, someplace other than in your budget to cover that particular COLA.

Chief Kane stated that's correct.

Alderman O'Neil stated staying on that I guess this question's for you, Your Honor. My understanding is in your budget presentation you would like to manage regular salaries through Salary Adjustment as has gone on this year for most departments. You also would like to manage overtime, I'm guessing using Salary Adjustment. And thirdly that any cost of living increases are in the Salary Adjustment. The question I have for you, based on the number that was presented, is there enough money to do all that?

Mayor Guinta stated the premise of your question, actually, is not accurate. So I would be happy to talk about COLA's in non-public, but I'm not going to go into it in public session.

Alderman O'Neil asked well, can you tell me then what's in the \$700,000 for Salary Adjustment?

Mayor Guinta responded I will answer it this way: The contention that all of those items are in Salary Adjustment is not correct.

Alderman O'Neil stated all right. Can you tell me where the number is then to manage regular salaries and overtime?

Mayor Guinta stated because all these three items are related, again, I'd be happy to talk about it in non-public, but I don't think it's appropriate to talk about it in public.

Alderman O'Neil stated I'm not asking about COLA's. I'm asking about regular salaries and overtime.

Mayor Guinta stated honestly Alderman, I'm not comfortable talking about this item in public. I think that we need to look at that item, and I'd be happy to discuss it in non-public. I can assure you that I have properly, in my opinion, budgeted for any potential COLA increases, based on negotiations.

Alderman O'Neil stated okay. Your Honor, the Chief mentioned that the last two items, rust and the external defibrillators, if he was given the okay from you would you allow those to be purchased out of 2007 surplus if in fact his numbers are correct?

Mayor Guinta stated Chief and I have talked about both of those items. First let me take the defibrillators. We have looked at some grant opportunities which the Fire Department is applying for grant money. We're not exactly sure how much money that would provide, but given the potential surplus we're seeing right now in the Fire Department and in other departments, I think this Board is going to have to make some potential decisions about some prepayments in FY '07 to that list. I would certainly say at the top of the list is the defibrillators and the rust. And I've conveyed that to the Chief. So long as we continue to be frugal with the fiscal year '07 dollars, then I feel that we would have enough resources to add those items in the '07 number.

Alderman O'Neil stated all right. Questions for the Chief. Joe, based on a potential surplus, and I'll use your number for tonight of possibly \$250,000, were there any significant impacts on the level of service provided the citizens? Did we have extraordinary times that ladder trucks were out of service during the year.

Chief Kane asked do you mean in this past year?

Alderman O'Neil responded current year, correct.

Chief Kane stated there were a couple of things that impacted that. We did have...Truck 2, which is on the West Side, had a twist in the ladder. That needed to be sent back to the factory in Pennsylvania. So that was out of service for an extended period of time.

Alderman O'Neil asked any idea...was that a month, was it three months, was it...

Chief Kane responded it was about three months. It was a significant issue and problem that needed to be taken care of, and it only could be taken care of at the factory. These trucks, if something like that goes wrong with them, it's not...

Alderman O'Neil stated but you wouldn't have been able to make up \$250,000 with just that truck out of service.

Chief Kane stated no, there was other trucks out of service throughout the year.

Alderman O'Neil asked could we get some kind of report on that at some point, not necessarily on any time frame, sometime in the next couple of weeks maybe – two or three weeks? Just based on your comments of regular salaries of \$187,000 shortfall for your request, what happens if that level of funding is not restored?

Chief Kane responded as I understand it, and what the Mayor's looking at, is that that would be, he would look to me to make up that money through vacancies when firefighters are vacant. And I would anticipate, if I was unable to make up that money somehow or it's kind of hard to tell exactly what the next twelve months would be like, that through his office he would assist me in developing that.

Alderman O'Neil asked so if you are not given \$187,000 or the additional per the Mayor's recommended regular salary figure, will we see a plan that has any engine company or ladder truck out of service?

Chief Kane responded no. Based upon the numbers that I have, and the assurances from the Mayor's office, there is no planned ladder trucks or engine companies out of service.

Alderman O'Neil stated all right. Same question regarding overtime.

Chief Kane stated same answer.

Alderman O'Neil asked and what is your authorized complement today?

Chief Kane responded 258.

Alderman O'Neil asked and do you know how many are sworn on that?

Chief Kane responded 212.

Alderman Forest stated yes, a couple of questions, Joe. Your line item 615 for gas, oil, and diesel fuel...I notice you have a number here that gives \$65,000, and you're anticipating \$90,000. The price of fuel has almost tripled since last year. Are you going to be able to handle this at the end of the year if the price of gas...I know you're not going to go up to three bucks but it's still going to do a job on your budget.

Chief Kane stated this is what we anticipate the shortfall being this year and next year is that we anticipate spending \$90,000.

Alderman Forest stated okay, and the second questions, and it's a question that I've asked you maybe four times in the past two and a half years, is there enough money to put a generator in at Engine Four? Can you handle that this year with this budget?

Chief Kane responded no, I cannot.

Alderman DeVries stated thank you, Your Honor. Can you tell me this year the amount of money you were able to make up by not filling positions in a timely fashion within the budget...within the salary line item? How much money were you able to save? Or how much of a deficit were you able to overcome?

Chief Kane responded I can give you a guesstimate. I do not have an exact figure, but I do know that the initial shortfall was about \$400,000. I'm going to give you a guesstimate of about \$300,000.

Alderman DeVries stated and the surplus that you have right now...can you tell me how that's been accrued? It doesn't sound like it was all in the salary line.

Chief Kane stated no, it wasn't all in the salary line. Most of it was in overtime from ladder trucks being out. And there are some other small line items that we were able to save.

Alderman DeVries stated an additional question if I might. And last year did you feel that you had more than your fair share of trying to pay the vesting out costs? That was kind of a large expenditure for you last year, all of the final retirement costs.

Chief Kane stated yes, unfortunately we had a number of senior positions in the Department that went out last year. I do not anticipate that happening this year in regards to severance. Is that what you're talking about?

Alderman DeVries stated an additional question. The number of ladder trucks, and I know Truck Two was out for a considerable amount of time. Other trucks that you had out for an extended period of time last year?

Chief Kane stated yes, we had Truck One out for warranty work for about a month, and Truck Three out for warranty work for about the same time.

Alderman DeVries stated so you really didn't have anything out for an extensive period of time other than Truck Two.

Chief Kane stated that's right. Truck Two is the...

Alderman DeVries asked and when do you anticipate that to be back, or did it come back?

Chief Kane stated it's back now.

Alderman DeVries repeated back now. We feel safer for that. Your Honor, can I ask a question of you?

Mayor Guinta responded absolutely.

Alderman DeVries stated in following up on Alderman O'Neil's line of questioning with you, I understand you don't want to disclose exactly where you may have put different items, but if the Salary Adjustment is going to be put aside, at least a portion of it as we did last year, that makes us believe that the Salary Adjustment is not available for at least all of the increase in COLA's that has been put aside, and I think that's where we usually would see those dollars. So can you tell me where else in the budget...

Mayor Guinta stated I'll give you the same answer again: I'm not going to talk about it in public. It's not that I don't want to. It's not advisable. We should not be talking about negotiation strategy or dollars in public.

Alderman DeVries stated I'm not trying to get us to talk about that. I guess I'm just trying to decide if there's not money to handle the shortfall in budgeting within the departments, which is what we used Salary Adjustment for last year. We're either increasing your total bottom line to make money for that or it's somewhere else within the budget, because the budget is as you've presented it, with a half percent short. So we're either not putting money aside to handle the short funding within the departments that you spoke about or there's... you know, we can't make more money up within the bottom line, so does that mean the tax decrease is not really not the tax decrease that you showed us?

Mayor Guinta responded no. The budget that I've presented is a half of a percent tax cut. It includes some of the same philosophies that were adopted in fiscal year '07, that I think as we come to a close in the fiscal year '07 we'll see that was very beneficial. It wasn't always easy to make some of the decisions I had to make. I'm sure some of you have heard from time to time from Department Heads with some of the challenges that have presented them. However, it is clear that that philosophy has worked. That philosophy can be applied to more than just Salary Adjustment. And beyond that I would defer the conversation to non-public, which I'm happy to have at our next non-public meeting.

Alderman DeVries stated so one final question: So the cost savings will be made by delaying hiring of individuals throughout the year?

Mayor Guinta stated no, that's not true.

Alderman DeVries asked that's not true either? One final question to Chief Kane then: Chief, if you didn't think that there was a Salary Adjustment amount available to you, if that was zero, to come to your Department, do you still feel comfortable with the budget presentations you've given us this evening?

Chief Kane stated well obviously I would have to...I'd really have to look at this hard but the numbers are the numbers. The salary numbers are the true in fact numbers that come out of HR.

Alderman DeVries stated which makes me think it's either a yes or no answer.

Mayor Guinta stated I'll answer for him. I mean the answer is no.

Alderman DeVries stated I asked the Chief...

Mayor Guinta stated well I'd prefer to answer for him. The answer is no. I have, for the last year, demonstrated an ability to manage based on a different philosophy than we used in the past. It has clearly worked in almost every single department. It's impossible for us to determine exactly, to the dollar, where there is going to be a surplus or where there is going to be a shortfall. I think we did a very good year of it in fiscal year '07, considering it was the first year for many of us. I have conveyed in private and in public to the Fire Chief that, should there be a shortfall, the purpose of the Salary Adjustment, in part, is to deal with those shortfalls. I'd like to continue that practice. If the Salary Adjustment is at zero, I would have concerns about his budget and I would have concerns about the Police budget and I would have concerns about some of the smaller shortfalls you may hear about from other Department Heads. And it's why I've argued for that number to remain the same as in last year's budget. It was reduced. Luckily, we have not had to tap it yet. It doesn't mean that we won't have to tap it, but luckily in this fiscal year we have not had to tap it yet.

Alderman DeVries stated and Your Honor I would agree with you that this budget is closer to a workable number for the Fire Department this year than it was last year, so it's less concerning.

Mayor Guinta stated agreed.

Alderman Lopez stated thank you, Your Honor. I've just got a couple of questions, and yes, the Fire Department has been working good, but I want to point out a couple of things. Last year we added \$381,000 to your budget also, Chief. And the \$400,000 in the Salary Adjustment has not been used, as the Mayor indicated. And the \$700,000 there is once again for, without getting into anything, probably for everything. In looking at what you've submitted, I just want to bring this out. You're short about \$899,000 in your budget, according to your notes. Now, from that, let's just take \$99,000 out of there and let's say you're going to buy something in this year. So you've got \$800,000. You have a average of what eight - or ten - retirees a year?

Chief Kane responded eight to ten retirees a year, yes.

Alderman Lopez stated and you're comfortable you can make up that...you can make up that \$800,000 if you have to?

Chief Kane stated yes.

Alderman Shea stated when I was on the CIP Committee we funded for exercises for the firefighters, and we took plenty in. Could you tell me how that program has either progressed or not progressed? Are the firemen in better physical shape now than they were before the exercise program, or do they conduct regular exercise situations?

Chief Kane responded I think the Department in general...the members of the Department in general are in better physical shape than they were. Obviously I've been there for a number of years and I think whether it just be a cultural change or the fact that we're giving them equipment to utilize, I think that the physical condition of the Firefighters today is at a much, much higher level than it had been.

Alderman Shea stated well yes, there's a concern nationwide about the condition of city workers, and I'm just wondering....does each firehouse have an exercise room or is there just one or two...

Chief Kane stated well each firehouse has some exercise equipment in it. Obviously some of the bigger stations have more equipment than some of the other stations. But each house has cardiovascular equipment that...

Alderman Shea asked are they required to do the exercises, or is that part of their program or is it sort of on kind of a voluntary basis?

Chief Kane stated it's on a voluntary basis. They aren't required to do that, but they certainly do...

Alderman Shea asked can you tell me how much we allocated for that last year?

Chief Kane responded yes, we're talking this year, 2007. The program was a Federal program that came through in 2006. We spent about \$350,000 on exercise equipment. The City's portion of that was around \$60,000.

Alderman Shea stated so that basically now that obligation on the part of the City is all finished and the grant is all done. So you have the equipment and it's up to obviously different captains or additional chiefs or whatever to insure that some of these particular programs are followed, I assume, in order for the firefighters to be in shape.

Mayor Guinta asked Chief, can you talk about how that has impacted sick time?

Chief Kane responded not specifically. I really don't have any specific chart or anything to show that. I do know that sick time is an issue with the Department that we are focusing on.

Alderman O'Neil stated I apologize that I didn't catch all of Alderman Shea's discussion regarding the Wellness program, Alderman Shea. There was a significant investment and I'm of the opinion, and we've talked about it before here, that it has not worked out – the mechanics of it have not worked out as successfully as I think all parties would have liked. As a matter of fact the last time we talked about it, I think the Board had voted to instruct the Department and HR to not award a contract for the physicals. So I don't know what the status of that is. We've paid an awful lot of money and it hasn't worked out as well as it should have for whatever reason. A big part of that was alternative duty, which I don't think has been fully implemented on our end. I just read an article in one of the magazines we got recently about alternative duty. It's a national trend. Many communities are using it for all services, not just the fire service – police, public works. We just recently got some publication that had an article about it, so I think the wellness program still needs some work. Regarding Alderman Shea's question about an obligation, I think there is still an obligation. There's an obligation on physicals, at least. On a side note, the drug testing has not been successful, so there's an obligation there. So I think we need to do some work in those areas to improve those programs.

Mayor Guinta asked Alderman, is it your understanding that the agreement that was put in place is...are you talking about the agreement as a whole has not worked out? Are you including sick time issues in that comment, or are you just referring more specifically to...

Alderman O'Neil stated I wasn't discussing sick time issues, specifically.

Mayor Guinta stated my recollection was that this was supposed to reduce sick time.

Alderman O'Neil stated right. The bottom line was the goal at the end of every year was to improve the wellbeing of our Firefighters and that hopefully by doing that there would be a reduction of sick leave time. There may also be a reduction in workers comp. And I don't know that that's actually...I haven't seen, I don't know, in the two or three years that this was implemented...I haven't seen any statistics pro or con regarding that. But I know there's been some frustration by all parties regarding it, and that's why I think at one point it was brought to this level, to this body, to address and I'm pretty sure about the discussion about not awarding the contract for the physicals because of concerns over it.

Mayor Guinta stated I think if we could try to adopt a policy as a Board, well not a policy, but to focus on this issue it probably could equate to legitimate real dollar savings.

Alderman O'Neil stated we've already invested the up-front money in it. I think there are some ongoing costs to it, but I'm not sure we've seen significant savings on either workers comp or sick leave because of it, that I'm aware of anyway. Thank you, Your Honor.

Alderman Shea stated I think, Your Honor, if I may follow, there should be some kind of guidelines so that there is some material presented to either the CIP Committee in order for certain types of studies that would indicate that certain activities are being performed. It's not a difficult kind of situation, but obviously there has to be a certain amount of discipline here so we know that certain individuals will take advantage of situations and others have to be coaxed to do it. But if we're investing through grants and through monies upwards of about \$400,000 the equipment can lay dormant if people aren't obviously encouraged to use them and if there aren't statistical data to indicate how it's been of benefit to the Firefighters. And we're only looking out for the well being; it's a Wellness program, so basically it's not like as if we're nitpicking here. We're trying to utilize our resources in the right way, and I think that some kind of a research...not research necessarily....but guidelines or guide sheets should be presented and people should make themselves available. This should be one of the points about attitudes within the Fire Department itself and how people who want to progress within the Fire Department are utilizing whatever services that we're providing for them. Thank you.

Alderman Roy stated thank you, Your Honor. I do have some questions for the Chief and fire staff, but the biggest problem I have with this evening is...or the big question is the Salary Adjustment number, and personally I'd either like to go to non-public or schedule a non-public for tomorrow evening because every time a department head sits in front of us and says, I've talked to the Mayor and he assures me that the Salary Adjustment will cover those changes, as Alderman O'Neil or DeVries added up, it may not cover all changes, so I think it would be very prudent for this Board to have a non-public session with yourself, Your Honor, and find out exactly where those numbers are allocated. I do agree it should not be done in public; it should not be done even potentially in front of Department Heads but between Finance, this Board and your office, Your Honor, I think that until we know, we can't talk about overtime or regular salaries or COLA's or adjustments. We can talk about \$6,800 in fuel that we're spending a month at the Fire Department and we can't get into the real big numbers and so I would look either for tomorrow evening or sometime in this evening for us to go to non-public and discuss those numbers.

Mayor Guinta stated I know Alderman O'Neil had inquired about this at the last BMA meeting and at that meeting I did indicate that at the next meeting we would have a non-public session with the Dave Hodgen available, so that would be I think a week from tomorrow. I'd be happy to take it up on the 17th. So, a week from tomorrow I'd be happy to take it up.

Alderman Roy stated Your Honor, if I could continue with the floor. I don't see having the Chief Negotiator here as part of that non-public discussion. This is a number presented, a number allocated, that we need clarification in private as to what the allocation was. I don't care what David does...well I do care...but not for this purpose. But what he does in negotiations for our future contracts...

Mayor Guinta stated let me clarify. Having a non-public, as I understand it, on the 17th, we can address the issue in that non-public because we are going into non-public for the purpose of negotiations. The confines of the questions presented by Alderman O'Neil, Alderman DeVries, and yourself, are ultimately related to that issue, so we can go into non-public and address it.

Alderman Roy stated Your Honor. Mr. Chairman, if I still have the floor, I would ask the Solicitor if we could, instead of waiting the week and a half, I mean I've got questions for the Chief and then if he's going to give me a different answer because of information that this Alderman or this Board knows, then I want that out for discussion, and so I'd ask the Solicitor, do we have to wait a week and a half to go into non-public or can this Board request that at any time?

Mr. Thomas Clark, City Solicitor, stated that's the prerogative of this Board. You could recess to discuss negotiating strategy. That discussion would have to be limited to negotiating dollars and would not be able to discuss in non-public session the overtime and other salary requirements. You'd be limited to the negotiating part of it.

Alderman Roy stated and COLA's would be part of that negotiating...

Mr. Clark stated COLA's would be part of negotiating strategy, yes.

Alderman Roy stated okay, and where they are in our budget, it would be part of that discussion. And Your Honor, I think that if we have that information we may alleviated probably thirty of the questions that have been asked so far and not answered.

Mayor Guinta stated it sounds like the question is, is the COLA number in there or not. I said yes. If you're not happy with that answer, I can talk about it more clearly in non-public, which we have scheduled for Tuesday. So, I'm doing the best I can to give you all the information. I don't see why this couldn't wait until the next non-public, which is scheduled for the 17th.

Alderman Lopez stated Your Honor, I think it's important...I'd like to make a motion we recess and go in non-public. We've got both Finance Officers here and yourself, to give us that number in non-public.

The motion was seconded by Alderman DeVries.

Alderman Garrity asked this being a special meeting, does it take a vote of the Board to do that?

Mr. Clark responded no, you're recessing this meeting just to meet, because it's not a meeting when you're discussing negotiation strategy.

The motion passed and the meeting was recessed.

Mayor Guinta called the meeting back to order.

Alderman Roy stated thank you, Your Honor, and thank you for taking that time and the Board for taking that time to answer some questions. That being said, Chief, getting back to some of your line items, a couple things you talked about – gas, oil, diesel – is it your understanding that when you run out of gas, oil, diesel – line item funds – that you can transfer within your budget?

Chief Kane responded yes, with the Mayor's permission.

Alderman Roy stated looking at FY '07 as of the end of February, you had less than two months supply in that line item for gas and diesel. Those are real numbers and real contracts that go out, so I would look for us to look for any savings other places in your budget to go ahead and fund things that you have no control over.

Chief Kane stated right, we try to monitor those things as best as we can.

Alderman Roy stated the other question, line 761, you talked about rust. Is there anywhere in the CIP or in the Mayor's budget, any replacement of fire trucks? We do have somewhat of an aging fleet.

Chief Kane stated well my understanding is that in the MER account there is a replacement of a pumper. My understanding is that in the MER account, Motorized Equipment Replacement, there is a pumper in there to be replaced next year.

Alderman Roy asked and which pump would that be?

Chief Kane responded that would be replacing Engine Nine, which would become a spare.

Alderman Roy asked and that would make how many spares that you would have?

Chief Kane responded we would have three.

Alderman Roy stated three spares: Nine, Thirteen...and which is the other?

Chief Kane stated well the three spares are Twelve, Thirteen and Fourteen.

Alderman Roy stated okay, so Nine would get renumbered?

Chief Kane stated yes, they all get renumbered.

Alderman Roy asked is it possible for you to get, either electronically or out to the whole Board, the numbers of the equipment, the ages, and a life expectancy when they were new of the fleet so that we can look at that and have it on record for future years?

Chief Kane responded absolutely.

Mayor Guinta asked is that information already in the MER book that I have?

Chief Kane responded that should be. You should have a fleet book with all that stuff in there.

Mayor Guinta stated I'll check that. If it's not what they're looking for, I'll let you know.

Alderman Roy stated thank you, Chief; thank you, Your Honor.

Alderman Gatsas stated Chief, last year when there was an idea that you might not be able to efficiently work within your number, and you came back and said the recommendation was to eliminate a ladder truck for how long, I forget the amount of time.

Chief Kane stated I'm going to suggest that it may have been six months.

Alderman Gatsas asked and you had a ladder truck out for three months?

Chief Kane stated actually we were just talking about that. It was probably in the vicinity of twenty weeks. Three different ones.

Alderman Gatsas stated so we had a ladder truck out for almost half the year.

Chief Kane stated it wasn't a ladder truck; it was different trucks.

Alderman Gatsas stated I understand. Right, but when you were going to make the recommendation of a ladder truck, it wasn't one specific ladder trucks during the course of the whole City and during the course of the whole year. And I think at the time it was

roughly three or four months that it was going to be out of service. Now we're almost at a six month period and we did okay.

Chief Kane repeated we did okay.

Alderman Gatsas stated thanks, Chief.

Chief Kane stated I'd like to thank the Mayor and Board for this evening.

Mayor Guinta stated Police is next.

Alderman Gatsas asked Your Honor, while they're getting adjusted is there any way that I can ask for...because within these line items on a Department, there is life insurance, health insurance, dental. Is there a way that we can pull those out, out of every Department and put them into the front sheet that we look at from a budget purpose? So that we can see what the cost of health insurance is on a line across for the whole City, rather than having to look at it by Department. If we can get the number for '07 and if we have a number for '08, we'll know what increases are for health, dental, workers comp, retirements...

Mayor Guinta stated essentially, you would like an aggregate for fiscal year '08 and then as many years past.

Alderman Gatsas stated I would like an aggregate but I would like it to accompany...

Mayor Guinta stated so give you a budget sheet that pulls it out of each Department...

Alderman Gatsas stated right, and adds it into its own line item on this sheet. So that we actually see it.

Mayor Guinta stated I don't see why we couldn't do that.

Alderman Gatsas stated because Departments truly have no control over health insurance, so we should have it out of there so that we're looking at pure numbers within the departments of what they control.

Mayor Guinta stated I don't see why we can't do that so I will...if we cannot for some reason, I will certainly convey that to you. But I don't see why we could not. So I will...

Alderman Gatsas stated they used to do it that way in the past.

Mayor Guinta stated I believe Schools does it that way now. So I believe we can. The answer's yes, so I will get that to you.

Police Department

John Jaskolka, Chief of Police, stated good evening and thank you for taking the time to listen to our concerns over the budget. We do anticipate a very lean budget this year. However, we feel that many of our line items are going to be funded appropriately. We do have a few concerns. On the sheets we submitted, the first one we look at is your regular salary and wages, and after re-working those numbers, we feel that that line is adequately funded and is no longer a concern. Our concern does however come in, as with the Fire Department, with the COLA increases, as well as severance, which is not funded within the budget itself. A second area of concern is overtime. Our request was cut \$167,250. We believe this will have some serious impact on our operations. Historically, our overtime budget has run over, but has been funded by extra money in the salary line. However, that's unlikely this year with the salary line that we have. Again, that's going to come out just about even. Of course we look at cost increase in hourly rates; court costs also remain a very large part of our overtime budget. And the workload being created in the City now will continue to see our overtime continue to rise. A second concern that we have as far as funding, and I think many of you are aware, is Operation Street Sweeper was not funded this year and we don't anticipate that to be funded. That means to us \$150,100 and about \$90,000 of that is overtime operation. The rest covers undercover operations, drug purchases when we have to call out the Special Reaction Team to make high risk entries and so forth. Our initial input for overtime did not anticipate Street Sweeper not being funded. And also we have to look at Intergraph training. However, if we had additional input we thought we'd be able to satisfy many of those needs as far as the training goes. Unfortunately, our structure, the way the Police Department works, doesn't allow us to train a large portion of our personnel while on duty. We did as many as possible. However, the people in the cars and so forth, had to come in on an overtime training basis. Another area, Uniform Allowance. That was cut \$40,000. Our input for that was to outfit the five additional Police Officers that are going to be approved in this particular budget. If we have to pay for that out of the current allowance, that's going to take a drastic cut in our clothing for the rest of the officers for the rest of the year. Another area of concern is with our leases. That was cut \$7,250. One of those was switched over as indicated to a maintenance agreement. However, that leaves us short \$4,550 in committed leases in this particular line. Another area that we were fully funded for at \$34,000 was ammunition. However, we found that there is going to be a drastic increase in the cost of ammunition nationwide, and basically, had we known that ahead of time, we would have requested \$49,000 for ammunition. And finally, the installation of the Kelley Street substation. Looking at heat, electricity, alarm systems, phone systems, and so forth, that's about another \$5,500 that's not in our operations budget, which certainly would make a cut in that particular budget. That's what we have right now. We'll open up for any questions that you might have.

Alderman Lopez stated thank you very much. Chief, you have a total number you think you're short. I come up with about \$382,000. Has anyone figured that out yet? \$382,000?

What is the total number you're short, money-wise in your budget as you indicated the line items you were short in?

Chief Jaskolka asked what was the number that you had, Alderman?

Alderman Lopez responded I had \$382,000.

Chief Jaskolka stated I'll take it!

Alderman Lopez asked what's your number? What's your total number?

Chief Jaskolka responded when we did the breakdown we just broke it down. We didn't total it the entire breakdown, so if you give me a minute I can tell you what that would be.

Alderman Lopez asked is that about right? \$380,000? Let's round it off. Is that correct?

Chief Jaskolka responded yes.

Alderman Lopez stated thank you. In your budget, Chief, five new Police Officers is in your budget now?

Chief Jaskolka responded yes it is.

Alderman Lopez stated the question I have, and maybe Your Honor, you can answer this: I understand we have a big testing coming up. And I know you wanted five Police Officers this year and five next year. But if in past performance, ten percent usually pass and move on. So let's say you have thirty qualified Police Officers, if we don't hire the number that we need this year, these Police Officers will go someplace else. I was wondering about your feelings on why, when we're testing so many and we did a lot of publicity in that particular area – the training division, HR, the billboards, and other things – there must be a reason that we're having now 300 some people testing. I was wondering if they lose these officers now that we went through this rigmarole what your feelings are? Why would we not hire these Police Officers if we want to get to 225 right away?

Mayor Guinta responded well, a couple of points: Before I took office I think you will all remember we were at a complement of 205. That number had not moved significantly for a number of years. When I took office we immediately increased it to 209. The current complement has now been increased to 215. I have in this budget included the complement to increase to 220, with a continued promise to...through '09 to get to the 225, which is the number that we had been talking about for the better part of two years. I think we're on track to do that. I think that we've got to be really careful about this group of 300. We don't know how many will be qualified. I certainly appreciate and value the interest of people to

serve as Officers. I think we've got to look at the qualified applicants of the 300. We'll assume that of the 300, some won't show up. And of the ones that show up, some may fail out the first day and we'll know within three weeks what the true number is. And that's something that the Chief and I have talked about in the past. We'll be doing those scenarios and I think obviously we'll be on the side of caution, but if we have an opportunity to hire more, we'll do everything we can to do it. I think that the pace that we're on is probably an appropriate and reasonable pace to get to the 225 which is where we all want to be. But if we're fortunate enough to have that problem come before us then we'll make every effort to hire those Officers. But there are a couple of other things that I've done to try to address the two areas of concern. First of all, the Street Sweeper money that we're losing from the Federal government. I've already contacted obviously the Congressional Delegation to apply some pressure on them to restore that money. I really can't understand why, when you're seeing these trends in cities across America and in states across America, why that funding would be reduced. There are potential opportunities with an increase in the COPS program to potentially provide us with some dollars. If that's the case, we would apply those dollars immediately to additional hires if we have those officers in place. Beyond that I've asked Dennis Hebert to look at potential other grants that we could apply for to try to identify additional funding, not just for officers but in the other public safety needs that we have. I've also been in contact with U. S. Attorney Tom Colantuono who does have some discretionary money, not necessarily for the hiring of officers but it could, for the short term, fill the gap that the Chief was talking about in the loss of Federal funds for Street Sweeper.

Alderman Lopez stated that's commendable and I just want to point out that if we get thirty Officers we should do everything in our power to make sure, even though we're at 215-225, I think the Chief was indicating at one meeting the complement should be about 250. Is that correct?

Chief Jaskolka responded I believe the latest statistics are up around 250 for a city this size. I don't know that we could handle that group right now, but I see the City growing into that size in years to come.

Alderman Lopez asked now is there anything in the 2008 budget numbers that you've indicated here...first of all I should ask you, is there a surplus? Do you anticipate a surplus in the Police Department?

Chief Jaskolka responded no, we don't anticipate a surplus, Alderman.

Alderman Lopez stated maybe there are some other items that you can look at that we could take out of the '07 budget to help out the Police. All in all, your budget is satisfactory that you've been made up in the Salary Adjustment?

Chief Jaskolka responded if the Salary Adjustment is going to be available, I believe we'll be able to survive with the numbers, yes.

Alderman Roy stated thank you, Your Honor. Thank you, Chief, Deputies, and staff for being here. So right now the number that is put forward, just for clarification, is based on 220?

Chief Jaskolka responded the salary line, yes, is 220.

Alderman Roy stated okay, and Deputy, I think you were at that meeting, didn't this Board take an action that if you could hire ten new hires to make it to 225, we gave you that authority?

Deputy Chief Simmons responded, that's correct.

Alderman Roy asked and you're willing to absorb those, if possible, out of this test, within this budget, or would you need additional funds.

Deputy Chief Simmons responded to go to 225 we'd need additional funding, yes.

Alderman Roy asked do you have a number per officer added of what additional funds would be needed?

Deputy Chief Simmons responded well salary alone would be about \$39,500. Including benefits it's about \$60,000 per man, I believe.

Alderman Roy asked and how about equipment?

Deputy Chief Simmons responded equipment is about \$8,200 per man.

Alderman Roy stated now based on the complement, I'll go with the Mayor's proposed of 220. Based on the number of 220, was there movement within your budget as to adding a certain number of patrol officers, meaning you have to have a certain amount of Sergeants to stay within your guidelines?

Deputy Chief Simmons responded as it stands now, we are very shortly going to have to address the supervisor to subordinate ratio. We're getting close to being above the maximum recommended. And then again, that's depending on which figures you look at. But you start getting more than seven to ten per Sergeant, it gets a little bit difficult for them to supervise.

Alderman Roy stated okay and that also affects your accreditation, correct? Or when you come up for re-accreditation.

Deputy Chief Simmons stated I believe it will. The increase will also put us into another accreditation category. We'll move into essentially a large department, even though our manpower isn't what some of the larger departments are. By their numbers we will move up to another status in accreditation.

Alderman Roy asked and so those ratios will change within that accreditation period?

Deputy Chief Simmons responded I believe we'll have to look at accreditation at that point, but we will be changing our standards; our standards will change as we increase our complement. We're borderline now before we move to the next category.

Alderman Roy asked is there a number? Is it on sworn officers, or population or how is that based?

Deputy Chief Simmons responded I believe it goes by the number of officers. I don't recall what the number is, but in talking to the Accreditation Manager some months ago, she mentioned to me that as we increase it we're looking at moving up a category in accreditation.

Alderman Roy stated Chief, we had spoken some time ago regarding new equipment, and potentially tasers used like the State Police have them. Is that built in anywhere in this budget?

Chief Jaskolka responded it's not built into the budget. We do have some training people looking into it. They're doing some research and they have not gotten back to us on that. At the same time, there's not only research on tasers; they're going to see if there's any grant funding out there for them.

Alderman Roy stated okay, so you are pursuing looking into that and finding out if non-lethal would help the City?

Chief Jaskolka responded we're looking into them right now. We have some people doing research on them.

Alderman Roy stated I know this budget process has moved rather quickly but that's one item that if that comes before this Board before this budget is settled, I for one would like to see that built in. Right now, and I've talked to the Chief and the Deputies a little bit about this, I'd like to look into the numbers, as far as workers comp issues, that possibly some type of taser could have avoided. This is not only for the safety of the officers but public relations

and the safety of the constituents that are, unfortunately, being detained by the Police. So, if that could be looked into before we finalize our budget, that would be greatly appreciated by this Alderman.

Alderman Shea stated thank you, Your Honor. I have two concerns. With the addition of extra officers, is there anything in your plans to have certain areas of the City having at certain times, walking patrolmen? In other words, there are areas of the City that are more obviously crime-related situations going on. And I noticed that there is a program in Boston, which I don't want to equate to Manchester, naturally, but is there any kind of a situation whereby patrolmen will limitedly but in terms of walking around a particular neighborhood which has been troubled by burglaries, assaults, and so forth? Is that possible if additional patrolmen are added to your complement?

Chief Jaskolka responded that's very similar to what we did last year when we had some of the specialized patrols. We actually had them out walking some of the neighborhoods because we had the additional manpower. If we have the additional manpower on the street at the time and we can fill the regular cruisers, then obviously the Captains are instructed to come up with some type of plan to either do some type of specialized detail, put some walking routes out or whatever, but again, that's manpower driven.

Alderman Shea stated well I'm saying if additional patrolmen are added though. In other words, what amount of patrolmen do you need in order to begin that process? Do you need 225 or whatever? I'm just wondering. When do you reach that...

Chief Jaskolka stated part of the increase...I can't commit all the manpower to just patrol. I have to increase some of the specialized divisions, detectives and so forth, because they haven't been increased in quite a while now. The Drug Unit hasn't been increased in quite a while. So I'm going to look...somewhere between this particular hiring that just occurred and the 220 to beef up some of the divisions. We've added to Community Policing. I'd like to take a look at some of the investigative divisions and then whatever leftover we have, and if we're looking at 220 we're probably looking at 12 people to be hired, there will be some left over for the shifts. We would increase the manpower on the patrol shifts, which should allow us some more leeway to do details similar to that, whether it be walking routes or if there are particular areas plagued by burglaries to put out people in plain clothes and unmarked cars in those areas.

Alderman Shea stated well see, and this is of course I'm... maybe I'm speaking off the collar and so forth, but a patrolman has an automobile, a cruiser, what's to prevent him from, say, parking at a particular spot, let's say Somerville and Wilson Street, getting out and walking down Somerville Street, up Silver Street and so forth, just to familiarize himself with that particular area of the City in order to maybe make contact with a building or something like that. Is that not possible? Is that like asking beyond something? I mean...

Chief Jaskolka responded well obviously, Alderman, that's encouraged. However, a lot of work they do in the cruisers is call driven. The four to twelve shift; they're extremely busy. They're handling forty-five percent of the calls during the course of the day, so they don't have that opportunity. The Community Policing people, however on the other hand, are encouraged to get out in the neighborhoods, that's basically what their job is: to get out into the neighborhoods and meet the people. Again, with the appropriate manpower we can do that more often.

Alderman Shea stated and my second point is, and again I'm not giving up on this concept about having a precinct sometime. I mean, you mentioned that, you know, with the addition of additional patrolmen, maybe 250 or whatever, if that were at all possible...is there still some kind of a way that a grant might be written, or some investigative kind of insights given so that Manchester could provide on the West Side of Manchester or in other parts of the City...I don't know? I'm just using that as an example...of a precinct so that there would be the presence of police officers within a certain area of the City. I mean our City has obviously experienced a lot of problems in certain areas of the West Side of Manchester. I'm using that, but is it possible for some kind of a grant to be written or some kind of...when your certification comes up and so forth? Do they sometimes require that cities of the size of Manchester, with the type of problems that we're now experiencing...is it possible that they would require you to have a precinct, or is that something beyond which no certification has any dealings with?

Chief Jaskolka stated I'm not aware of any requirements through accreditation or otherwise that we would be required to have a full precinct. In other words, a secondary 24-hour Police Station. And I'm not aware of any grants that are out there for it. But it's not something that, you know...I think the City should look into it in years to come.

Alderman Shea stated the City should look into it, is that what you're saying?

Chief Jaskolka responded as the City is growing, in order to keep an adequate amount of Police Officers in a certain area...like the Police Officers on the West Side now have to travel over to the East Side to do whatever it is they have to do at the main Police Station. Some of that can be done at the substations, but to have another building operating 24 hours is something that, in the future, as the City continues to grow...

Alderman Shea stated I really think it should be looked into. Somehow or other maybe there is some money available through grants or through other kinds of types of monies coming in that would maybe make a big impact on the West Side of Manchester, because I really think that it would provide the people there with additional security. Thank you, Your Honor.

Mayor Guinta stated I just have a quick question and then we'll go to Alderman DeVries. On a \$3000 Uniform Allowance, can you just verify that number? I'll check my notes, but did you say you're looking for \$140,000 and you only got \$100,000?

Chief Jaskolka responded on the Uniform Allowance that's correct. The 40 was for the five new officers, to uniform them.

Mayor Guinta asked and you can't get that in the \$100,000 allocation in the Uniform Allowance?

Chief Jaskolka responded we don't think so because every year that Uniform Allowance gets pretty well eaten up by the end of the year. So, to hit that with \$40,000 in the beginning of a fiscal year I think would be very difficult. And that \$40,000 was for the five additional officers. Keep in mind that every time we hire a new officer, although the amount isn't the same, we spend about \$4,000 per man on somebody that fits in a replacement spot.

Mayor Guinta asked what about the General Supply line? Is that eaten up each and every year?

Chief Jaskolka responded for the most part it has and actually this year we did ask for an increase and you granted that increase in that line item.

Alderman DeVries stated thank you, Your Honor. With the increased complement in your department, I believe that you put in an extra position within Traffic and the rest went to Patrol. Would that be correct?

Chief Jaskolka responded we replaced one and added one, yes. We actually put two positions in Traffic but one was a replacement and one was an added position.

Alderman DeVries stated I'm talking new positions. But you didn't add anything into the complement for Community Policing. Is that correct?

Chief Jaskolka responded last time we did. This time we added two positions to Community Policing.

Alderman DeVries stated so you're saying there's two new positions created within Community Policing.

Chief Jaskolka stated yes.

Alderman DeVries stated the additional five officers that you hope to bring in, you're saying those would go to specialized patrol.

Chief Jaskolka stated not all five of them, no. The July hiring we'd be looking at twelve people, a lot of replacement positions and the five additional...I look at some of the investigative divisions but again, as with every hiring, the bulk would go to patrol.

Alderman DeVries stated so it's your opinion Community Policing is at the...because I just was listening to the dialogue that Alderman Shea had with you and you said if you had more Community Police, some of the activities he was describing might be able to happen. And I understand it's a very difficult balance for you to know where you want to put your extra positions, but it's sounding like you want to put them with the specialized detective or...

Chief Jaskolka stated I haven't really touched the specialized divisions in about three years now, so I'm going to have to add some there. I do believe that Community Policing is a very important position because they have the freedom to do a lot that the Patrol Division can't, so that's why we added these two positions.

Alderman DeVries stated the final comment I would make is it's your commitment to us that the budget allocation before you will not cause any reduction in Community Policing or Traffic.

Chief Jaskolka stated no.

Alderman DeVries asked it's not your commitment to us?

Chief Jaskolka responded no, it's not going to cause a reduction.

Alderman Roy stated thank you, Your Honor. Chief, you discussed your severance. What is that line item up to this year as far as retirements?

Chief Jaskolka responded it's \$325,000 right now.

Alderman Roy asked and your expectation for next year?

Chief Jaskolka stated I'm not expecting as many retirements this coming year as we had last year. At this current time I'm only aware of two to three. This time last year I was aware of many more.

Alderman Roy asked as a Department Head would you like to see in our contract negotiations something that requests...I know we can't mandate it...but something that requests...Portsmouth has this, for Your Honor's information, that when you retire you have to give a notice so they can factor it into the budget. As a Department Head is that something that you'd appreciate or do you think that would be detrimental?

Chief Jaskolka responded I think it's really something we need to look at. It all depends...you know I think you'd almost have to have it, if you're going to retire within the next year you've got to give us X amount of time before the budget cycle to make those determinations. I think similar to what the teachers have now, they have to announce their retirement at a certain time. So right now we look at 30 days for a retirement notice.

Alderman Roy stated the reason I'm asking you, Chief, instead of asking the other Department Heads, is your testing to actual hiring time to on-the-street-time seems to be getting longer and longer with the professionals you're bringing on, so I wonder if that's something we may try in the Police contract and then see how it goes for a few years and work it into other contracts.

Deputy Chief Simmons stated a lot of our retirements too are based on something that comes up in the meantime – a job offer or something along those lines. Although we call it a retirement, I call it a change of career. Most of them move on to something else.

Alderman O'Neil stated thank you, and I apologize for the Department if these questions have already been asked. Tried to hit a wake between Executive Session and you guys coming in. Just for today...number of sworn officers today?

Chief Jaskolka responded 208.

Alderman O'Neil asked that's your complement or actuals?

Chief Jaskolka responded that's the number of officers we have right now. With the complement at 215 this particular budget, 200, so the July hiring we're looking at 212 people.

Alderman O'Neil asked and that's realistic, Chief?

Chief Jaskolka responded with 270 applicants testing, and there are quite a few certified officers we had applications for too, so that's very realistic.

Alderman O'Neil stated based on that, the Mayor's recommended figures for regular salaries, you believe you'll be able to hire 220.

Chief Jaskolka stated the regular salary line, like we discussed early on, yes. We looked at it a couple of times; we figured them, and with the hiring in July regular salary will be adequate.

Alderman O'Neil asked can you clarify...I might be missing the point of what you put in that paragraph regarding resulting in a reduction of \$269,000. And then it went on, the bottom lines will be extremely lean in savings to make up that \$17,000. I guess I was confused what point you were trying to make there.

Deputy Chief Simmons stated actually the Chief removed that point when we started the presentation. I'm not sure you were in the room, Alderman. That \$17,000, we've since looked at our numbers again tonight and readjusted it.

Alderman O'Neil stated okay, so just cross that?

Deputy Chief Simmons stated yes.

Alderman O'Neil stated regarding overtime, based on hopefully getting to a complement of 220, and I don't want to call it a shortfall, but concerns about \$167,000 in overtime. What happens with the 220 and the need for that \$167,000 in overtime?

Chief Jaskolka responded the profession itself, the work that's generated, sometimes we can't avoid overtime. If you're at court, if you're at an accident, if you're at a homicide, for instance, it's going to tie up a lot of overtime because we need to put the next shift out on the street.

Alderman O'Neil asked would you consider that, John, not reactive overtime, but this is not addressing planned overtime? This is, you have a homicide. You've got to pay detectives.

Chief Jaskolka stated this is not a planned overtime. And again, what I had mentioned earlier, and I know you weren't in the room, Alderman, was court overtime. The more work that's being done out there on the street, the more time people are going to court, so we're getting into court overtime.

Alderman O'Neil stated all right, so this is something we can work with through the process, you believe? You obviously have concerns but...

Chief Jaskolka stated overtime is a concern for two reasons. One, regular overtime and again, the loss of the Street Sweeper funding.

Alderman O'Neil asked and what discussions did you have earlier regarding the Street Sweeper funding?

Chief Jaskolka responded essentially what it was is our share of Street Sweeper is \$150,100, which covers overtime for drug operations, undercover work, when the SWAT team is taken out to make a high risk entry. And then of course the Street Sweeper patrols that we have

downtown. Our initial input into overtime, we anticipated receiving the Street Sweeper funding.

Alderman O'Neil stated all right, so there does not appear to be any Federal funding, and past Federal funding would cover that portion of Street Sweeper or is there always been that amount of local match?

Deputy Chief Simmons stated that match has increased. That's not a local match. That's the Federal funds that have come forward.

Alderman O'Neil stated \$150,100 is the total for Street Sweeper?

Chief Jaskolka stated that's our portion of it. The total is \$276,000, but that goes to the State. Our portion of that is \$150,100.

Deputy Chief Simmons stated and when we say our portion, that goes to both State Police and Manchester Police. Our portion is the \$150,100; the remainder goes to the State Police.

Alderman O'Neil stated again I apologize for not being here. Was there any earlier discussion with other Aldermen about the need to find funding for this?

Chief Jaskolka stated I believe the Mayor addressed that a little bit. He's been speaking with the Congressional Committees etceteras, but obviously...

Alderman O'Neil stated but that could take some time, correct?

Mayor Guinta stated yes. The Chief and I had talked about this over the last few weeks, about what to do. For people watching at home and for anyone who's going to be commenting on the budget, this is not a City cut; this is a Federal cut.

Alderman O'Neil stated I understand that. The problem with this, Your Honor, is that the Chief has talked about for better than a year, if he can get some extra bodies, he wants to get some more people into the Drug Unit. This is a major issue in the City. I think many of the arrests they had last spring, summer and into the fall were related to drugs. A lot of the weapon arrests have to do with drugs, so I applaud your efforts to try to get Federal money. In the meantime though, if there's no Federal money, does Street Sweeper go on?

Mayor Guinta replied there's a couple of things we're doing, first of all. First, I've brought it to the attention of our Congressional Delegation and I've reiterated, not only the need for it, but my concern that why would this be a funding cut when it's clearly having a positive impact on our City. So, that is being investigated by them. Secondly, I met with U. S. Attorney Tom Colantuono about some of the discretionary funds that he has that might be

able to supplement this loss. While I can't have him commit one hundred percent, those discussions are ongoing, and I think he does see the need, geographically, in the State...for Manchester to receive whatever discretionary funds that he might have. It doesn't mean that it wouldn't go to others, but that's the second area. The third area is I've asked Dennis Hebert to start looking at other grant possibilities that we may have overlooked or any new funding sources that we could try to tap. And then fourthly, I would hope that the COPS program that is being reviewed and discussed at the Federal level be implemented and we can utilize those funds for either this and/or what Alderman Lopez brought up in trying to increase the complement beyond the 220.

Alderman O'Neil stated I appreciate those comments. My concern is, those funding...of any of those sources...maybe the U. S. Attorney money might be most accessible, if it is accessible. We're coming up on the busy time for criminal activity on the street. And I would hate to see Street Sweeper not in full effect because we are waiting for other sources of funding. If we get it, it's great, but I think the Department has to go into the spring and the beginning of the new fiscal year knowing that there are some funds there. I, for one, up until we finalize the budget, will be asking for an update on those funding sources, and if they're not there...I think this is a critical issue in this City. There's too many guns on the street. The guns are tied to drugs; drugs are tied to guns, etc. and in my opinion Street Sweeper plays an integral role in combating that, so I, for one, will not take this...we may be able to work through some of the other issues of regular overtime and regular salaries, but this is one I don't see us able to work through if the funding sources are not available by the time we finalize this budget. And I think it's something this full Board has to address. It is an issue out in the streets of this City. The final question, if I may, Your Honor, for the Chief is just... and again I apologize. You may have answered this. This \$5,500 for the substation;

was that ever presented that that was going to be a City cost?

Deputy Chief Simmons responded no. I don't think when the original conversation came up about a substation...it was in its preliminary stages. Now that it's coming to fruition that was just an added cost that we're looking at that we felt wasn't adequately funded in our operation.

Alderman O'Neil asked are you going to absorb that in your operating budget?

Deputy Chief Simmons responded at this point we would have to do that, yes.

Alderman Gatsas stated thank you, Your Honor. Thank you, Chief. Chief, why wouldn't your overtime go down if you have more Police Officers that are going to get paid straight time instead of time and a half?

Deputy Chief Simmons responded obviously, Alderman, that's what the hope would be. Again, our job is not...come five o'clock everybody packs up and goes home. People are going to be tied up on different calls. They may make last minute arrests. And again, a big portion of our overtime is Court money. We manage that very well. We do summons mediation; we do plea bargaining; and we've saved close to \$278,000 on those costs this year just by doing that. But, the more people out there, the more crime that's being committed and more arrests being made and more summons are given out. Obviously the more Court time, the more the possibility there are that people are going to extend beyond their shifts in order to do the job. Again, it's not the type of job where you punch a clock at four o'clock and go home.

Alderman Gatsas asked if somebody has to go to a Court hearing, are they paid...let's say are they paid a minimum of two hours even if they're there for fifteen minutes or is it...

Deputy Chief Simmons responded it's a three-hour minimum.

Alderman Gatsas stated it's a three-hour minimum.

Deputy Chief Simmons stated yes. That's a Department of Labor standard.

Alderman Gatsas asked that's a who?

Deputy Chief Simmons responded that's a Federal standard. There's a Supreme Court decision on that; it requires a three-hour minimum call-back.

Alderman Gatsas stated my understanding was that it's two, but I certainly will look at that, because there's a piece of legislation that just passed the House that would require it to be three. So I'll take a look at it. You're saying that it's a Federal standard?

Deputy Chief Simmons responded correct. There's a Supreme Court decision, it's the Garcia decision. It's under the Department of Labor and Federal standards. It's three-hour minimum.

Mayor Guinta asked does anybody else have any questions? Thank you very much, Chief. Building Department.

Mayor Guinta called a brief recess.

Mayor Guinta called the meeting back to order.

Building Department

Building Commissioner Leon LaFreniere stated thank you Mayor and Aldermen for this opportunity. We have, as have the other Departments of the City, submitted a synopsis of the areas of concern within our budget, comparing our request and the need with the Mayor's proposal. Our total shortfall with regard to what we need to maintain the existing staff complement and level fund our operational expenses is \$21,000. Approximately \$16,800 of that is salary and benefits, \$12,000 of it being salary. We have had some staffing changes in the very recent time line that will permit us to bring on some new staff, we believe, at lower salary rates. We had a long-time employee retire, one of our inspectors. And we had another long-time employee transfer to another Department. Both of these employees were at the top of the scale, so we're hoping we'll be able to hire much lower in the salary scale. With that consideration, our total shortfall, as I indicated, equates to approximately \$12,000 in the Salary line item. In our operating expenses I have outlined in the memorandum where the Mayor's proposed budget has reduced our operating line item levels for the last, actually two budget cycles, I believe. And the first item is Telephone. We requested \$5,000; the Mayor's proposal was \$3,500, leaving us \$1,500 less than what we were budgeting for our existing telephone requirements, as well as the introduction of wireless communication as part of our field enforcement enhancement efforts. We have received a cost of approximately \$50 per field unit per month, and that additional \$1,500 would go toward that cost. Printing. We utilize this line item for printing zoning ordinances and building codes. There's a proposed reduction of \$1,000 in this line item. If we do not have the \$4,000 request in this line item, it will both reduce our ability to produce the documents and make them available for customers, as well as limit our ability for printed materials for community outreach efforts. All of the materials that we print in the form of zoning ordinances and building codes we do charge fees for, and that money goes back into the General Fund. Our General Supply budget was also reduced by \$1,000. This money is used to purchase our general supplies for Department operations, but I wanted to point out that, of the \$5,500 that we requested, between \$2,500 and \$3,000 of that is utilized specifically to maintain our existing high-density filing system, to purchase the materials necessary to support that system. That's an annual cost and our record-keeping relies on that being in place. A couple of minor reductions, other than that, were in the Books Account, which was cut by \$250 and the Dues and Fees and Licenses Account which was cut by \$500. We have a very small operating budget. It represents about four percent of our budget allocation, so any reductions in that area are felt pretty significantly. In addition, I think I probably sound a bit like a broken record in echoing some of the concerns that you've already heard from other Departments. I just feel it's our responsibility to identify the fact that because the COLA's and severance are not part of the budgetary process, that we are directly involved with, that is an area that we're always in tune with in terms of trying to anticipate how we will accommodate those expenses as they come up. In this year alone our Department had a severance of approximately \$20,000 that we had to pay out of our Salary Account. The benefit calculations, as has already been pointed out, are not developed by the Department and so the initial budget pass, as developed by HR, with regard to the benefit calculations

was at a slightly higher percentage ratio than the Mayor's. I just want to point out, in my calculation for the benefits necessary to offset the \$12,000 that we're short in Salary Account, I utilized the Mayor's ration. And then I guess the last item is not really actually our Department specifically, but I just want to say that the services of the Police Department even more directly, as we speak, while we're investigating enhancements that we can make to our systems to make our process more efficient, so funding them at a level that would permit their continued excellent support is something that we would definitely lend our support to. With regard to revenue, we have...our initial budgetary projection was for \$1.9 million on a revenue anticipating that what we have been seeing is a pretty much level construction valuation. What that is it's the value of the construction activity that's taking place in the City. Based on that we were a bit apprehensive about projecting revenue increases, especially absent history with our revenue enhancements that were passed last fall by this Board. When the budget was originally prepared we didn't have much background information on that, and we put in \$1.9 million as a number we felt was a responsible number for budgetary purposes. We did amend that figure as the budget proceeded, and the Mayor did put in an additional \$200,000. We support that number and feel that it's appropriate. We still are concerned that the construction valuation number seems to be level for the same period in the first three quarters of this year as compared to the first three quarters of the previous year. But, the increases that we had made in some of the fee structure last fall have resulted in an increase that we feel will help us to realize that additional money, those additional \$200,000 of revenue, even if there is no increase in the construction activity. So I guess with that I'd offer to answer any questions the Board might have.

Alderman DeVries asked Leon, can I take you back to the letter that you sent out the very first paragraph because I just found it to be a little confusing. The first line you talked that the budget was reduced by \$112,000 and then, as a result of staff changes, you're really only down \$21,000, so maybe clarify for me.

Mr. LaFreniere responded the initial numbers that came out for the benefit requirements, as well as with our staff complement being... so much of our staff complement being at the top of the scale, we did have a much higher requirement just to maintain our existing staff complement. And our first budgetary request was \$112,000 higher than what the Mayor's proposed budget was. I was just trying to contrast the fact that what we have done is, through adjustments that have taken place since that time and working with the Mayor's office, we feel that the \$21,000 will permit us to maintain our existing complement and fund the operational expenses that are at a level funded level.

Alderman DeVries asked and that's the entire budget, not just the salary line item, the entire budget \$21,000 short?

Mr. LaFreniere responded that is correct.

Alderman Shea stated I don't think we have a quorum, You Honor.

Mayor Guinta stated we do. Alderman Gatsas has come back.

Alderman Shea stated a couple of questions. Leon, will come in at all with a surplus this year?

Mr. LaFreniere responded no. As a matter of fact we are one of the Departments that will find it necessary to visit the Salary Adjustment account. We are approximately \$32,000 short for FY '07.

Alderman Shea stated now we did add a new complement to your Department? Do you anticipate any retirements?

Mr. LaFreniere responded I do not anticipate any retirements. We just had one, as I indicated. I don't have any additional ones that I'm aware of.

Alderman Shea stated so that if in fact your line item isn't met, would that necessitate an adjustment in your personnel or could you find the necessary monies to keep that person on board, the new enhancement person that is working with the NET program?

Mr. LaFreniere responded I guess I need a little bit of clarification in terms of whether we're talking about the FY '07 monies or the FY '08 monies.

Alderman Shea stated the FY '08.

Mr. LaFreniere stated yes, we would...in order to maintain the existing number of people in the Department, I would need an additional \$12,000 in salary.

Alderman Shea asked could you find that any other place other than in salaries?

Mr. LaFreniere responded no, not really, because my operating budget is so small.

Alderman Shea stated you could not, so that necessitate either laying someone off that you'd have to or something else that would require people taking **TDY** or whatever else, right.

Mr. LaFreniere stated potentially, yes.

Alderman Shea stated now the third point is are you going to recognize the revenues that you projected for '07?

Mr. LaFreniere stated yes, we are actually on track. We feel very confident that we will meet the '07 revenue number.

Alderman Shea stated okay. Thanks a lot. Thank you, Your Honor.

Alderman Roy stated thank you, Your Honor, and I'm glad to hear the revenue numbers are where they need to be because that was one of my major concerns, with a \$200,000 increase. But Leon...and I just mentioned this to the Mayor...in your letter you talked about Telephone, the Printing, General Supplies, Books, and Dues and Fees and Licenses. I guess I'm going to ask you to correct the numbers that I've gotten. As of the numbers released to the Aldermen which are the end of February, on the telephone line item you still have 71% of your budget left. And so, are you...are these things not making it through Finance or...and they're pretty consistent. Telephone is 71%; Printing is 63%; General Supplies is 50%; Books is 82%; and Dues is 58%. So, being in the Mayor's shoes, I'm surprised they weren't cut further. And I'm just wondering if there's a gap in the system?

Mr. LaFreniere stated we're running about \$350 a month on our telephone expenses currently, which certainly is lower than the \$5,000 that we requested. We were...so on the surface that reduction may be reasonable from that standpoint. The reason that I am asking for the original funding request is because we are currently utilizing a couple of laptop computers on loan from the Information Systems Department which we are hoping will permit us to improve our...enhance our field enforcement efforts. They have a wireless card that is allowing us to communicate with the HTE system and hopefully we're going to get to a point where we can do things like issue notices of violation and citations and things in the field. That will require an additional cost because each field unit is about \$50 to maintain that wireless communication link. So, that's something...that's the number that we're getting from Info Systems. So that's what we're hoping that additional money would be for.

Alderman Roy stated I'm kind of glad you went there. I know we talked months ago about improving the technology in your Department. This budget, as proposed...you mentioned that you had two laptops on loan from Info. Is there anything built in to make that a permanent system and possibly get you some software to help you become more efficient, or your Department to become more efficient?

Mr. LaFreniere responded we are working diligently with Info to investigate available opportunities for those types of technology enhancements. We have not built them into our budget because at this point we haven't identified costs. But I would anticipate that between our Department and Info we will be coming back at some point looking for assistance to work in that direction.

Alderman Roy stated okay. How soon do you think you'll be coming back? I mean, is there a...

Mr. LaFreniere stated we have had remote conference meetings with HTE, reviewing four different modules that they have available that we feel there is some potential for. And Info Systems is investigating the cost for bringing those modules on. They are also calculating costs, as I understand, for the hardware necessary to bring our field staff in contact with our base operations with regard to, as I talked about, the links with the HTE system, potentially links with the City GIS system and Vision. These are all tools that we think will be very important and beneficial in the field if an inspector can bring up on the screen details about a property that will permit him to make decisions and issue directives right in the field, rather than have to go back to the office and spend twenty or thirty percent of his day in the office reconciling paperwork. If I can translate fifteen or twenty percent of that time back into the field, you know, that will be a major benefit to our efficiency.

Alderman Roy stated to take that one step further, they also sell modules and printers that...not only can you do the paperwork in the car and basically mail merge everything onto it. He could print it and deliver it, and save postage. So there are a number of savings, not only the time efficiency, but I'm glad to hear that. I'm glad to see that you're going forward with some of those things. The next question I had was regarding the manpower. Your Department has taken a lot of heat lately about conditions throughout the City. There's no requests for additional manpower. Was there in your original budget, and what are your thought processes there?

Mr. LaFreniere responded we actually have requested an additional field person, and the Mayor has put that into the CIP budget. We are looking for what is called a Concentrated Code Enforcement Inspector. It would be funded with CPG funds. And so that is an additional position that is currently contained in the CIP budget.

Alderman Roy asked and that's not within your...that would be a new hire?

Mr. LaFreniere responded that is correct.

Alderman Roy stated okay, so someone in addition to your existing staff, which does included one person that was recently added.

Mr. LaFreniere stated that person that was recently added was actually a vacant position. So that was bringing us up to a full staff complement. I had, as of a week and a half ago, another inspector retire, so now I'm down one again, but this CIP position would be a completely new position.

Alderman Roy asked are you authorized to fill the recent retiree's position?

Mr. LaFreniere responded not as of this time but certainly, in part, the fact that we are over \$30,000 short in our Salary line item for the existing complement is due to the severance pay-out for the retiree we had. That plays into that whole equation.

Alderman Lopez stated thank you, Your Honor. My question has been answered.

Mayor Guinta asked any other questions for Building? Okay, thank you.

Board of Assessors

Mr. David Cornell, Chairman of the Board of Assessors, stated I'm sure you've had an opportunity to review the memo that we sent out. As a highlight, currently we have a staff of ten. We have nine positions filled so we do have one vacancy, which represents about a ten percent in our Department. The current budget, the Appraisal Technician position, which is currently vacant. That will remain vacant. The proposed budget, assuming we keep our current staff, is slightly under-funded. We have had assurances from the Mayor's office that if we do keep our current complement the difference between our expenses and what we will be receiving will be made up in the Salary Adjustment account. On the non-salary line items there's essentially two items that we're interested in. One is our conferences, or Education expense. We are requesting an additional roughly \$4,000 to be put into our budget, and also for our Equipment and Furniture expenses. We are expecting to replace approximately two computers and some other software and so are requesting an additional \$4,000 for that item. In summary, that's basically a summary of the Mayor's budget and how it would impact our Department.

Alderman Shea stated I think that's a very fine presentation and maybe we'll find the extra money sometime during the budget process. Thank you for your presentation.

Alderman Gatsas stated I believe, Your Honor, when you gave your budget presentation, you said that you were estimating another \$35 million out of the Assessors on new construction.

Mayor Guinta stated of total new assessed value.

Alderman Gatsas asked have you looked at that since the Mayor's budget and have you found an additional \$20 million that might be out there?

Mr. Cornell responded we sent out a memo March 13th which outlines...really there's three major devices that impact the tax base. One is new construction, one is what will happen with the elderly exemptions and the third is what will happen with the abatements. For that we took the best case scenario and the worst case scenario. The \$35 million is more of the best case scenario. The worst case scenario we would be down about \$65 million. But since that memo has been sent out nothing has really changed. We're continuing to march forward basically in the same manner as when the memo was sent out.

Alderman Gatsas stated all right. Follow-up, Your Honor? But I think that with the new conversions that you've seen in the condos, that the values that may have been assessed to a property as a 140 unit apartment complex is certainly going to look like a different number when you look at 140 units that may be assessed at \$120,000 a unit, versus \$50,000 a unit.

Mr. Cornell stated right, you're absolutely correct. There is a value difference between let's say an apartment building and the condos, and we did capture that in our analysis.

Alderman Gatsas asked how much did you capture?

Mr. Cornell responded I don't know the number off the top of my head, but we did capture that in our analysis because it does have to be by April 1st. So, the memo went out March 13th, and since that time there's been no new condo docs converted, to our knowledge, that would impact these figures.

Alderman Gatsas stated there's one off of Wellington Road.

Mr. Cornell stated that's correct. And we knew that conversion was happening so those estimates are in our figures.

Alderman Gatsas asked and there was no other construction completion before April 1st?

Mr. Cornell responded we anticipate all of this construction being completed, so anything that was started, all the construction that was going on, we anticipated forward for the numbers that we've presented.

Alderman Gatsas stated I think we went through this exercise last year. You were at about the same number, and when we concluded, we ended up somewhere around \$50 million, if memory serves me right.

Mr. Cornell stated last year was slightly unique because it was a reval year. The first tax bills that went out was essentially the old assessments plus the new construction, and then the bills that went out in the fall were entirely all the new numbers for the reval.

Alderman Gatsas stated right. But you probably could help yourself and a lot more of the smaller departments if you could find...because if we found an extra \$20 million, that's about \$328,000 in revenues...

Mr. Cornell stated certainly if we could find that additional money we would be...

Alderman Gatsas stated looking for it. Maybe you can find it in the next week.

Mr. Cornell stated if you look at what's happened historically, the year after a reval, the figures we are giving you are actually extremely positive. If you look back to 1992, the market certainly was tanking back then, but the tax base actually had a decrease of 3.44%. In 2002, when the market was really stronger than it is today...

Alderman Gatsas stated Mr. Chairman, I know you'll do a good job and you'll be looking for that additional funding.

Mayor Guinta stated I ask him that question every day, Alderman.

Alderman Shea asked are you guys set with the overlays this year?

Mr. Cornell responded yes, we are. The figure that the Mayor put in his budget, we're very comfortable with that. We've had a conversation and we've agreed...

Alderman Shea asked so you're comfortable with it this year?

Mr. Cornell responded that's correct.

Alderman Roy stated Alderman Shea asked if you were comfortable with the overlay. The \$3.2 million overlay from last year...what is the available balance on that?

Mr. Cornell responded well, if you look at...some of that money that we received last year, about \$1.2 million we actually had to move to the prior years. So if you add up all of the money in each of the accounts right now it's about a little under \$2.5 million.

Alderman Roy asked \$2.4 million?

Mr. Cornell responded it's a little over \$2.4 million, but I'll give you the exact figure. It's \$2.449 million.

Alderman Roy asked and the request is what the Mayor has in his budget of a flat \$1.6 million?

Mr. Cornell responded that's correct.

Alderman Roy asked so you'd like to keep roughly a \$4 million balance?

Mr. Cornell responded some of those funds will be...we have current cases going on that either will get settled or go into either the BTLA or the Superior Court. So some of those funds will certainly be expensed. Additionally, the methodology that we're trying to

implement is based upon accrual accounting, so the \$1.6 million is our estimate of the current expenses that will occur this year that we'll be paying off over the next several years, but really what will be truly expensed back to tax year 2007.

Alderman Roy stated now when we had our discussion a few months ago, regarding I believe it was former Alderman Porter's letter, we had a long discussion regarding overlay and commercial tax base. When you look at the properties that you lose and you end up paying out of overlay, taxes that have already been on the revenue side to the City. Property owners have paid their taxes. We then have to use the overlay to reimburse the difference. Is that correct? Simplified, but correct? Is there a member of your staff that's going back and not only looking at the ones that are over assessed but the ones that are under assessed?

Mr. Cornell responded each year we certainly, we're currently monitoring to make sure all properties are fairly and equitably assessed. In recent years...as a matter of fact, some of the cases that appeal, we receive their income and expense information, and through that we realize that they have been under assessed because now we have a truer picture with the income and expenses. Properties will appeal and those some of those properties we have actually increased.

Alderman Roy asked and any cases settled after April 1...wait until the following April 1st or is the assessment changed as of the day you win the case or find out the information?

Mr. Cornell responded the negotiations and the cases are settled year round.

Alderman Roy stated right. But when do we actually see that, as Alderman Gatsas was getting to. When do we see that increase in tax base? Does it have to wait until the following April or can you assess it as of the month that it's taken?

Mr. Cornell stated we do have to assess all properties as of April 1st each year. So let's say for the condo conversion, if a condo is filed next month for tax year 2007, we have to send out one tax bill based upon a single unit and then the following April 1st, we'll send out separate tax bills as condo units.

Alderman Roy stated okay, so any of the cases that you win or lose, if you lose we're paying back on a monthly basis. If you win we don't see that tax base increase till the following April. Is that a fair assumption?

Mr. Cornell stated just to be clear, let's say we go to the BTLA and they have a ruling. Right now they're about three years behind, so we may have a case from tax year 2004 that they're ruling on. And so that's a different tax year, a different equalization ration. So certainly if the Board has a ruling of what the value of a property was in 2004, we will take that ruling and compare it to see how it is assessed today. Are we over? Are we under? And so let's

say this summer we get a ruling from the Board and in this case let's say it's negative. It would show that our current assessment is too high. We would then take that ruling, if it's determined that it's too high, we would adjust the current assessment downward, so by the fall tax bill we're sending them their proper taxes.

Alderman Roy stated now do the reverse, if it's a positive outcome to the City. When do we see the increase? Is it on the case one in FY '04, '05, or do we not see it until April 1 of '08?

Mr. Cornell stated it would be the current year. Let's say the reverse would happen and the Board comes back and we have a very solid number this summer, we would then look at the current assessment and realize that the current assessment would be low. We would increase that current assessment so we would capture it this year.

Alderman Roy stated okay. And that's my question: When do we capture those dollars? And you're saying we can capture with our second billing of the year.

Mr. Cornell stated or if a ruling came out today, we would fix it for the first tax bill.

Mayor Guinta asked any other questions? Seeing none, thank you very much.

Office of Youth Services

Mr. Marty Boldin, Office of Youth Services Director, stated good evening, Mayor and Board of Aldermen. Since we have two items to move forward. The first one, as stated in my memo to you dated April 6th, is that the Mayor's budget removed costs for rent and electricity for the EAP office, which is managed under the Office of Youth Services' budget. A budget reductions of \$10,864...essentially the EAP cannot do their job without office space and utility costs. We followed up with the Mayor's office and dialogs and members of the OYS Advisory Board, and we've initiated conversations on how to resolve this matter. It's important to note that none of these resolutions at this time are budget neutral. Additionally, another \$5,719 had been removed from administrative costs from the OYS budget. These are things that traditionally go for reproduction, stamps, and so on and so forth. What we do at OYS with all of our money toward the end of the year is, as our fiscal year is winding down, we take that money and we spend it to try to keep kids off the street over the summer time. So every dollar that we get at OYS that we have over, or that we've saved through the course of the year, we try to match whatever is in that money against other kind of camp opportunities. Last year OYS sent close to 200 kids to camp, basically using monies that we have in our budget, and different programs we have, so we're asking for that money back if we can have it. And I'll take any questions.

Alderman DeVries stated thank you, Your Honor. Actually, my first question I'll address to the HR director if I can. The EAP program, isn't that a contractual obligation that we have in several of our contracts?

Ms. Virginia Lamberton, Human Resources Director, responded yes; however, the Firefighters have their own EAP provider. They do not have the one that's on the City payroll.

Alderman DeVries stated right, but with the other unions, do we have any contractual obligation?

Ms. Lamberton stated I would have to check that out for you and I'd be happy to do that.

Alderman Garrity asked Marty, has it been standard practice to use your surplus year after year to send kids to camp? I don't disagree with the concept, but has that been the practice?

Mr. Boldin responded that's what we've been doing since I've been there and it's my understanding that we've done that in previous years as well.

Alderman Garrity stated the reason why I ask this question...I mean the City spends millions of dollars on agencies that provide camp in the CIP program, and I just don't agree with the philosophy of using a budget surplus for that purpose. I think it's a great idea, something we should do, but not through the budget surplus in a Department.

Mr. Boldin stated if I could just push up and get inside a little bit...one thing that's important to note is that these aren't just the regular kids in the City. These are the high risk, most kids that we have in the City, and it's not just camp. There's a variety...

Alderman Garrity stated like I said, I don't disagree with the reason why we're doing it. I just disagree how we're getting the money to do it, that's all.

Alderman Gatsas stated Marty, it's just another year and think I'm just going to ask the question again because it's been about three years in a row that I've asked you the question. Have we found new space for these at risk kids that have windows that when you meet with them they're in something larger than a space that's five by six?

Mr. Boldin responded no.

Alderman Gatsas stated obviously I challenge this Board that you should go down and look at the space, anybody that's not looked at it. For some of the highest at risk kids that we have in this City that are going to a space that if you asked for two parents and a child to come to, you're going to have a tough time fitting them in that room.

Mr. Boldin stated can't happen.

Alderman Gatsas stated so I certainly...I've been talking about it. We've talked about it as a Board, but we really have done nothing for three years. And there's an awful lot of children that are in that program that are at risk that even on a Saturday some of them don't have an opportunity to get into that building, is my understanding. Has that changed?

Mr. Boldin responded I think that's been altered, but it is not a prime location for young people to engage. Period.

Alderman Gatsas stated so I guess we need to do something and we need to do it quickly because it just doesn't make sense that we would continue down this road. Your Honor, I would think that you probably better than anybody would be able to lead the charge much harder because there's just been no reaction to helping this Department out, to get out of the atmosphere that they're in for these children. I mean, it just doesn't make sense to me.

Mayor Guinta stated well I can say that this issue has been brought to my attention, obviously, by the Department head almost immediately after I took office. We've looked at a couple of options that have not come to fruition for various reasons. I don't disagree with your point, and I certainly know that Marty would love to see new space. We can try as a Board to identify new space. I mean, there are significant challenges. First of all, we don't have any space that the City owns that could be utilized. So that's already been determined. It now becomes a point of leasing space somewhere else. We've looked at some other options that haven't come to fruition for various reasons, but again, if we wanted to direct Marty to come up with several options and report to a Board, I'd certainly entertain it, to see if we can try to move it along.

Alderman Lopez stated thank you, Your Honor. We have discussed this many times, and I know there is a committee looking at it and your office was looking at it. They were going to talk about the Police Athletic League at one time. I don't know what ever happened to that. But I would suggest maybe to you, Your Honor, and the Board that it's better than nothing, but the Traffic Division will be moving out. They'll be moving over to Victory Garage. Maybe that would be a good place to put you. There are windows over at the Traffic Department, so that's one location that possibly Youth Services could go.

Alderman Gatsas stated that's an assumption that they're going to move to the Victory Garage, because I don't know why we'd put them over there and do renovations when we, someday in the near future, or who knows when, might sell it. I would think they could stay where they're at. We don't need to spend \$1.6 million in a garage that we might not own.

Alderman Lopez stated well they are anticipating the move over there. They're doing renovations. They're supposed to be doing renovations. We got that approved.

Mayor Guinta stated I think the ideal spot is probably the Police Athletic League. It's not a bad idea to have a back-up position, whether it's this location, which we can investigate or other locations. I was hoping to be able to move on the Police Athletic League.

Unfortunately, we're not in a financial position at the moment to do it because of the required upgrades it needs. But it's a great building, it's in a good location, and it's already serving as a place where youth feel comfortable. Those things are important to deal with as we try to relocate the office. It just unfortunately hasn't come to fruition as quickly as I would have liked. But we can revisit that location and other potential locations and see if we can come back to the Board with some recommendations, but I agree with the Board's contention that we should probably look for other space.

Alderman Lopez stated that's the only point. He's indicated, to me anyway, they have been looking. The Advisory Board has been looking, and we've been working through the office, so I think while we're waiting for something, and now we have a Committee, we have a Board, I mean, that's something they could be challenged with by the Director going to that Committee that we just appointed. Otherwise, next year when you come back, Alderman 2 is going to ask you the same question.

Mr. Cornell stated we appreciate Alderman Gatsas's report and the support of the rest of the Board of Mayor and Aldermen. We're not going to forget about this issue.

Alderman Shea stated Marty, is there some, in other words, location in the City where you draw your clientele from more than others? In other words, is it necessary that you relocate in a certain area of the City or does it make any difference where you locate in terms of helping your clients and working with the parents, etc?

Mr. Boldin stated in the interest of time I think a fully articulated answer to that would take a lot of time but I've spoken to this Board before and I would again reiterate that I think being as close to the downtown area would be preferential, of course. We're not saying no to anything, but I do think being as close to the downtown area would be preferential.

Alderman Shea stated right. And where he's talking about, Lake Ave. and wherever, would be an approximate area to the downtown, I would assume. Knowing the City like I do, I would assume. It isn't on Elm Street but whatever.

Mr. Boldin stated I think that there needs to be a fuller discussion around any specific place before I would say, "Yes, that would be a great idea."

Alderman Gatsas stated Alderman Lopez, I'm not going to ask him the question next year. I'm going to bring in a hundred of those kids that they see down there, and they can ask him the question next year. Thank you.

Alderman Lopez stated I agree with you. Put the money up front. Want to bond \$1.1 million? We can go do it. That's all we need to do. It takes ten votes to do it.

Senior Services – not available

Mayor Guinta stated okay, it's been a pleasant evening so far. At this point the Office of Senior Services is on deck. However, Barbara did call in advance. She has the flu and is really unable to make it. So we can push that off till tomorrow evening; however, I'm not sure she can make it tomorrow evening either. So, we can either continue or we can push the rest off to tomorrow evening, whatever the Board's pleasure is.

Alderman Smith stated I think it's only fair to Department Heads here...I'm sorry I had to leave myself; I had to go to a wake. But I think in all fairness to the Departments, we might as well stay and see if we can get everybody situated tonight and get rid of it.

City Solicitor

Mr. Thomas Clark, City Solicitor, stated good evening. I sent you a memo in response to the Mayor's proposed budget. Basically, as with other small Departments where there is no other funds available, it's short on salaries and benefits. We're going to have come in looking for the Salary Adjustment account. I've got a full complement and don't anticipate any vacancies. The Legal Services account has been reduced down to \$10,000 this year. There's a good chance that won't be enough, but if there's not I'll have to come back to the Board for a contingency transfer during the year. One thing that's at the end of my letter that we heard at the end is that Information Systems may be reducing access to the internet. The internet is the lifeblood of our type of work nowadays. We need it for the Registry of Deeds; we need it for legislation; we need it for our law libraries. Basically, it's all on line, and if we don't have it, it's going to shut us down. I just want to let the Board know that. Other than that, are there any questions? We're a very small Department. It's just basically salary and benefits.

Alderman Lopez asked are all these items being referred to the Salary Adjustment Account?

Mayor Guinta stated again, on salary items, if there is a shortfall then my position is that we would tap the Salary Adjustment line item. I talked to the City Solicitor about that, and that would be my intention. To follow up, there was a \$10,000...Where was the \$10,000 from, Tom?

Solicitor Clark stated Legal Services Account.

Mayor Guinta stated I was looking at...when I looked at your past spending history in that line item, it has fluctuated, and I think...

Solicitor Clark stated it varies from year to year. Some years...there have been years when we've spent \$40,000 on that line item.

Mayor Guinta stated but recently we haven't been spending...

Solicitor Clark stated the last year...have we had or not had to? It's been closer to \$10,000, and we'll try and make it work. And if we can't we'll have to come back and ask for contingency.

Mayor Guinta stated I would acknowledge that that's a bit of a challenge to try to pinpoint that number, but we're hoping that that line item does not have to be...

Solicitor Clark stated that all depends on the different court cases we have and what we have to do for witnesses, depositions, and other information.

Alderman Lopez stated the only other question I have, Your Honor, is some concern on the internet. Is that because of the Webmaster not being funded?

Mayor Guinta responded no, that position actually has been approved. Information Systems and I, honestly, I think had a miscommunication. I had conveyed to Jennie, prior to that individual leaving that that would be a position filled. She had indicated to me, some couple months later that she had not received the authorization. I checked my records; I couldn't confirm or deny that she had not received it. So I re-sent it and she should now be in the process of hiring. This was going back maybe...

Alderman Lopez stated could you double check with her, because she communicated to us that she doesn't have the funds to fill the Webmaster.

Mayor Guinta asked when did she communicate that to you?

Alderman Lopez responded in the last three or four days.

Mayor Guinta stated well, we're in fiscal year '07. I've authorized her to hire that position. She should be looking to hire that position.

Alderman Lopez asked HR, can you weigh in?

Virginia Lamberton, Human Resources Director, stated Jennie believes, based on your proposed budget for FY '08, that you did not fund it for July 1st forward. And so she stopped recruiting because there was no point in trying to hire somebody to have to lay them off in July.

Mayor Guinta stated well I'll talk with her tomorrow then. Other questions? Okay, thank you very much. So, we have gained an Alderman. Do we want to keep going then?

Alderman O'Neil stated the only thing...can I speak Your Honor? I believe, Mr. Sanders and Ms. Lamberton will be here tomorrow night anyway. Tricia has been sick and came in specifically to help support Leo in their presentation, so if we could do anything we should take the City Clerk tonight, unless, Ginny or Bill wants to present tonight.

Mayor Guinta stated why don't we do City Clerk and then we'll...

Alderman O'Neil stated she's sick. If she's out tomorrow...you know, she came in specifically for this. We should take her, Your Honor...take the Department.

Mayor Guinta stated why don't we do City Clerk and then we'll call it an evening?

Alderman O'Neil stated Tricia's a trooper for coming in, so...

Mayor Guinta stated for the record, I think the City Solicitor's total presentation was two minutes. Leo, you can go a little bit longer than that if you want to.

City Clerk

Leo Bernier, City Clerk, stated, thank you very much, Mayor, and I want to thank everybody for giving us an opportunity to share with you some information. As you are all aware, we're going into a Presidential election and with the new State laws and the new requirements from the Feds...they require a lot more information to them. We have to do things quite differently, even voter registration. We do have people that come and visit the different polling places to make sure we follow rules, and what that means is it that's a little bit more expensive to do an election today than it was probably four to six years ago. As you're following the notes we've presented here, our concern is that we believe that we're probably under-funded with the election salaries because of the Presidential election. Most of you know that we have a registration now of about 56,000 voters, which means, if you apply the State law, you've got to hire so many Ballot Inspectors and so many Deputy Registrars. A new law that's been passed now requires us also to hire someone to go to the nursing homes and give them an opportunity to register and cast their votes. So that's something we did not experience four years ago and we are experiencing now. So that is a concern. Regarding personnel, we'd like to add a Customer Representative position. There will be two of us retiring at the end of this year, and that would cut down the staff. We'd lose those two people, and we really need one more. I think that this election coming up in January is going to be something that we have yet to experience. As you recall, in 2004 in November, we had 9,900 some-odd people registering to vote. That's a lot of work and it was very challenging for us. The overtime shortfall is about \$11,000. Also, besides having the Presidential election, which could be New Year's Day...it's too early, but it could be

even in January, which I believe because there are a lot of things that are happening. Also, on New Year's Day we have an inauguration, so that's costly. If you look at manpower, we're concerned a little bit. Again, we have three elections. The money, as it indicates here, it's regards to having Police Officers for safety. If we have the election on January 22nd, we have eight polling places that are schools, and we have a concern about the kids, and the Police Officers have done a great job in the past. Also, it's the setting up and tearing down of the polling places. That's costly, and we'd like to have that restored. Again, postage, as you read it, it's going up to forty-one cents, coming May 14th. It's just not the idea of forty-one cents and how many pieces of mail. If we end up having two ballots, for the City election and the Presidential election, for whatever reason, we can't predict, that's a cost that can go up to close to ninety cents. Printing and Publishing, the only thing I want to add to that...it's not an add because I made a mistake and we put it under Incidentals. We'd like to add the City Government book which has been published since 1846. We'd like to continue that, so that's a cost of around \$16,000. I think everything else explains itself there. The Miscellaneous, again, we use that for rental of vans and gas, security guard uniforms, etc. Again, with Incidentals, I'd back out that \$16,000. Public notices comes out of Incidentals. And you've got the Inauguration Ceremony. And the additional thing is the equipment for the Chamber. We do have Planning Board, ZBA, and other agencies and we do offer them refreshments. I've covered one of the Planning Board meetings; I was here till one o'clock in the morning. It was pretty sad when someone had to go downstairs to get a soda. We should be able to have that for them, I believe. Whatever you could do with this number, I'd really appreciate. I'll try to answer your questions. Tricia is here with the detailed part of the budget and she'd be happy to answer your questions.

Alderman O'Neil asked Leo, what's your approved complement?

Mr. Bernier responded the allocation is 18 positions. We only have 13 right now.

Mayor Guinta stated sorry, I didn't hear. Say it again. Eighteen and what?

Mr. Bernier stated the total positions allocated for the office is 18. Currently, we're at 13.

Mayor Guinta asked and those are FTE's?

Mr. Bernier responded full time, yes. We have 18 positions. We have 15 full time and three part time. Today we have 12 full time and one part time.

Alderman O'Neil asked are the part times exclusively the security people or are there other part time positions in the office?

Mr. Bernier responded there are security people and we have one part time person who right now used to do secretarial work and right now is a customer representative.

Alderman O'Neil asked the two security positions at the library, do they come under your budget?

Mr. Bernier responded no, it's in the Library's. The Mayor split it in half and he allocated that properly.

Alderman O'Neil asked okay, but you're actually down one part time security guard then?

Mr. Bernier stated we're in the process of hiring two now.

Alderman O'Neil stated I thought I saw somebody downstairs.

Mr. Bernier stated that's Shawn. The Mayor has allocated that position, but he's basically working with Matthew on licensing.

Alderman O'Neil asked one follow-up question, Your Honor? About half of the items you pointed out here all have to do with the elections.

Mr. Bernier stated a lot of it does, yes.

Alderman O'Neil stated especially with the Presidential coming up. Your Honor, did you maybe have all that information, do you think, regarding the Presidential?

Mayor Guinta responded yes, I did.

Alderman O'Neil asked and you're pretty comfortable with your number on it?

Mayor Guinta responded when I met with the City Clerk's office, they did provide me very detailed information about just the budget and they also separated out the different elections they plan on having in this fiscal year. I took that...I went back and reworked some of it and feel that, again, you'll see in the response, I funded most of these items but obviously at smaller dollar amounts than were being requested. So, I think that it can be done at this number. Obviously, according to this number, we're \$166,000 apart. But I honestly think it can be done at this number.

Alderman O'Neil stated although I don't attribute, if I read the City Clerk's information, I don't attribute the entire \$166,000 to the election.

Mayor Guinta stated no, not all of it.

Alderman O'Neil stated maybe fifty percent or so specifically to the election. I'm just concerned because I know they work hard at it, as a former Moderator and Selectman. I think we have a tendency to not take the elections as seriously as they are. I don't know how many here have served as Ward Officials, but it's a lot of work and you like to have the support of the City Clerk's office behind you to make sure everything runs smoothly. I have some concerns about that.

Mayor Guinta stated and I can see that there is a City expense. It's not just solely the State that pays for these elections, which is why, when the request came in, I looked at it from, like the first one: The Election Salary line request was \$110,000. I am looking at it and believing that it can be done at \$77,000, which is why I appropriated it at that number. So I think from an election standpoint, the difference is that \$32,000 probably some overtime money is allocated to that; some manpower is allocated to that. Possibly some postage and some printing.

Mr. Bernier stated not the \$32,000. Those are the election salaries. Those are your Moderators, Ward Clerks, Ballot Inspectors...

Mayor Guinta stated what I'm saying is looking at just the City Clerk's budget in an election-related City Clerk budget...

Mr. Bernier stated that's correct. I'm sorry.

Mayor Guinta stated the \$32,000 goes toward election, some of the overtime, but not all of it, correct?

Mr. Bernier stated and manpower is really important because we have to hire Police Officers, even if there's no school in September and November, we do hire them for safety reasons. For an example, in Ward 3, Elm Street, you've got traffic at 5:00. They don't work all day. They just work from six to ten and from five to eight, just at the highpoint when cars are moving, and that's for safety for people.

Ms. Patricia Piecuch, Deputy City Clerk stated I'd like to add one more thing with the manpower too. It's like what Leo covered with the elections. The Supreme Court ruling came down in New Hampshire that now names on the ballots have to be rotated. Because of that cost in November, our price doubled with the company that we use. It went from \$1,000 to \$2,000 for us to pay for the coding of the ballots. We see that happening possibly for our elections. It hasn't been ruled on how we're going to put our names on the ballot at this time. The Secretary of State's office has already pulled out the letter Z, so that basically anybody with a name beginning with the letter Z will be first on the ballot. But that will also, of course, impact the Presidential Primary, with the number of Wards that we have, how the names have to be rotated per Ward.

Mayor Guinta asked he pulled out Z?

Ms. Picuch responded they pulled Z out of a hat.

Mayor Guinta stated oh my God. Next year they'll pull out A.

Alderman Shea asked are any of these expenses relating to the Presidential Election, as it were, in November, or is it all relating to the Municipal elections as well as the Primary Elections?

Mr. Bernier stated the large number is on the Presidential.

Alderman Shea stated now that takes place under the next budget though, right?

Mr. Bernier stated no, it will be January. It will be this budget.

Alderman Shea stated January of '08.

Mr. Bernier stated you're focusing on November of '08, and that will be a different budget period.

Alderman Shea stated that's what I'm trying to say. In other words, we would have the...next year at this time we will have the '09 budget, and I'm wondering if any of these items would be covered under the '09 budget because basically you're talking about '08 is the primaries. We're going to have the primaries between now and our next budget. So are any of these relating to the General Presidential Election?

Mr. Bernier responded no. If we didn't have a Presidential election in January we probably could back out \$50,000 to \$55,000 out of that number.

Alderman Shea stated yes, but that's going to be just the primary.

Mr. Bernier stated that's correct.

Alderman Shea stated that's not...that's just the Primary election.

Mr. Bernier stated correct.

Alderman Lopez stated just a question for you, Your Honor. If there are some obligations here by State law, and you're saying that the calculations that you've done doesn't meet what the State law is saying, they're going to have an opportunity to come back for Salary

Adjustment, but is there something that you could take a look at again to make sure that we're not going to be violating State law and at the end we're going to need the money.

Mayor Guinta stated I would be happy to sit down with the City Clerk's office and go through how I calculate this and see if there can be a meeting of the minds.

Alderman Lopez stated well I think that would be a good opportunity...

Mayor Guinta stated I would be happy to do it.

Alderman Lopez stated thank you.

Alderman Gatsas stated question to the City Clerk. Maybe if you talk to the Assessors and tell them that they need to look for another \$20,000...

On motion of Alderman Shea, duly seconded by Alderman Garrity, it was voted to adjourn.

A True Record. Attest.

City Clerk