

COMMITTEE ON FINANCE

April 19, 1999

6:30 PM

Mayor Wieczorek called the meeting to order.

Mayor Wieczorek called for the Pledge of Allegiance, this function being led by Alderman Shea.

A moment of silent prayer was observed.

The Clerk called the roll. There were eleven Aldermen present.

Present: Aldermen Wihby, Klock, Reiniger, Sysyn, Pinard, Girard, Shea, Pariseau, Cashin, Thibault, Hirschmann

Absent: Aldermen Clancy, O'Neil, Rivard

Messrs.: School Committee Members Cook and Stewart, Superintendent Tanguay, Assistant Superintendents Brennan and Hamblett, William O'Shea, Mark Burkush, Karen Burkush, Dr. Grace Sullivan

Mayor Wieczorek addressed item 3 of the agenda:

Report of the Committee on Administration/Information Systems recommending that a request from Manchester Community Television for a Government Access Production Technician position be referred to the Committee on Finance for discussion with the budget.

Alderman Pariseau moved for discussion. Alderman Girard duly seconded the motion. There being none opposed, the motion carried.

Mayor Wieczorek asked what are we doing with this.

Dr. Sullivan replied however you gentlemen want to proceed. Do you want me to explain what it is real quick.

Dr. Sullivan stated what we are asking for is out of the General Fund money which MCTV has never had any General Fund money since it's been in existing since 1992; that what we're asking for is General Fund money to fund a Government Access Production Technician at a grade level of 11 which is an Associate's Degree; that that person would be responsible for videotaping all government meetings, maintaining the multi-camera robotics system that will be going upstairs. Also, maintain the audio video archives and data base, working with City departments on productions of government-related programming. I think one of the best examples was this weekend, unfortunately, because we have to rely on students a lot of times what we did was the Health Department came in and did a show with teenagers on how to keep yourself from Spinal Meningitis. What would be terrific if we had a Government Access Technician that could go to the Health Department and work with those folks and really do some good programming. There's just nothing more important than getting information out to the citizens of Manchester. There isn't a day that goes by that people don't call with a request of when are you going to show the Traffic Committee meetings, are you going to show a Finance meeting, are you going to show more School Board meetings, etc. People are always asking for more access information and I think that this would allow us to be able to provide more services to the community. I think we also have, in the past, done lots of programs from the St. Patrick's Day Parade that Alderman O'Neil requested to Alderman Pinard's "Manchester on the Move", Alderman Thibault has requested programs. Currently, we are funded one percent of the cable gross. If you go to Lowell five percent of the cable gross goes to running public education/government access television. The City gets three percent of the cable gross to General Fund. Basically, what we're asking for would be that 1 1/3 percent of the cable gross to operate MCTV to get us to the year 2000 in the next cable contract which I think we'll be able to adequately more than fund MCTV into the next century.

Alderman Cashin asked, Grace, didn't we promise you that two years ago.

Dr. Sullivan replied times are getting better, Alderman, yes.

Alderman Cashin asked is a motion in order, your Honor.

Mayor Wieczorek replied yes.

Alderman Cashin moved that the report be referred to the full Board of Mayor and Alderman. Alderman Pariseau duly seconded the motion.

Alderman Wihby asked are we looking for \$21,410 plus benefits.

Dr. Sullivan replied yes.

Alderman Thibault stated she brings up a good point, your Honor. Many, many times during the course of the year when I go through the ward a lot of people tell me...you'd be surprised how many people watch this Channel 16. I was never so flabbergasted as to hear how many people come up to me and tell me how they watch it and they wished they had more of our committee meetings so that they could get to know a little bit more information about what goes on. So, I'd certainly support this one hundred percent.

Mayor Wieczorek stated that could be dangerous to political health for a lot of people.

Mayor Wieczorek called for a vote on the motion. There being none opposed, the motion carried.

Mayor Wieczorek addressed items 4 and 5 of the agenda:

Communication from Bradford E. Cook, Chairman of the Board of School Committee Finance Committee submitting the proposed FY2000 Manchester School Department budget.

Discussion with representatives from the Manchester School Department relative to their FY2000 budget requests.

Alderman Sysyn moved for discussion. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

School Committee Member Cook stated I am Chairman of the Finance Committee of the School Board, Superintendent Tanguay and his staff are here and they will do the bulk of the presentation. I want to thank you for this opportunity to be here to present the budget which we passed and was incorporated into the Mayor's budget for the City as we passed it for which we thank him. Before that budget is presented in detail a couple of words about how it was formulated and in the context that we find ourselves. The administration as is often the case requested principals and directors to come up with their requests for necessary items for the next fiscal year sometime in the fall. Those items were compiled and they totaled some \$15 million in necessary requests to bring us to the place where we want to be. However, when those were taken by the administration and considered by Finance and then the full School Board we recognized the fact that notwithstanding needs you can't do everything you want to do all at the same time and

after some debate at the School Committee we instructed the administration to come up with the lowest responsible budget that we could have knowing the challenges that we have and the fact that we couldn't do everything at once. We asked them to try and do this within the income level that we had and could anticipate knowing as I'm sure many of you are aware that in the last State budget as a so-called good faith payment toward the Claremont lawsuit resolution, the State passed some \$70 or \$80 million of additional Foundation Aid, Manchester's share of which was \$7.2 million; that was money that was passed last year for inclusion in the next fiscal year budget. We also had certain other revenues that we anticipated and we asked the administration to come up with a budget that did not exceed the expected revenues. Now, that calculation does not include and I should make clear because there's a lot of discussion everyday in the press and everywhere else including this morning's paper...any additional revenue that might be coming from the Claremont lawsuit resolution, assuming there's going to be Claremont lawsuit resolution in Concord...this was only including those revenue sources we knew about because a Claremont lawsuit resolution is in essence substitute revenue because the money has to come from someplace and in discussions with the Mayor and his team in formulating the budget we spoke in terms and I think the only way to compare budget to budget we're speaking in terms of tax increases although we knew under the Claremont decision that the bulk of things that we spend money for in our local school budget can no longer be funded by local property taxes. But, the only comparative device we have is to talk about is a tax increase even though we know that it won't result in a tax increase in that sense because we're not comparing apples to apples any longer. So, when we talk about does this budget result in a tax increase we are doing that for comparative purposes because we don't have anything else to talk about. If, in fact, the Claremont lawsuit is not resolved then we will be back here talking about much more serious things than the relatively happy choices that we talk about tonight because we'll have a heck of a problem on our hands and I think everybody recognizes that fact. The budget doesn't have a tax increase on that comparative basis. We have three budgets as we have in the past: we have the operating budget (general fund), we have the Athletic budget and School Committee Member Stewart is here, she Chairs the Athletic Committee and we have the Food & Nutrition budget. The Charter, as you know, calls for one appropriation to schools...one bottom line appropriation and although we present three budgets I would suggest that it would be in line with the Charter to give one appropriation with three components to try to comply with it. Fundamentally, the School Board and the budget we present tonight feel that this budget allows Manchester and its schools to take a giant leap forward. It doesn't do everything we ever want to do,

but that's an evolving process and a very uncertain environment and it does it without exceeding our revenue sources. Mr. Tanguay and his staff will present it in detail to you and then I and Member Stewart and anybody else will be glad to take questions. Thank you.

Superintendent Tanguay stated I'd like to make a brief presentation and then I'd like to spend some time going over the middle school structure because that's where a lot of the staffing occurs in this next year's budget. The proposed budget for fiscal year 1999-2000 as presented to the Board of Mayor and Aldermen and I would also like to take this opportunity to thank the Board of Mayor and Aldermen for this opportunity. The accomplishments this year involved the education of 16,857 students, implemented a revised K-6 Language Arts curriculum; also purchase K-6 Language Arts textbooks and related instructional resources which came close to \$900,000 and also brought some uniformity in terms of a Language Arts program for the first time in 14 years at the K-6 level; provided professional development to support implementation of the Language Arts program; addressed equity in world languages through purchase of textbooks; furnished four middle school technology labs to support adopted technology curriculum; phase-in opening of McLaughlin Middle School which was grade 6 with next year's proposal is for grade 7, so we would in effect have four middle schools next year (6, 7 and 8) with the exception of McLaughlin School which would house grades 6 and 7 with grade 8 following in the year 2001; the relocation of preschool students to a satellite location at Smyth Road and the Easter Seal site, resulting in a safe and responsive learning environment; and worked with the City to proceed with the middle school addition at Parkside; purchased student management software for summer 1999 implementation to provide the tools for monitoring student achievement data, scheduling classes, addressing student mobility; and retaining discipline schools noting the system we presently have is support by McGraw-Hill which will no longer be supported by McGraw-Hill as of July of this year; also this will allow us to bring uniformity in terms of data collection on a K-12 level, so all schools will have the same student attendance package, obviously the high school and junior high schools will have in addition to that the scheduling and the components as well. This will support the implementation of data-based accountability plan for the Manchester Schools; initiated a district-wide facilities assessment as a first step in completing a five-year plan noting that the initial step will be presented to Buildings and Sites on Thursday followed by an additional in-depth study of our needs in terms of the five-year projections; implementing cost containment procedures to provide savings and new revenue streams to include: reconfiguration of the transportation system and as you know that system didn't go off very well in the fall, we had a very short time (August 17th) once the routes were approved by the School Board budget in terms of the options offered to the School Committee. This year we

already have a draft of our routes, the principals have had them and will be way ahead of the curve and expect to have it in the hands of the Committee members sometime in early May with feedback from them at which time the final routes will be published; utilization of indirect costs charged against grants which basically allowed us this year to charge up to 4.3 percent in direct costs and all state and federal grants and our projection is that resulted in about \$275,000 of additional revenues in our budget; implementation of tutor deployment accountability - we had requests from the schools totaling about \$900,000 and we reviewed all of the tutor requests, checked that against the IAP's to make sure that these were all necessary noting the principal's did a great job in responding to that request that we have the accountability to go along with the tutor requests and that also reduced the tutor budget considerably this past year; increased Medicaid revenues - we have an in-house person now who's been working on Medicaid, working with a contracted service company; and also application for additional grants (UROL Grant) which brought in over \$800,000 in grant money. The goals for the next budget year (1999-2000) include the continuation of curriculum revision, alignment and implementation of the K-6 Language Arts program, to fully implement the elementary science curriculum through provisions of equipment and materials needed to meet instructional objectives, and to fund the purchase of middle school math books and supporting instructional materials and I might also add that the elementary science curriculum needs come to about \$230,000 plus. The middle school math books and that's also a new curriculum for the math comes to about \$300,000. To complete the revision of health and comprehensive guidance curricula, to continue updating textbooks district-wide. One of the things that we looked at in terms of the budget requests from the school principals which totaled closed to \$15 million which is about the same number that we had two years ago and with this budget we can start phasing in some of those needs. Obviously, we're not looking to increase our budget to the full amount of the needs as that would be unrealistic, but we believe that this budget will at least allow us to begin that process over the next three or four years or so we could, in fact, do the necessary catch up that we have identified. To upgrade library collections is another area. Personally, a lot of our libraries are not fully stocked, do not have current books at this point and this will also look at the McLaughlin School, we had \$40,000 in that this year and for grade 6 we would like to fully stock that library to accommodate 7 and 8 as well. To continue implementation of the middle school structure which is to add a 7th grade to the McLaughlin Middle School, completing the second year of phasing in the middle school program, to move all six grades to the middle schools, and to provide additional capacity to address enrollment. Also, to address the requirements of the

New Hampshire Minimum Standards for public education which specifically goes to class size as well as some other areas of education and to study a phased-in alternative schooling continuum. As you may remember, the Board of Aldermen approved up to, I think, \$7,500 to begin studying that process and that would be at no cost to the School District. There is also one area that we have identified the need presently just for about 5,000 students. Presently, the need is being addressed for 1,000 students and we'd be looking at probably contracting that service out to be done in our schools and also to continue to seek savings in Special Education Transportation. This year we're able to reduce the transportation costs in Special Education and one way we did it was to take the Special Education students being transported through a Special Education Service and bring a lot of those students into the regular transportation system. These are students that have been identified through IAP's, however, not requiring special transportation needs, therefore, could be transported on regular school buses. To recommend a phased-in before and after school care program in cooperation with the private sector; and to add portable classrooms to accommodate the growing enrollment needs. Some of the challenges that were involved in this budget process is the uncertainty of State funding levels and you heard Chairman Cook speak to that. At this point, if anybody wants to guess on how much it's going to be, I'll put it down, but I don't know. Diversified students needs - we have a lot of ESL (English as a Second Language), but also along with that the diversity that is influencing our school district; the growth in student enrollment; the limited school facilities; the Special Education and probably ESL costs are both uncontrollable costs at this point. It's very difficult to project or predict how much we'll be spending in a course of a year. The enrollment numbers that we are using are October 1st which nationally is traditionally the date used for enrollment so you can compare October 1st from one year to October of another year and that results in projections of 378 more students and also the corresponding teachers we will need for that, about 13 more. So, our enrollment is projected to be 17,235 students for FY2000. Average Daily Membership is shown to you because of the State funds on this level. When the State decides that they will fund education, whenever that happens...hopefully before July 1st they will use the average daily membership, I think of the previous year which runs about 96-97% or the enrollment number. Those are students who have been identified as, in fact, being in the school under the average daily membership formula; that number being 16,730 which is different from the enrollment number, a much lower number. But, that's the number the State uses to fund education. We build our budget on a high enrollment number because the students we have to service even though we may not service them for 180 days, we still need to buy books and supplies for them and also have the teaching staff. The revenue projections for FY2000 are

contingency upon legislative and location action. We initially prepared our budget based on what the budget revenues would normally be in the course of a year. These revenues now are pretty much out the window. For example, if you look at Foundation Aid revenues which comes to about \$11 million, the State is looking now to say they'll use that money to take care of funding education throughout the State. So, to look at revenues and to wonder what's going to happen or even debate how they're going to be used, I think is something that's happening in Concord. I think it would behoove us to talk about revenues, but also not to make any predictions in terms of what will happen. Again, I don't think any of us want to be fortune tellers. It's a very, very difficult situation. The State's looking at funding at maybe \$4,000 to \$4,300 per student. On that number would be using our ADM (Average Daily Membership) number. We could realize anywhere from \$60-63-66 million and our budget request is \$67 million, not including such things as benefits. And we also look at revenues and came up with a number of about \$13 million. I think our budget number is a lot higher than that. Based on the latest information from the State, Foundation Aid would disappear from the revenue projections and also we would have Building Aid would stay and Catastrophic Aid would stay but some other revenues would also disappear. The budget components - a budget of \$80,371,234 is a different number than you have in your packet which is a number of about \$67,646,858. What we did for your benefit was to include the benefits...everybody talks about salaries and benefits, what the true percentage cost. Well, it runs as you can see about \$84 million and that is a cost that is very hard...usually, it's fixed by the negotiated agreement, it's an item that we can't control too, too much. The benefits you have some control over to the point that if you're able to negotiate some health and welfare costs that probably the limit of it, but the benefits are usually included in your negotiated agreements as well as the salaries. Utilities run about 2 percent which is a small amount and somewhat controllable, but it's a fixed cost, however. Transportation at 3 percent which is a number than we can control, we have control over this past year to a degree. We have a transportation number that does not reflect the new contract that the School Committee just approved last week. Tuition at four percent is specifically Special Education tuition (\$3.1 million). Goods and services at 5 percent and textbooks and supplies at two percent. The salaries account and I'll run through these rather quickly but afterwards if you have questions we will be glad to respond and I know you'll have some, but I'll try to highlight the significant increases such as the Salary account which shows a \$2.6 million increase and we'll get to that in a minute in terms of the detail and also the staffing that we are requesting. The Teacher Tuition account is basically through the negotiated agreement with the MEA, same with the Principals' Professional

Development account at \$12,000, Guidance & Testing is in there...we do have some language arts and some guidance materials this year which has increased that amount; Contract Manpower is basically for some temporary clerical help that we need in the course of a year at peak times; Professional & Technical Services is a big item at \$775,000...an increase of almost \$100,000. Most of that cost is attributed to a good portion to Special Education such things as consultants for Special Education, legal services for Special Education, personnel costs, litigation costs for personnel and also the audit costs and other consulting services that we have. Custodial Supplies is basically for light bulbs, we buy light bulbs for the schools. Machinery/Equipment Maintenance & Repairs...based on our best estimate at this point we increased that about \$32,000, I believe that in this year's budget we are spending at a higher level than the budget which is an area with new equipment we've been buying especially in the area of technology and we feel we should increase that to meet the repair needs. Rental of Buildings speaks specifically to Easter Seals which is the Chandler Preschool population most of which has been moved to the Easter Seals facility and represents the first year of a three-year contract and we also have some portables in there at Beech Street School, for example. Rental of Equipment...that \$1.1 million is basically supposed to do the lease/purchase payoff. When we figure the budget we put in about \$1.1 million because the lease/purchase was signed so late they also did a schedule putting in a payment into the year 2001, so we want and expect to take care of that. I know that the request was to pay it off this next year and that would be our expectation at this point, but you need to know that. Transportation-Regular Education...an increase in that specifically to do with the middle school structure. Transportation for Student Services...no increase. I think between the two there will be some transfers to cover some of the student services, transportation costs. The Telephone account also has an increase...we did have some schools like McLaughlin School, for example, upgrading of some of our telephone systems in some of our schools, so we increased that accordingly. Data Processing is pretty much status quo and Postage as well. Advertising has gone down, however, we'll be looking at that account. I believe that with the pink slipping of teachers we probably will lose some teachers to Massachusetts because of the bonus they're offering and if our budget is approved at a level adding the staff that we have submitted that also will require more advertising, so I think once the budget's approved to put more money in that account. Printing and Binding is status quo. Tuition - Within State and Outside State are specifically for Special Education tuition students that we have and we do have a total of 2,657 Special Education students. Out-of-district placements total 156 students, so if you look at the Outside State tuition that represents 156 students only. We have also the cost for tuition Outside ones...anywhere from \$17,000 for Court-ordered placements

upwards of \$150,000. We have a few like that. A lot of the costs run \$91,000 or \$40-50,000, but you need to know the extreme numbers from \$17,000 upwards to \$150,000 for Special Education Outside tuition. Travel/Conference Fees is status quo and Gas/Mileage Allowance as well. In Service Agreements, we've found that in some cases were not being funded in prior years, we have picked up all service agreements and in doing so we now show an increase in that of about \$67,000. Supplies & Paper...our request is for \$700,000 an increase of \$147,000 which is pretty much at the spending level we're at now. We are overspending in the supply account this year, covered by other accounts where we are not spending all that money. But, I think in the past we have underfunded/underbudgeted the supply account and this year in terms of next year's budget we should be okay. Fire Extinguishers is put in there this year, Medical Supplies a small amount of a \$1,400 increase. Nature Gas with no increase, Electricity...we're showing a reduction of \$9,000 and I know the NORESKO contract is being implemented now and should result in some savings. At this point, that is our best guesstimate in terms of how much it will be. The Fuel Oil shows a decrease and Electric Heat the same level. In Textbooks, we're showing \$1.1 million. Also, if you go to budget '99 of \$189,000 that is a misleading number only because we have in the lease part of it about \$900,000, so the two numbers are closer to \$1 million and we're showing about \$1.1 million at this point for textbooks and that includes the mathematics textbooks for the middle school which is about \$300,000 and we also have in that the language arts as well, the second year of the language arts program. We have the rebinding costs which we didn't do this past year, we also have the replacement of some other textbooks, we don't know the exact amount but it depends on how much the bids come back in on the prices of the textbooks we will be buying and also some science materials as well is in that line item. So, it's a big increase...one that we feel is definitely warranted and will take care of our students in terms of our students having a book which has been somewhat of a concern to some parents that not every child has a book in language arts and the program is built so that they share books and they have supplemental materials as well and might be able to provide a textbook to every child in the language arts program which would be our hope and expectation. Electronic Information is status quo and Equipment has also a big increase which has to do with technology. We have, this year, spent some money in the Equipment account...we had to zero the account and have since transferred money into it, but we have a lot of needs in terms of technology...you'll hear Tom talk about the Business Ed labs in the middle schools is a big item. Furniture and Fixtures also speaks to some of our furniture that we need that's been in disrepair and needs to be replaced. Dues, Fees, Licenses and Special Projects speaks basically to the leasing of some of our portables. We have in this year's budget 8 portables for each of the Junior Highs

(Hillside and Southside) and should result in about 16 classrooms to accommodate the enrollment increase because of the 6th grade going in and Graduation expenses (\$14,450)...this year's budget was underfunded and that basically is for the rental of chairs and the sound equipment and the diplomas, etc. So, we have a total budget of about \$67,645,858, an increase of \$5,744,887 and again it does not include the benefits nor does it include any negotiated increase for teachers and other staff. The payroll or the staff sheet itself shows a \$54 million budget. We are looking at 77 more teachers. There really is no change in the School Board and Principals, Teachers at 77, Administration with 17, actually a reduction. Tutors you see 178, we are at 130 tutors at the present time...there's a recomputation on that that results in \$1.1 million, a discrepancy in terms of how to go from \$1.3 to \$1.1 million and we're looking at that right now. We also have the Psychologists (8) and Educational Assistants mandated in terms of Special Education as well as tutors and the support staff...if we look at the teaching staff. We have 44.5 new teachers for the middle school and also 23.5 teachers for the K-5 and also the high school level. Two ESL teachers...this year we had to add three ESL teachers as required by OCR (Office of Civil Rights)...we were in violation of getting to be in violation of the federal law, so we had to add three this past year. The ESL for now is at a number of 1,059 students. We were at about 415 two years ago and then last year we ended the year with just about over 800 students and we are now pushing close to 1,100 and will probably end up with 1,200 before the year's over with which means that we are growing by about 400 students a year. Each time we add these students we need to add more ESL teachers, so that number is probably on the low side. Again, we added three this year just to meet with the growth. We also have six Special Ed teachers and after we finish this presentation we'll go back and talk about this more. The revenue in the Food and Nutrition Services budget...there's really not much change there. We're basically showing expenditures in excess of revenues by about \$17,000; that most likely will disappear. We are now, I think, at a point where the Food Service Program is doing very well. Two years ago as you may remember the Food Service Program had a deficit of \$160,000. This year's budget looks as though we'll just about make it - revenues equaling expenditures. So, we'll be looking at an Enterprise Fund which is what I believe the Board of Mayor and Aldermen want us to look at which means that the program should be self-supporting which is our goal at this point. Remembering that last year we did increase the price of meals in December. At this point, we do not anticipate a price increase in meals, however, we need to factor in there the Yarger Decker in terms of the effect of that and I think that might be covered in terms of the City funds. So, we may still be okay. Again, our goal is to make it self-supporting. The Athletic budget we have some increases in that in the Salary account, Contract Manpower, Transportation,

etc...we'll speak to that in just a moment. All budgets as they relate to the General Fund, the Athletic budget ask for one percent, Food Service three percent, Benefits of 13 percent, Debt Service of seven percent, Department Charge Backs at six percent, and finally the major areas of increase: phase-in of identified long-term needs. Again, the needs identified about \$14 million and this is a phase-in of some of those needs, implementing the middle school, continued phase-in of McLaughlin Middle School, math textbooks for Grade 6, 7, & 8, portable classrooms, K-6 Language Arts, science supplies, enrollment growth, technology, libraries, uncontrollable mandated costs which is a tough one. Special Education is always surprising us with more and more needs as well as ESL. It's very, very difficult to project, I know that the Mayor has spent a lot of time talking about ESL and also meeting with different State and Federal agencies talking about ESL and how we can control some of those costs. We're not against ESL certainly. We welcome the students, but we'd like to see a more fair distribution among the students throughout the State of NH. Right now, Manchester is absorbing about all of them. Again, Special Education is very, very difficult to project so we put in our best guesstimate on that number. So, at this time I would like to ask Tom Brennan to talk about the Middle School concept because that is where a lot of the staffing is going to occur and also Cathy Hamblett...we want to explain to you how the elementary configuration, for example, K-5 is different from the Middle School concept (6,7 & 8) different educational philosophies and how that impacts the costs as well as the high schools. So, at this time I'll turn it over to Tom.

Assistant Superintendent Brennan stated I think the most important thing when we start talking about the budget and when you look at the staffing you'll see there's a significant number requested for the middle school. In 1994, this School District decided that it would be appropriate to go to the middle school concept. I believe, at that time, it wasn't clearly understood what that meant. What that means is additional staffing. What that means is a different way of teaching students. Rather than a self-contained arrangement, you're shooting for approximately 90 to 100 students on a team of four core teachers and those four core teachers are supplemented in their learning activities by having unified arts teachers such as family and consumer science, tech ed, physical education. The overall scheme of the middle school philosophy is to allow time for students to work in a team, to allow teachers to have common planning time throughout the day and in order to have common planning time it must be complimented with what we refer to as unified arts teachers. Again, physical education, family consumer science, tech ed, art and music. When you look at the number 44/45.5 staffing additional, what that represents is an additional 37 classroom teachers, 22 unified arts teachers and 7 support staff. Specifically, at the administrative level we're looking to add

Assistant Principals at Hillside and Southside mainly because of our projected numbers at Hillside, we're looking at approximately 1,200 plus students at Hillside. At Southside, we're looking at just over 1,059 and McLaughlin will go to 660. Parkside we believe with their current enrollments will not require an Assistant Principal, we're going to watch that closely over the next couple of years. In addition, we're looking at guidance support of three members. Again, at McLaughlin to meet their needs...Hillside and Southside once again because of the increased enrollment. Again, 22 unified arts folks are the individuals who will complement the instruction by allowing students to be instructed in those areas and then in turn allowing teachers to have common planning time; that is sort of a quick brush stroke as to what the middle school concept is and why it is our opinion that we need the additional staffing. This does include the 21 teachers who currently teach 6th grade...those slots will be absorbed in that number of 37 as I told you earlier there will be 37 regular classroom teachers. Twenty-one of those individuals will come from existing staff, so that means we're 16 teachers short. For example, at Parkside the current team enrollment is approximately 140 to 145 students. When you break that ratio out it's over 30. With the projections that we're looking at we're trying to maintain a class size of between 27-28 students. The minimum standards allow us to go up to 30, but that's really pressing it and I think some of you have heard over the time that I've been here concern about class size. By coming in at these numbers...these are not the numbers that we wanted. Actually, we wanted more numbers, but we need to be more realistic in how we implement this. These will be the minimum numbers that we need to get the job done as far as we're concerned with the middle school concept.

Assistant Superintendent Hamblett stated we've also been asked to comment on the impact of Grade 6 were it to remain at the elementary schools and what I would like to do is just make a few observations about that. Class size in some buildings would remain high because we would lack the classroom capacity to add additional classes. Mostly, at Hallsville and Bakersville. The Manchester Developmental Preschool which is now housed at the auxiliary site at Smyth Road School would lose one of its classrooms if the 6th grade were to remain at Smyth and that would mean that their supplementary services, occupational therapy, speech and OT would have to work in the hallways or we would have to find some special arrangement to share the gymnasium. We have elevator construction at three schools. At Webster it will reduce the size of three classrooms and if the 6th grade were to remain at Webster we would be hard pressed to accommodate the classes and class size. At Hallsville, we have an initiative where we would like to

move the library out of the hallway where it currently resides and if the 6th grade were to remain at Hallsville we would not be able to make that move. We also have talked a lot with the principals about the credibility in the public because we really have worked on this redistricting plan for distributing students throughout the middle schools for at least two years and by delaying that more we feel there would be some loss of credibility. Also, we are very anxious to work on the minimum standards at the elementary level. Most relevant in this conversation is the need for separate art and music rooms. In art there is a need to have separate rooms for art instruction so that we can do more long-term projects that would actually be worked over time and would have a place to be stored. In your music instruction, especially with the younger children in kindergarten and up to grade 2 we really need a lot of space for kids to move around, to have movement in music and currently we do not have the rooms. In many schools, these subjects are taught from a cart so that teachers roll carts from room-to-room. Also, we have been studying the distribution of our ESL students. Currently, we have a model that puts new coming students to Manchester who are non-English speaking in magnet programs and then as they're English fluency increases over a year or two they move to more mainstreamed environments, however, it's been difficult for us to distribute these students because we are unable to predict exactly when they come and so we're constantly shifting classrooms around, splitting up children and facing overcrowding at the schools and so, if the 6th grades were to remain that would only increase. Also, there are some potential cuts that people might think about if we were not to continue with the middle school concept, but some of them would actually remain. For example, the math curriculum at 6, 7 & 8 we would still intend to purchase...even if 6th grades were to remain at the elementary level and the language arts textbooks at grade 6 would also need to be purchased.

Superintendent Tanguay stated I'd also like to mention that we have, as of Friday, the Hudson School District will be sending 125 students to Manchester and we factored that into the budget to a degree. They will be attending Memorial High School noting we presently have about 3 or 4 students from Hudson. The per pupil cost for '97-'98 as published by the State of New Hampshire...the State averages for elementary is \$5,579, Manchester's was \$4,748. The middle or junior high school is \$5,422 and Manchester's is \$5,040 and then the high school was \$6,435 and ours was \$5,586. So, you can see it's a bargain for school districts to send their high school students to Manchester, number one. But, these are the actual costs as submitted to the State and approved by the State. At this time, we'd be glad to answer questions of the Mayor and Aldermen.

Alderman Wihby stated first of all, Norm, when we were told about the middle school concept we were told it wasn't going to cost an extra penny and when we changed that we were told that it would all average out and that the help would go to one school and it would be less in that one school and it wasn't going to cost anything. Do you have a number of what you think it's costing...it's it a million dollars, two million dollars, what.

Superintendent Tanguay replied I think we're working on that number now, but I think the middle school concept structure was approved maybe five years ago and, of course, the McLaughlin School is built on that factor. I think everybody here has been here only two years, but we're looking at the total cost of the middle school implementation. We can't certainly say it won't cost money because it will and I think we're working on some of it now.

Assistant Superintendent Brennan stated I think in the last budget session, I was talking about the fact that it wasn't going to be this for that sort of thing, but those numbers...there is an assumption that our teachers can simply move with students. Well, when you move those art teachers who's going to be teaching the elementary kids and that was part of it. I can remember looking at that proposal and one of the first reactions I had to the Superintendent was this can't be what they told people because the logic at that time was faulty, I guess would be the best way to respond.

Alderman Wihby stated it sounds like it was a couple million dollars faulty.

Assistant Superintendent Brennan replied yes, Sir.

Alderman Wihby in reference to the extra tuition students that we're getting, asked are they included in the total number of increases.

Assistant Superintendent Brennan replied yes.

Alderman Wihby asked what's the number...what is it 378 is what you're expecting.

Superintendent Tanguay stated I think that number is going to have to be increased more because we have a higher tuition number, is that correct Mr. O'Shea.

Alderman Wihby asked out of the 378 how much are extra tuition in that number.

Superintendent Tanguay stated that number for Litchfield is not included...that would be roughly another 100 students.

Alderman Wihby asked is there any tuition students in the 378 increase that you're projecting and if so, how many.

Superintendent Tanguay replied 23 more. The tuition students now come to a total of 1,447. So, we're going to be adding at least another 100 to that amount from Hooksett and Bedford.

Alderman Wihby stated so a quarter of the increase is tuition students.

Superintendent Tanguay replied no, tuition students is K-12 throughout and I don't know if we have the breakout for the high school tuition portion.

Alderman Wihby stated let's start from the beginning. From '99 to 2000, how many more students are we going to have.

Superintendent Tanguay replied 378.

Alderman Wihby stated out of the 378 how many are tuition coming in that are extra that we've added in that number.

Mr. O'Shea replied approximately 20-25. We can't project that exactly because we don't do all of the tracking for all of the sending towns. In other words, we don't have the projections on K-8 which would give us the figures as to what we'd have coming in. But, what we do as far as the high school projects is just do an updating as to what we've received over the past three years from the sending districts.

Alderman Wihby stated so out of the 378, 25 are going to be revenue producing.

Mr. O'Shea replied yes, 22/25, we can't be sure right now.

Alderman Wihby stated the money that we get from them offsets...how much do we get for them, is it over our number that you used earlier.

Mr. O'Shea replied the tuition that we get from them is based upon what we put in the MS25 and the MS25 figures the Superintendent just gave you.

Alderman Wihby stated \$5,500.

Mr. O'Shea stated roughly it will be \$5,500 to \$5,600.

Superintendent Tanguay stated \$6,400 is the average and right now we're looking at \$5,586 as the number.

Alderman Wihby asked can you explain the textbooks, it's not really an increase you said.

Superintendent Tanguay replied it is an increase, but what we're saying is that the 1999 budget number is \$189,000 and I think three fifty-seven is the low number because they did not factor in the costs of the Language Arts Program which is about \$900,000. The increase of about \$1.1 million isn't an increase over this year.

Alderman Wihby stated in '98 we spent \$819,000 on textbooks and then we went to \$189,000 or that number is not right, what is that number in '99.

Superintendent Tanguay stated we're showing \$189,357 is the number that we are showing in this year's budget, to that we need to add about \$1 million worth of Language Arts books which is in the lease/purchase. I mentioned I didn't want to mislead the Committee.

Alderman Wihby asked what's the Service Agreements again, a \$100,000 increase from '98.

Superintendent Tanguay replied I'll ask Mr. O'Shea to speak to that, please.

Mr. O'Shea stated many of the Service agreements, particularly on copy machines were being carried by some of the individual schools out of school/student activity accounts and what we're doing we're properly accounting for them and carrying them within the budget.

Alderman Wihby stated I've got this sheet here, I guess...your recommendation to the Finance Committee of the School Board.

Superintendent Tanguay asked what's the date on that, please.

Alderman Wihby replied March 15th.

Superintendent Tanguay replied yes.

Alderman Wihby stated so on March 15th there are two numbers that are different. One is \$50,000 compared to the blue handout. There's \$50,000 from Textbooks that was added and \$950,000 in Salaries. What are those two numbers.

Superintendent Tanguay replied we had three options, I believe, we presented to the School Committee and they approved one of those options which is what you have seen tonight.

Alderman Wihby stated so the other one minus a million dollars was another option that you had presented and what number is that.

Superintendent Tanguay replied we actually had numbers of \$2 million less than we had, for example...

Alderman Wihby asked are they in this white handout.

Superintendent Tanguay stated we went in with a couple of numbers. Option 1 had a budget of about \$66 million...

Alderman Wihby stated they chose Option 2.

Superintendent Tanguay replied yes they did.

Alderman Wihby stated Option 2 is what we're going by in the new handout and asked what is the difference between Option 1 and Option 2, that \$1 million, what was that.

Superintendent Tanguay replied what we were doing was basically trying to come up with a scenario that would have not School tax rate increase and under scenario one that would basically do that. As we reworked the numbers, we found that Option 2 would probably also do the same thing, so that based on our best estimate and not knowing what is going to happen in Concord that there would be no School tax rate increase this year. As a matter of fact, I shouldn't even talk about that because we have Concord saying...or the State Constitution saying we cannot support education through local taxes, at least below the adequacy level. So, we had to make some assumptions that assuming that \$18.47 School tax is to remain the same what would it do in terms of our budget. So, we ended up with Option 2 which is a million dollar increase over Option 1 and Option 3 is another million dollars on top of that.

Alderman Wihby asked what is the difference between Option 1 and Option 2, that million dollar cut, what is it in.

Assistant Superintendent Brennan replied basically it's 23.5 staff members.

Alderman Wihby stated it's fifty-three something instead of seventy-seven.

Assistant Superintendent Brennan replied \$53,316,026 was in Option 1.

Alderman Wihby stated basically it was the number of staff.

Assistant Superintendent Brennan replied that is correct.

Alderman Wihby asked where were they getting cut from. You put a plan together that said "worked".

Assistant Superintendent Brennan stated what the original Option 1 called for was just 45.5 teachers at the middle school level...two ESL and six for Special Ed. What Option 2 allowed us to go was to take those number and add an additional 23.5 staff members at all levels (elementary and high school).

Superintendent Tanguay stated we also increased the textbook column by \$50,000.

Alderman Wihby stated there's 24 teachers, if we went back to Option 1 where would you lose them.

Assistant Superintendent Brennan replied in elementary and high school.

Alderman Wihby stated the lease/purchase is already in here and you said you took care of that in the one year that we had asked.

Superintendent Tanguay stated the lease/purchase was recently executed, so they had a different schedule going into the year 2001. So, the number we have in there were not fully paid off this coming year, but it is our intention in looking at it that we need to pay it off this year per the agreement.

Alderman Wihby stated so \$1,000,019 does not cover...

Superintendent Tanguay replied no, we need about another \$400,000 on top of that for about \$1.5 million.

Alderman Wihby asked if you plan on paying it off, where do you plan on getting the money from.

Superintendent Tanguay replied that is what we're looking at right now. For example, we looked at some of the accounts...for example, the Electricity Account (NORESCO), we believe there will be some savings in there and we looked at some of the other significant increases that we have. For example, on the purchasing of textbooks, the math series. We've estimated the middle schools at \$300,000. We don't have the actual costs, it could be a low number. So, we'll make some adjustment to try and accommodate that.

Alderman Wihby stated I noticed on the revenues...Medicaid doesn't show up anymore more (\$1 million) how come.

Superintendent Tanguay replied we had taken it out because we wanted to keep it as a contingency fund. But, this past year we overspent by about \$1.3 million and all except maybe \$14,000 was for Special Educational and the ESL costs and we felt that we should put that in a separate account held downtown to accommodate any deficit in those special costs.

Alderman Wihby asked do you plan on spending that too or what.

Superintendent Tanguay replied it depends if we would need it. We would hope that could tap into it yes.

Alderman Wihby asked are your revenues projected to be \$21 million this year.

Superintendent Tanguay replied yes.

Alderman Wihby stated I can recall we had an argument over \$18 and \$19 million and it went up to \$21 million.

Superintendent Tanguay stated those are the numbers we have, but again we put in...the Medicaid was in there and also I think some extra Foundation Aid money.

Alderman Wihby asked are you using the extra money this year.

Superintendent Tanguay replied no, we haven't looked at that only because we need to hit the \$19 million market, we also had to have an excess in Medicaid and I think one other area (tuition) in excess of the budget amount, so we have not touched that at this point.

Alderman Wihby stated it looks like you'll be able to spend a little more this year on your budget because you're going to hit \$21 rather than the \$19.

Superintendent Tanguay stated possibly. Right now we are pretty much status quo in terms of our budget, we'll just about make it and if we don't need to use those revenues we are not going to touch them. We just want to break even at this point. I think for clarification, Dave, the revenue projections includes as I see it now our Business Profits Tax of \$2 million, so you're down from that \$19 million number which is the number that we had been using all along. The Business Profits Tax is not a number that we received in revenues, it's just an offset to the tax rate to help reduce it to lower the School tax portion.

Alderman Wihby stated so that isn't part of your budget and revenue numbers.

Superintendent Tanguay stated we never see that money.

Alderman Wihby stated it's not part of the calculation when we had the \$18 or \$19.

Superintendent Tanguay replied no, it's not.

Alderman Wihby stated I see in the staffing we have numbers. I read in the newspaper that you hired a personnel person and a finance person and all of these things, but I look at the staff and the staff is a minus one or something for administrative or whatever it was called, how did they do that.

Superintendent Tanguay replied these were positions that we had that were vacant from last year and we did not dare fill them last year because of the deficit situation, so this year we're able to fill positions, so this year we're able to fill positions with the staffing count not really changing, it stayed the same.

Alderman Wihby asked how long did those positions remain empty.

Superintendent Tanguay replied quite a while, probably for several months, close to a good portion of last year and up until maybe the end of this past year.

Alderman Wihby asked how many positions were those, 3, 4, 10.

Superintendent Tanguay replied the Director of Personnel was one we had that we filled, we also has the Accounting Manager position was one that we held before and was filled, an Internal Auditor position. We have a new position for the Benefits Coordinator which was new this year and also a Medicaid person that we've had all along that we filled this year also. So, I think maybe 5 or 6 positions.

Alderman Wihby asked benefits/raises for the teachers, where are we going to get that from.

Superintendent Tanguay replied it is not reflected in this budget at this time.

Alderman Wihby asked it is in the General Fund budget for the teachers raises.

Mayor Wieczorek replied no. We have the raises in there.

Alderman Wihby asked the raises are in their budget, are the benefits in their budget.

Mayor Wieczorek replied everything is in there.

Superintendent Tanguay stated it's in the Mayor's budget.

Alderman Wihby asked do you know that for sure.

Superintendent Tanguay replied yes.

Alderman Wihby in reference to the Transportation budget asked how come it's going to high, it's almost 50% percent and you said all you're doing is for junior high.

Mr. O'Shea replied you have to maintain the same number of buses for the elementary schools, but when you move the sixth grades up to the middle school you have to put on more buses for the middle school. The other thing is the middle school students you can't run them a 71 passenger bus totally full because they're only 13 inch seats and as the children get a little bit larger they require a little bit more seat room, so you can't sit them three across, you have to do it two across and that drops you down to about 46/47 students per bus max.

Alderman Wihby asked is that the number you already got from the MTA and asked how much was the contract that was approved.

Mr. O'Shea replied the contract was approved at \$129 per day per bus and the cost last year meaning the year just ended was \$127. Originally, they were looking for \$131 per day.

Alderman Wihby asked what's the total, how much are you going to save on transportation.

Mr. O'Shea replied the total savings over two years meaning this current year and next year...

Alderman Wihby stated compared to you number, you used \$1.371 million, what's the number going to be.

Mr. O'Shea replied probably about \$40,000 to \$45,000 less.

Superintendent Tanguay stated this year's contract was reduced \$112 per bus and we're paying them for \$129. So, they took quite a reduction in their contract this year.

Alderman Wihby in reference to day care asked is that going to cost anything in this budget.

Superintendent Tanguay replied we're not projecting any costs at all; that is just an after-school program that we would probably just contract out. The idea behind this is not obviously to get involved in a day care program and compete with the private sector. It is only meant to try and address the need in terms of caring for some of those students and we believe that a lot of students would be better serviced in the school rather than having to go someplace else. Again, we have 5,000 identified students with that need with 1,000 being serviced based on our data.

Alderman Wihby stated it would be just what you charge people who will pay for the thing.

Superintendent Tanguay replied yes, probably contract that out as well...YMCA and some of the other public agencies.

Alderman Wihby stated you have a letter asking for a one or two percent reduction and what it would mean. I guess my concern with the total budget is a \$7 million one-time increase that we got, we're adding 77 new teachers, we spent the \$7 million and now it's next year and the money's not there anymore because it's a one-time shot, what are you going to do lay off 77 teachers.

Superintendent Tanguay replied I think we'll take it year-by-year, but until we know what the State is going to do that is going to be a big portion of our budget. Again, if we look at the \$67 million budget and the State funding could come close to that number, however, the \$20 million in revenues would be reduced probably to \$13 million, so there would probably be a total budget of maybe \$80 million.

Alderman Wihby stated wait a minute. You've still got nursing and PBS and another \$22 million, so you're probably close to \$100 million.

Superintendent Tanguay reiterated I think we have to wait and see what happens with the State, hopefully, we'll get a result pretty quick because our belief is that the State will take care of a lot of our needs. I don't know what it would do in terms of any local School tax at this point, but certainly that's something we would have to look at later. Once we know the number from the State I'm sure we'll probably be coming back and discussing that with you in terms of how that impacts our budget and what you'd like to do with it.

Alderman Wihby stated if you take the \$7 million and the \$13 to \$15 million that the Mayor anticipated you're looking at we've got to get \$22 million just to make the one percent increase. If you wanted to make it zero you're probably \$25 million in order to get that down from the State. I don't know if that money's coming or not, but my concern would be that the following year you'd have to make sure you got that too and made up that \$7 million. Otherwise, I don't know what would happen.

Superintendent Tanguay stated we're into the middle school structure at this point and I think to reverse that would not be educationally-wise and our recommendations continue with the full implementation with the exception of the McLaughlin and Grade 8 which would be two years from now. But, we went through a similar situation in block scheduling where we didn't have the capacity and we had to put that on hold and our belief is that block scheduling is educationally beneficial, but now we have a new middle school and we're on our way with the implementation of the middle school and we believe strongly that we should continue with that.

Alderman Wihby stated when we finish the implementation the following year, are we looking for more money on top of that, more teachers.

Superintendent Tanguay replied there will be some minimum impact.

Alderman Wihby asked roughly, another 10 teachers or so.

Assistant Superintendent Brennan replied that would be a fair guess at this time because you would continue to add those unified arts folks to the 8th grade.

Alderman Girard stated, Mr. Tanguay, before I ask some questions about your proposed budget I have a couple of questions about the current budget that I'd like to ask as lead ins. Because we've heard a lot about various needs in the schools, various programs, uncontrollable costs...I read in the newspaper that your office is considering \$50,000 to \$75,000 to do some renovation work to the School Administration Building, namely relocating your office from the third floor to the first. Where is that money coming from.

Superintendent Tanguay replied that money, I believe, would come out of the SCIP fund, it will not impact our General Fund budget.

Alderman Girard asked would that money perhaps be better spent taking care of some of the problems that have been brought to the attention of this Board, say by the Home Economics at West High School. We've seen pictures, there have been teachers from the school that have come to this Board, gone to your Board...how does the department justify \$75,000 to relocate an administrative office when you've clearly got needs at that school and certainly others.

School Committee Member Cook stated let me try and answer that question. The impetus for the relocation of the offices at the School Department largely came from the School Board and not from the Administration. Certainly, the Family and Consumer Science which is my understanding of what Home Economics is now called. At the Cornell University when I was there they changed Home Economics to Human Ecology so they didn't have to change the letters in the computer, so who knows, but. The present configuration in the Administration Building leads to bad administration, physical surroundings of where you are and how you do what you do are important. The Assistants, the Business Administrator and the Superintendent are not located contiguously and that is not this Administration's fault. Everybody who has looked at how this thing works, comments on the fact that the Superintendent is isolated is not an optimal situation. We urged him, many of us, to remedy that situation; that was not done to the detriment or to the exclusion of other needs. It was done because we believe if it could be found in the present budget to be an important thing to make Administration work. I think to ask the Administration...there's some concept out there that Administration's building some kind of a castle, anybody that's been in the Ash Street building knows they even built themselves a castle; that is about as awkward a place to run an administrative function that I've seen lately, I would submit to you at a later time than maybe somebody in the private sector could make a magnificent architect or other professional office out of that place and the School Department could move into a business office someplace, but be that as it

may, I think it was at the urging of the Board that that was done to a large degree and I, for one and the other members believe it's an appropriate thing to do. Is it better than a classroom renovation, is it more important than doing everything we want to do. The priorities and the processes that we use to come up with the priorities for spending on capital are varied, but I read this stuff, I hear this stuff, I wouldn't blame all of these things on the Administration because we think we're going to have a heck of a lot more efficient, better run administration just because of the relocation of the physical facilities...should we fix those classrooms at West and different places, of course we should fix them and they were put into the process and we're just going to have to get to those things. But, we believe this is an important thing to do.

Alderman Girard stated since it's anticipated, your Honor, that those would be SCIP funds which the City's side of the equation does have some say in, I would hope that the use of those funds would be reexamined because while I understand the efficiency arguments that are being made here by the School Board, I think the conditions of those labs over at West High School are disgraceful and ought to be addressed before the situation at the School Administration. Regarding Special Ed, as you know throughout the budget process last year I was somewhat critical of the Administration and School Board's decision not to implement a reorganization of the Special Services Department which was fully funded in fiscal '98 and now we know thanks to the audit that the cost overruns in fiscal '98 are almost entirely as a result of Special Ed and you've said here on several occasions that the uncontrolled and unexpected costs of Special Education really are a factor in your budget, how to control them and so on and so forth. What plans, if any, along the lines of the reorganization that was funded in fiscal '98 has the Administration undertaken to develop to contain the Special Ed costs.

Superintendent Tanguay stated I will ask Karen Burkush to speak to that in terms of the tutors and then Dick will speak to it as well.

Alderman Girard stated before your start, Karen, I just would like to note that the areas in the management audit that were highlighted showed some big overspending in tutors and Educational Assistants which as you know were targeted by that reorganization and I still maintain if it had been tried these cost overruns might not have been as severe, if they existed as all.

Ms. Burkush stated with regards to the Tutors we did implement a new accountability procedure this fall as a result of that which has worked. One thing, the uncontrollability part is the number of students that are being identified. This year we have about 310 to date more students than we did last year. So, that part is not maybe do to the functionality of the central office because we just have more students; that nationwide and it's also nationwide that are students are coming in that have just more challenging needs. We have hired Tutors, we have hired Educational Assistants to work in the classroom with these students, they're a little bit cheaper than hiring a teacher and it's part of inclusionary practices that we're working on. We have work to do there is no doubt about that.

Alderman Girard stated I understand that but part of the point of that last reorganization though was cost avoidance. I think everybody recognizes that the numbers are growing and as the numbers grow you have to provide for that. I guess what I'm wondering is what contingencies the department is working on to contain those costs, so that for every student you add you don't have a teacher that's got to spend 10 of 30 hours a week on the paperwork; that type of thing otherwise you have some highly paid professionals doing paperwork that a clerk could handle just as well.

Ms. Burkush stated that is something that we definitely have considered and Mr. O'Shea would like to speak to that.

Mr. O'Shea stated the plan that you talk about, Alderman Girard, was one that was going to put in 23 clerk/secretaries, one at each school.

Alderman Girard interjected and one at the central office.

Mr. O'Shea stated that was to be basically to assist us in raising the amount of funds that we could yield in Medicaid. This was all prior to any of this Administration coming on board. As Ms. Burkush has said we've contained those costs and at the same time we've raised the revenue in Medicaid by about 20%. So, we've accomplished two of those goals. As far as having some clerks do some of the work instead of the higher paid professionals, we'll agree with that and Option 3 of the three options that we presented to the School Board had those 23 positions coming back and if you'd like to raise the ante we'll gladly take them back.

Alderman Girard interjected with all due respect, Mr. O'Shea, this document that had the three options was ready for me when I came to my desk this evening, it's not something that I had the opportunity to take a look at ahead of time so that I could be better prepared.

Alderman Wihby stated, your Honor, if I can. I asked the Clerk to pass those out today; that's nothing from them.

Alderman Girard stated I wish, Mr. Chairman, that it had come to us ahead of time.

Alderman Wihby replied I didn't know about it until today.

Alderman Girard stated I understand but this document has clearly been around for a while, it's unfortunate that the Board of Aldermen sees it tonight for the first time tonight to have an opportunity to take a look at it. I'm sorry, Mr. O'Shea.

Mr. O'Shea continued by stating the only other thing I would add if we had put those 23 people on in Special Ed with their salaries and benefits we would have been even further in deficit.

Alderman Girard stated that is assuming you wouldn't have had to hire all of the tutors and EA's and other people that you had to hire as a result of the teacher's not having to do that work and I don't mean to debate it, but I'd like to move on to the Medicaid revenue. Your Honor, may I ask you a question. Am I to understand that the million or so dollars anticipated in Medicaid reimbursements is no longer coming to the General Fund, is it your recommendation that that million dollars be set up in a off budget account like it was prior to fiscal '98.

Mayor Wieczorek replied you have to remember this is a very unusual year for us and we're working with things and we don't have the foggiest idea of what is really going to happen. I think the Superintendent clearly stated that the options that were presented are the options that the School Board had voted on and presented to me. With the budget that we have, if things don't materialize in Concord everything we're talking about here is off the board.

Alderman Girard stated I understand, my question is specific to the Medicaid revenues, so basically right now that revenues that exists is just not being counted against the General Fund.

Mayor Wieczorek stated that is correct, that's the contingency.

Superintendent Tanguay stated we have in not in General Fund, but I believe the Mayor's budget brings it back into the General Fund.

Mayor Wieczorek stated the million dollars.

Alderman Girard asked is that off budget or not.

Mayor Wieczorek stated I thought you just told Alderman Wihby...

Superintendent Tanguay replied I think the revenue portion of the budget brought that back in when you presented...maybe I could be wrong. Either way, it's got to be addressed, we have not fully addressed it at this point.

Mayor Wieczorek asked who knows, Mr. O'Shea.

Mr. O'Shea stated that is not included as General Fund revenue in this budget.

Alderman Girard stated with respect to the middle school, it seems that the implementation of the middle school concept is driving your costs here. I am seeing the desire to move all of the 6th grades into the middle schools requiring you to get eight portables at a cost of something like a quarter of a million dollars, it looks like that drive is also knocking your costs for transportation up by \$400,000, there are several of the 77 additional teachers...what happens, Mr. Tanguay, if we just say we need a breather here and rather than forcing everything into the middle school level this year, what happens if we just say status quo for a while, so I don't need eight portables and the Southside and Hillside schools and I don't need \$400,000 in more buses.

Superintendent Tanguay replied you're certainly putting a stop to the middle school structured implementation which is probably not educational wise. I think it's a cost that a decision was made like five years ago and also more important is the fact that the State funding, we believe, will still result in a budget that you see this evening and you'll support that budget, we hope, so there will be no School tax rate increase. So, we're not thinking in terms of regression, we thinking in progression in we want the middle school concept, so we educationally would have a tremendous negative impact.

Alderman Girard stated I guess I have a problem with the idea that State funding is going to solve our problems here. Alderman Wihby pointed we're taking a \$7.2 million windfall to this year's General Fund and we're counting it against operational expenses and I found the comment interesting that this budget was predicated on normally expected revenues, but that \$7.2 million windfall is not a normally expected revenue, but we've built that into the operating costs and it seems to me that we're waiting for a penny from heaven courtesy of State funding which may or may not show up because some of the more conservative elements

in the State House have just shot of affecting an outcome as some of the less conservative ones and the idea that taxpayer money coming from another source somehow alleviates our problems. If you take a look at a lot of the debate in Concord, it's all about providing property tax relief to overwhelmed communities, not coming up with all kinds of money that schools can just spend and I for one would like to see that money if it comes go to the taxpayers and not necessarily be spent anywhere. So, the idea that we're waiting for State revenue to take care of some of these problems to me is a bad premise.

Mayor Wieczorek asked do you have a question, Alderman.

Alderman Girard replied no, your Honor. I think with that I will conclude. I do have some other questions, but I don't feel the need to take them up now, thank you.

Alderman Shea stated thank you for the presentation all of you. In Severance you've set aside about \$829,000 does that mean there are more teachers that are going...

Superintendent Tanguay stated more retiring, but this past year we overspent that account by about \$200,000. In other words, the amount appropriated was not sufficient to meet the teacher's who had been retiring and the point on that is also that it is a negotiated amount, if you will. A negotiated agreement that we need to honor all retirees and we think we will meet the needs for this coming year.

Alderman Shea stated for another subject and this is maybe off, but I personally would like to see programs for our youngsters in the elementary schools who are talented and gifted. Now, the point of the matter is we're spending millions and millions of dollars and we're not really reaching kids that are going to be our future for the most part. I'm not demeaning other children and other needs, but I should think that somehow there should be some type of programming for children in the elementary level who are talented, these kids are our future, many of them and we do nothing. This is a good incentive for the City as far as people coming into the City and looking and saying there's a talented program, an enrichment program, I really think that the City, in general, the School Board should discuss this and try and do what they can because this is so vital and important and I think it would be a good selling point for the School Department personally.

Superintendent Tanguay stated we couldn't agree with you more. The Special Ed needs are being met to a certain degree as well as the regular students. The gifted and talented at the present time are not at least to any level. We would very much like to do something like that. We've discussed it quite a bit, maybe offering it through magnet schools or a magnet program of some kind, I think Cathy Hamblett would like to add to that as well.

Assistant Superintendent Hamblett stated I'd like to compliment the teachers, they're trying their best to individualize in the classroom and I think as we get class size down we'll see more and more of that and certainly the new Language Arts series has done a lot in helping us do that individualization and students at the top reading levels are being stretched. The expectation level for everybody is higher but as Mr. Tanguay was saying we really do need to start planning for this because one of the minimum standards we do not meet at this time is a policy on addressing students with differing learning needs. Particularly gifted and talented, so you will see us to start doing that over the next year or so.

Alderman Shea asked should money be set aside to just look into that or is there, in other words when does the process begin.

Assistant Superintendent Hamblett replied within the next year because the planning process will, so in another year you'll see a request.

Alderman Thibault stated I just want to make sure that we do track the other school areas that we take students in to make sure that we track whatever Special Ed kids they send, do we track all of this.

Assistant Superintendent Brennan replied yes we do.

Alderman Thibault asked is there a fee for a Special Education kid as compared to the regular...

Superintendent Tanguay replied there is a separate cost for that.

Alderman Thibault asked is there a number.

Superintendent Tanguay replied there are several numbers pertaining as to the Special Education Program that they are involved in. We have a range of numbers, Mr. O'Shea.

Mr. O'Shea stated those fees vary. If they are full Special Ed it is a higher cost than at the high school level and can run as high as \$17,000 a student and then you have emotionally-handicap which is at a different rate in learning disabled, so that we have them at all different levels. Then there are different costs for LD if they're elementary, middle or high school...the same for EH - elementary, middle or high school. So, it's an entire matrix. But, one of the things we are going to attempt to do with the new student management system is track the units of service...Mrs. Burkush has been working on it with us. The units of service that are provided to each individual student so that, for example, if we have a student that is brought in as a tuition student at the high school it's actually costing us about \$24,000 to service that student.

Alderman Thibault stated we are tracking that, but am I to understand that it ends up not costing the City of Manchester any more.

Superintendent Tanguay replied that is correct.

Alderman Wihby in reference to Option 2 the \$80 million dollar number you gave us included the benefits...so, the salaries are \$54 million and then the total is \$67 million. So, \$13 million is just health and dental and...

Superintendent Tanguay replied benefits noting that number is being looked at now by the Human Resource Department...I know they're doing their best to negotiate some more reasonable health and welfare costs, but that's a high number at this point.

Alderman Wihby stated that's not used anywhere in your number, it's just a number. The number I see that the Mayor uses is \$11 million in total for everybody.

Superintendent Tanguay stated it has been reduced and reiterated we're looking at that now, I don't have an answer tonight.

Alderman Reiniger in reference to the white handout, to clear this up...pages 27 & 48 which deal with Option 2, I'm just trying to figure out how these numbers match up. The Option 2 General Fund budget on page 48 refers to a figure of about \$71 million...how does the pie chart on page 27 correlate to page 48. As Alderman Girard mentioned we hadn't seen this until tonight, so I when I go back home I want to figure out how these pages match up.

Superintendent Tanguay replied that builds in all the other budget (Food Service and Athletics).

Alderman Reiniger stated so page 48 reflects the grand total.

Superintendent Tanguay stated yes it does.

Alderman Reiniger stated that indicates a 27 cent increase on the tax rate, is that still a valid figure, it's not. What would that be now.

School Committee Member Cook replied only when Option 2 became zero because of other revenues...that document is not a current document. That document was the then evolution of the budget on the date that it was prepared and presented to us. Every time that it was worked on and obviously you work on budgets, you work on budgets on revenues, you work on budgets on how they evolve, you know what you get all through the year. From the initial presentation of Options 1, 2 and 3 to the adoption because of...and I can't give you chapter and verse on what they were, but from the initial presentation of 1, 2 and 3 when 2 was a 27 cent increase and 3 was a whatever it was increase and we had asked the Administration to come back with various scenarios including no increase and the majority of the School Board, at least, Finance Committee were shooting at the zero increase option. When additional revenues were put in and different things were massaged that would allow those amount of services and additional things to be done and maintain a zero increase, we went for budget two because it had a zero increase. Working on anticipated new number of students we've got a hard number now on the Litchfield kids. We've got different things, we know what's coming in, there's one major thing that we don't have right now which is how the Legislature's going to deal with Claremont.

Alderman Reiniger asked what should be the figure today of the total appropriation needed. On this list it was \$101 million.

School Committee Member Cook replied that is not the appropriation needed. The \$101 million is the total from all sources of the amount of the budget which was the number, I believe Alderman Wihby and the Superintendent were talking about before. When you add in all of the things that are spent on schools, from whatever source, it adds up to \$101 million, that's not the appropriation.

Alderman Reiniger stated I understand that, but these numbers are current that are on page 48.

School Committee Member Cook stated the expenditure numbers are current because the revenue numbers changed. The need for a tax increase to get there was reduced.

Alderman Wihby stated basically the revenue number changed because you took earnings on investment and add that million dollars to your revenues and that's why you've got to spend an extra million dollars, you didn't catch that though. They added to their revenues.

Superintendent Tanguay stated that was taken out, I believe, when you submitted the budget.

Alderman Reiniger stated I understand the School District has sued the City of Manchester...I don't know what the status is, I don't know when the ruling could come down. Does that affect in any way, should we take that into consideration... what we're doing. Let's say the School District won next week, how would that affect what we're doing here. I think we need to know, should we be ignoring that or do we need to have that in the back of our minds.

School Committee Member Cook replied my expectation, Alderman, it's a declaratory judgment action. If you want to call that "we sued you, we sued you". But, there is a declaratory judgment action which will be heard, as I understand it, on Friday morning in front of Judge Nadeau at the Rockingham County Superior Court in Brentwood. You and I are in the business, I wouldn't anticipate Judge Nadeau is going to render a decision anytime soon and I don't think the results of the questions that are posed to the court in that matter will have an affect on the formulation and adoption of this budget because I wouldn't expect to see a decision on that until well into this fiscal year. It is an inordinately complex matter...the reason it's before the court, very frankly, is we had these questions at the Charter Commission, people have had these issues, I have great respect for all lawyers that appear in front of anybody, but we've gotten various opinions on various of the questions that are contained in the declaratory judgment on the inter-play primarily between a City School District and the State's School District statutes. I think the feeling of the School Board was it was time for those questions to be answered once and for all no matter how it came down.

Alderman Reiniger asked what if Judge Nadeau were to make a decision at the end of May, June 1st or whatever.

School Committee Member Cook replied if he made it June 1st it might have an affect on this budget adoption process and this budget. I know the complexity of those questions.

Alderman Reiniger asked what would need to be the consideration of the Aldermen if the School District were to win.

School Committee Member Cook replied there are various components in the questions. First of all, those in with those questions can go either way in terms of answering them and they could be appealed. But, let's say they weren't and let's say they came down...they go to who controls what funds, who has control over what money that comes from Concord, if any, all kinds of different things and I think how they come down may affect, depending on what the answers are, may affect how we do the budget process and the administration and the inter-play between the City and the School District in the future. Our presumption in preparing this budget and submitting it, just like our presumption in connection with Claremont was...there were certain things we didn't know the answer to was that we were operating under the existing set of rules.

Alderman Reiniger asked for the Aldermen, would this be a ticking time bomb potentially or is it financially or you would say no.

School Committee Member Cook replied I don't think it's a ticking time bomb financially. I think it goes to who...there is nothing in the declaratory judgment, as I understand it, or in the structure under the Charter or State statutes that keeps the Board of Mayor and Aldermen from being the appropriating body for the Manchester School District and that is not one of the questions.

Alderman Reiniger stated I just got in the mail from the Josiah Bartlett Center for Public Policy which is respected independent think tank and read an article about links between money and spending in education...Ann Whittenbury, who indicated a few school systems place a high priority on financial accounting and she says "existing resources, both physical and human, need to be utilized more efficiently. Schools need to place a higher priority in the financial area and the financial accountability, as well." And, we all received the letter from the independent auditor the other day about the overexpenditure in the last budget. Now, Mr. Cook, are you satisfied as of now that the School District has been implementing proper procedures, making the right changes to ensure better financial accountability.

School Committee Member Cook replied I'm glad you asked that question. I don't know...my understanding is that maybe it's tomorrow night that you're going to get the audit from the auditors on these matters. When you see the...and as Chairman Healy and I and the Administration have been with the auditors on several occasions, when you see the management letter that comes with the audit of the School District, you will see a lot of issues that were perceived and issues in

the last fiscal year which is the one under audit and we are pleased to report and you will see in their management letter that many if not most of those matters are being addressed. I think the Committee which you set up at the time of the deficit resolution that has been monitoring the administration of the School District has had to meet far less frequently because in fact this budget is under control. A lot of the issues that existed last year in terms of the timeliness and availability of information which was not unique to the School District because of the implementation of a new computer system have been resolved. I know that there are still problems that have to be resolved, but they are moderating. This budget is under balance, this budget is under control...are we perfect, can any budget that is spending a hundred million dollars be improved...of course, it can. Can we do things more efficiently...if we could start from scratch and build it from the bottom up, of course we could. But, I'm not advocating a position that we're perfect. But, I think the difference between the lack of knowledge in terms of data, not in terms of the folks involved, but the lack of raw material, the lack of control, the lack of understanding a year ago and now and the degree of confidence that the Administration had in numbers that they presented to us, the biggest fear you can ever have on a board is when your administrator comes to you and says I don't have the data to tell you what's going on. We have the data to know what's going on, we've improved a lot of the processes...please read the management letter carefully, look at it, look at where the problems came from. I understand Alderman Girard's questions about Special Education, but look at these things, look at the procedures...my fondest dream for the millions that we have, you and us, is that we all appreciate the progress we're making together both for education and for procedures in administration...and read that management letter because in that our common auditors note the progress that's being made on many of these things, so that's a long yes. I'm satisfied that we're making great progress, I'm satisfied that we're doing very well and I'm satisfied that the things are in place to do even better.

Alderman Girard stated Alderman Shea brought up some great points about gifted and talented programs and with that in mind I have a couple other questions about the middle schools and the curriculum direction. Are those classes homogeneously or heterogeneously grouped in the middle schools.

Assistant Superintendent Brennan replied currently there is a mixture.

Alderman Girard asked what direction are we moving in, Mr. Brennan, away from what to what.

Assistant Superintendent Brennan replied we're hoping to go to have a cross section of students so we'll have our homogeneous grouping, that's one goal that we have. But, we're debating in this issue in terms of where we're going to go with that.

Alderman Girard stated it seems to me that you have schools in the system that in recent years have moved away from the homogeneous grouping and the setting up ability levels to heterogeneous grouping under...well, is that the current trend.

Assistant Superintendent Brennan replied let me speak specifically to the 6, 7 and 8 math curriculum which addresses what you're talking about ability grouping. In that curriculum, it is our goal to break away from ability grouping but to have groups within teaming and what's going to happen now is they're going to start getting this educational jargon coming at you and I don't want to do that, I don't want to say that...we're playing games, but rather what we're trying to do with the 6, 7 and 8 grade math curriculum, we have taken a look at this curriculum, we want to avoid ability grouping. But, at the same time we algebra as an example, there's algebra that is currently existing in the City, it's been taught in the 8 grade, it is our intent to maintain that for one more year and then to take a look at that and then again to get into non-ability grouping.

Alderman Girard stated this is why I asked that question. Assistant Superintendent Hamblett said that to come into compliance with minimum standards you were hoping to develop programs that would address the needs of the higher level, high ability/gifted and talented students. So, it seems to me that government is moving in a direction where it's moving away from ability grouping in a manner that may satisfy the State standards only to create a program that I am sure costs us more money to come into compliance with those standards to take care of the kids that have some ability and it seems to me that a lot of this recent educational philosophy and theory moving away from ability grouping and what some of us would consider fundamental building blocks in any subject area into this middle school concept is causing us to change curriculums entirely causing us to change...of course, if you have heterogeneous grouped classes, of course, you can't have as many kids in a class and, therefore, you need more teachers and when you need more teachers you need more space, I just see this as sort of slippery slope that we've been on for a long time and that's why I asked the question.

Assistant Superintendent Hamblett stated actually the State requirement and the minimum standards for policy development is not a move back to homogeneous grouping. It's actually meant to show how we're addressing the needs within current programming that we're doing. So, it is not a move by the State and besides if it was it would be an unfunded mandate.

Alderman Girard stated I'm not saying it is a move by the State . What I'm saying is that the move away from ability grouping by the City is going to cause the City to have to create something to address the State's mandates on having something at every level.

Assistant Superintendent Hamblett stated I think what we're trying t do is get class size down so that teachers can individualize, that is very important. I think if you think of it...I always use the word performance grouping rather than ability, I don't know that we know to pinpoint the ability of every child. So, I like to use the word performance groupings and I can give you an example in the elementary language arts. What we're doing is dividing students into performance groups where they are performing at the moment, into small group instruction. The teachers work with them at that instructional level of where they are performing. But, these groups unlike the old fashioned homogeneous groups are not set for the year. So, in other words, we don't have bluebirds and cardinals and whatever for the whole year. Students move in and out of groups, so as they gain fluency in reading and they're reading much better they move out of that performance group and move into a higher one. So, you see a lot of constant movement and it's a way to respond immediately as children start to develop and increase their skills. So, there's grouping and small groups for performance, but then there's a lot of movement out of those as they improve rapidly and you'll see a lot more of that happening as their class sizes get lower and teacher's can start doing that kind of individualization. So, right now it's a combination I think in the middle schools as well of whole class instruction, small group instruction, and independent.

Alderman Shea stated this is a concern I have as well. In the high schools, I believe that they have different types of programs...if a child wants to take biology the first year and chemistry the second they may do that depending upon their skills and levels. Now, the performance level and I'm not sure about the middle school concept obviously, I've been away three years now, but you're saying that if a group of children were to go into Southside Jr. High School at the 6th grade level there would be, let's say 28 children in that particular class and the 4 teachers would be instructing them in the principal disciplines, I assume, and then within that 28 class for hypothetical reasoning we would put children in

groups of four and it's my understanding from what you just said or has been said...let's assume that out of that class, make it an even number 8 are high performers, 8 are low performers and the rest are in the middle will the 8 higher performers be put into a group that would accelerate or are they going to be in a situation where the ten percent in the lower rung would try to be brought up and they would be brought...this is a concern...so, would you explain a little bit, Tom.

Assistant Superintendent Brennan replied in terms of what we would do, we would not, as Cathy was saying, lock into the bluebirds, eagles and others, however, and I like her phrase "performance level", they may be in language arts in the eagle group and yet in math they may be in the robin group, so to speak. So, that's where we're striving for, the flexibility rather than getting into a locked step situation where you have the higher level, the mid and then the lower level students. Again, depending not so much on their abilities, but their ability to perform I think is a better way of looking at that and when I mention the issue about teaming...within the teams you will have performance level student groupings. But, we won't have an eagle team nor will we have a robin team. So, there's a mixture there and I think as you describe it is what you'd be looking for. But, they again would not be locked stepped, they would not be tracked (Level 4, 3, 2, or 1) but rather go back and forth and that's our goal. With the development of the 6, 7 and 8 grade math curriculum we have established much higher standards in terms of its concerns around basics whether or not students are going to lose the basics because we focusing here or there. We have addressed that issue as well. Does that answer your question.

Alderman Shea replied yes.

Alderman Cashin stated, Norm, if my calculations are correct you're asking for an increase of approximately \$8.4 million over last year's budget.

Superintendent Tanguay replied yes, I think so.

Alderman Cashin stated I'll speak for myself, but I think I'm speaking for everyone. I can't tonight honestly support your budget nor can I oppose it until such time as I know what's going to happen with the Claremont situation and it's unfortunate. You've presented your budget, I'd like to be able to say here tonight that I think it's a great budget, I can support it and we can go with it. But, until we know what happens in Concord, it's impossible. You know that and I think this Board knows that and that's the dilemma we're in and I think it's imperative that we, as elected officials, and you people as the Superintendent of Schools and

Finance Committee Chairman and the Mayor go to Concord in every way possible show them how necessary it is that we get some kind of an action. Somebody has got to do something up there. Our tax bills are going out when or should be going out in May. Now, what do we do and I don't want to belabor this.

School Committee Member Cook stated several of us have been to Concord. One of the members of the School Board goes to Concord every day. I go there for a whole lot of different professional clients, obviously, and have the luxury of watching what's happening. The sense is and the Mayor certainly is in touch with them all the time as are several of you. We don't expect, given the parameters of the Claremont lawsuit and the ability to pay or not to pay which is basically not to pay for education with the local property tax that's short of the resolution of the Claremont lawsuit dilemma by the Legislature that we're going to have any budget, that is why we unfortunately had to pink slip all of our staff on the 15th because of contracts notwithstanding the fact the Legislature tried to help us and give us a month reprieve, we couldn't do it because we have legal agreements that required us to give notice on the 15th of April. We understand what you say, Alderman, we're not going to have a School budget, we're not going to open schools in the fall unless one of two things happen. They resolve the dilemma in a constitutional way or the Supreme Court gives them an extension. The Supreme court giving then an extension without a resolution is about a zero possibility as far as I can understand it from the people who are close to it. So, I agree with you completely, I think a lot of people are up there. They're hearing it from every School District in the State, they heard it loud and clear from the front page of *The Union Leader* this morning on two different aspects of the thing, Special Education plans and the Federal law being one of them. But, I agree with you we've got to do that because otherwise as I said in my opening remarks we'll be back here talking about much more serious things, but I for one remember and I know in discussing this process with the Mayor the only thing we can do is to presume that there will be a resolution at the end, so that the budget process will go forward. But, we don't expect anybody to support this or not support this budget until we know what the Claremont lawsuit is going to do because it's against the law to send tax bills to fund it. So, we understand the dilemma.

Superintendent Tanguay stated I've also been before the Senate Committee testifying on some of the Claremont issues. Also, the New Hampshire School Administrator's Association made up of Superintendents and Assistant Superintendents have been there on a regular basis and the School Board Associations, so there has been a tremendous effort as well as Kevin has been up

there on a daily basis, as well. In between the City and the Schools we've made an effort, but we're all at a disadvantage obviously. It's got to be resolved very quickly and the unfortunate thing about it, the tragedy of it is that we had to layoff all those people. It's just unbelievable and something totally unnecessary, but we had to do it by law.

Mayor Wieczorek stated it's a very difficult issue. Other than that they would have had this thing resolved, but we're monitoring that every day and the last thing I heard today was that probably by Friday there might be some resolution, but I don't know which Friday. There's a Friday every week and they didn't identify which.

Alderman Girard stated this whole idea is that we don't know what the State is going to do. Is the intent of the people who say we don't know what the State's going to do with that, we're going to have to wait and see, is it their intent to say if the State gives us the money we're expecting or gives us more we should turn around and spend it. It seems to me that the budget that we should, as a Board and as a School Administration, be preparing the most fiscally-responsible budget we can regardless of what revenues are coming from Concord and it worries me greatly that people are saying wait to see how much money we get from the State because I'm worried that people are going to run and try and spend that money; that money is meant for tax relief.

Mayor Wieczorek stated let me give you some reassuring words so you can sleep tonight. I don't think that's the intent of what they want to do here. Primarily, a lot of the money will be going for tax relief to the various communities.

Alderman Girard stated whatever revenue we get from the State, your Honor, should have no bearing on what the School Administration brings to this Board for proposed expenditures, it just shouldn't.

Mayor Wieczorek stated I want to thank the School Superintendent and Administration for their meeting with the Board this evening.

There being no further business to come before the Committee, on motion of Alderman Pariseau, duly seconded by Alderman Shea, it was voted adjourn.

A True Record. Attest.

Clerk of Committee