

## REPORT OF THE FINANCE COMMITTEE

MARCH 15, 2023

A meeting of the Finance Committee was held on Wednesday, March 15, 2023, at 7:02 p.m. in the Aldermanic Chamber.

Mayor Jim Donchess, Chairman, presided.

Members of the Committee present: Mayor Jim Donchess  
Alderman Patricia Klee, Vice Chair  
Alderman Alex Comeau, Clerk  
Alderman Tyler Gouveia  
Alderman-at-Large Ben Clemons  
Alderwoman-at-Large Gloria Timmons  
Alderman-at-Large Melbourne Moran, Jr.

Members not in Attendance:

Also in Attendance: Alderman Derek Thibeault  
Alderman Thomas Lopez  
Steve Bolton, Corporation Counsel  
Matt Sullivan, Community Development Director

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PUBLIC COMMENT - None

### COMMUNICATIONS

From: Amy Girard, Purchasing Manager  
Re: First Transit Contract Amendment in the amount not to exceed \$406,041.60 funded from 55690 Regular Transportation Services

**MOTION BY ALDERMAN COMEAU TO APPROVE A SECOND AMENDMENT TO TRANSIT CONTRACTING AGREEMENT BETWEEN CITY OF NASHUA AND FIRST TRANSIT FOR TRANSPORTATION SERVICES IN THE AMOUNT NOT TO EXCEED \$406,041.60. FUNDING WILL BE THROUGH DEPARTMENT: 186 TRANSPORTATION; FUND: 55690 REGULAR TRANSPORTATION SERVICES**

### ON THE QUESTION

Matt Sullivan, Community Development Director

Thank you Mr. Mayor, members of the Committee. I'm here on behalf of the Nashua Transit System this evening for this second amendment to the existing contract between the City and our transit service provider First Transit. I thought I'd start just briefly before getting into the details of the contract amendment with a little bit of history for folks who've been seeing my emails particularly over the last 3 months. You've all seen that we're having substantial issues with hiring and retaining existing workforce within the transit system, in particular on the First Transit side of the house if you will. That's really based on the fact that wages have become quite competitive within our region for both CDL and non-CDL commercial drivers. Remember that a lot of these folks are transferrable between not only the bus driving industry but between the school driving industry and other trucking industries. So as wages have increased in that market, we have seen drivers leave, and we've also seen fewer drivers coming into our shop to ask for employment, and those drivers coming in is directly controlled by our ability and First Transit's ability to provide a competitive wage to them. So over the last 3 to 6 months, we've been working collaboratively with First Transit to try to identify a path forward and ultimately something happened first and that was that we were forced to make substantial route modifications, and route cuts, and route consolidations impacting many of our riders as a result of those labor shortages that we were simply not able to recover from.

That brings us to the amendment this evening. That is what we believe will be certainly an amendment that will address the existing labor shortage and that is a contract amendment with First Transit that will allow them to begin paying their bus drivers and their staff more to provide the service that we are all accustomed to within the City - our existing fixed route, para-transit and of course, our elderly service as well. Specifically, this is a not-to-exceed for the remaining 15 months of the First Transit contract of \$406,000 approximately. That's really split into two independent components. One is the fact that the City pays a regularly hourly rate to First Transit based on the hours of service that are provided. The second is that there's a fixed cost for First Transit services really focused on the administration and some of the office functions that First Transit provides for the Nashua Transit System as well.

Specifically, the request is to increase what was currently contemplated under years 4 and 5 of the contract to \$42.00/hour from the existing \$35.96/hour or \$37.06 depending upon year 4 or 5. Those are both increased to \$42.00/hour. The new fixed expenses would increase from between \$47,000 - \$48,000 a month up to \$56,000 a month approximately. So this represents an overall increase of the life of the contract of \$406,000 that we believe will directly address our ability to hire workers.

I wanted to address a few questions that I certainly got, I think, from both our First Transit team but also our Nashua Transit System workers and I think the public too. Number one, how are we being sure that this modification will change our ability to hire drivers? I'm going to stand before you this evening and say that we cannot guarantee that will in fact be the case. However, we have done substantial market wage study and I've included that for most of you this evening. It's a colored table with a yellow top table line. I hope that this speaks for itself in that we are nowhere near matching regional competition. Alderman Lopez I can provide you with a copy too if you do not have one in front of you this evening.

Alderman Lopez

That's okay. I noticed that the bus drivers aren't there anymore so.

Matt Sullivan, Community Development Director

Yes, you've certainly noticed the impacts. The message is clear and that is even as of October when this wage study was conducted, we were in several cases beyond on either the starting wage or on the top end wage for our bus drivers. So based on that wage study, we're quite confident that we will bring people through the door immediately based on the wages that we'll be advertising and we're confident that will stay strong through the remaining 15 months of the contract. Beyond that however, we are as part of this contract negotiation process that's really been taking place for several months. We are going to be putting in place some performance criteria in hiring performance measures associated with this increase. We are simply not throwing money at the problem. We are going to be asking First Transit to hold up their end of the deal in ensuring that they are actually demonstrating that they're providing the service that we've committed to as part of this amendment.

I would just point out from a financial perspective that the \$406,000 number is based on the ability to begin providing all of the routes again. So in the event that we are only able to incrementally provide additional service back to the level that we were at, we're only three quarters of the routes. The cost will not be that high. They will be diminished based on the hours of service that we will in fact be providing but that \$406,000 is really a not-to-exceed assuming full service for the next 15 months of the contract.

I'd also be remiss if I didn't point out that we do have the option to remain with First Transit who we've been with for a very long period of time. After three years past the life of this five year contract, that will be evaluated after we see how the next 15 months of performance will go and we'll be coming back to you to report on that. Hopefully to Alderman Lopez's point, we'll actually be seeing a demonstrable difference in the way that service is being provided.

I also I guess just want to close and happy to answer any questions. I've heard some good ones already from members of the Board and the Committee. I also wanted to mention that this has been very challenging for the riders above all else. It's been very challenging for First Transit. It's also been challenging for City staff. So this is a solution that yes is directed at the First Transit party but we believe will be comprehensively impactful for all the folks involved with the transit system here in the City of Nashua which we of course hope becomes a larger number day-by-day and our ability to provide routes in a way that we're comfortable with and demonstrate the best quality of service includes a lot of fixed route service that we're hoping to return to. Be happy to answer any questions about the specifics of the contract and the numbers contained in the memo that I provided to the Committee but am hopeful that you will endorse this legislation proceeding over this communication moving forward to the Board of Aldermen for full consideration.

Mayor Donchess

Alderman Klee?

Alderman Klee

Thank you Mr. Mayor. I did speak with Director Sullivan prior to this meeting. In the documentation, it talks about the hourly rate going from \$35.96/hour going to \$42.00/hour and we have this document here that talks about a starting rate of \$20.00/hour. So if you could explain that is not necessarily – probably not - the hourly rate that these people will get so the public is not going to go oh wow we're now paying them \$42.00/hour.

Matt Sullivan, Community Development Director

Yeah great question and it's not just the public, it's actually our employees at Nashua Transit on the City side too. Their work is valued as well and so I don't want to send the wrong message. Two comments or responses to that. One - that is not the hourly rate that will be paid to the employees. That's a fully-baked if you will rate that includes indirect costs, benefits, insurance, all of those costs associated with having an employee on board. Those are all baked into that per hour cost that has been billed back to the City. There are some remaining costs that are included of course in that fixed but those are really the office and administrative staff and the provision of that support. So the \$42.00/hour is a fully-baked rate.

I do also want to address though that you'll notice that we're not providing an hourly rate for your consideration this evening. The reason for that is that one of the things that First Transit does is actually do all the negotiations with the Teamsters Union or collective bargaining unit on behalf of the City and so the wages are to be set have not been confirmed at this time. What I can say though is that we have clear demonstrated commitments by First Transit that they will be providing a wage in a range that brings us into a very competitive position with the numbers that I've include on the wage analysis in front of you. I can't say exactly what that number will be but we're going to be doing three things - raising the starting salary for a non-CDL driver, raising the starting salary for CDL driver, and also decreasing the time. This is really important. Decreasing the time it takes for a driver to be making the top end wage. Our current scale is about five years. Most other transit agencies are about two years and it's a really good incentive to get folks to stay rather than move somewhere else where they might be paid significantly more.

Alderman Klee

May I?

Mayor Donchess

Yes.

Alderman Klee

Yes, thank you and, again, something that we talked about. If we do bring these drivers on, it's not a panacea that suddenly we can open up the routes because there is a training period, correct?

Matt Sullivan, Community Development Director

That's correct. It's a great question. So even in the event that this contract is approved at your next Board of Aldermen meeting, not this this evening, but the following, we would not likely see any demonstrable return to service for at least two months based on the need to bring folks in and train them. The one caveat to that is that we are shifting towards having more non-CDL drivers and more vans on the road. So it's possible that as soon as these new rates are decided upon and advertised that we could see an increase of non-CDL drivers that do not require the CDL path to certification which takes so long. Even so, I'd be hesitant to commit to any immediate change in service but we do hope that by the beginning of the new fiscal year we will be significantly returned to our normal route structure.

Alderman Klee

Thank you. May I make one comment?

Mayor Donchess

Yes, go ahead.

Alderman Klee

Thank you for indulging me. I want to commend you and all of your workers. Your staff has been doing a phenomenal job trying to do this balancing act. I've had constituents who because of the changes and so on have called and you've made arrangements so they can get to where they have to go. I'm not saying that that's always been with every single person but you guys have been as accommodating as you can under these circumstances. I know there probably still people out there who aren't happy and I know Alderman Lopez has been suffering quite a bit through all of this. So I know it's not ideal but thank you for all that you're trying to do.

Matt Sullivan, Community Development Director

We'll just if I could quickly respond. Certainly it's been no credit of mine but it's actually impressed me how dynamic we've been and responsive. We've not been perfect. We haven't been perfect about communication because this has been changing daily. One of the benefits of this being a City entity is that we do have the ability to be a bit more nimble and I think that's been demonstrated despite some very challenging circumstances.

Alderman Klee

Thank you.

Mayor Donchess

Alderman Moran?

Alderman Moran

Thank you, Mr. Mayor. Director Sullivan do you happen to know what the base rate range would be without certain negotiations going forward but just maybe a rough idea?

Matt Sullivan, Community Development Director

Yeah I am hesitant as you might expect to indicate anything specific but I believe we're going to be talking about raising both the starting salary for CDL and non-CDL by several dollars. It's not going to be a matter of a throwing a dollar or fifty cents at the problem. It's going to be several dollars in increase.

Alderman Moran

Follow up?

Mayor Donchess

Yes.

Alderman Moran

The admin cost that are going up?

Matt Sullivan, Community Development Director

Yes.

Alderman Moran

Is any of that earmarked for recruitment?

Matt Sullivan, Community Development Director

That's a great question. The answer is yes but I'm going to caveat it a bit to say that we actually don't know in the same way that we don't fully analyze the full baked costs of the hourly rate, we don't know all of the details of the administrative rate. What we do know is that in particularly for the last six months, First Transit has been spending a substantial amount of money trying to do new things to advertise and market their positions. Frankly, we've been clear with them that needs to increase because if we're going to address this through this contractual amendment, we need to be going into this holding hands and they need to put a significant investment into their marketing efforts. You know their commentary on this generally has been that all the good marketing cannot solve the issue of a wage that is simply not competitive. We're going to continue doing a lot of what we're doing right now but I think the thing that's going to jump off the page is not going to be a new flyer or even a new post on LinkedIn, it's going to be the dollar amount that you see pop up. So we're very much betting on the ability to modify these wages as a result of this contract.

Alderman Moran

Thank you.

Matt Sullivan, Community Development Director

Of course.

Mayor Donchess

Alderman Lopez?

Alderman Lopez

Just some comments as referenced a couple of times for the public. I am legally blind so I'm constantly riding the bus or attempting to ride it as the case may be. The city bus is very, very much attempting to deal with this crisis. The staff there are doing a great job of trying to, you know, adjust to new routes, and meet new needs, and be nimble, and even that being said, they can't always catch everything. I know I am literate with the systems and I'll call if I missed the bus, or if the bus goes by early, or the bus goes by late. We're not talking about like oh a mild inconvenience. We're talking like sometimes 18 to 25 minute variance between where it picks up and drops off versus the schedule. That's a function of routes being extended of more and more area trying to be covered by less and less people, more and more people trying to manage a fleet of vehicles that needs to have operational ramps and all that, and nobody on the bench ready to jump in and say okay your bus is offline. Let me pull in with mine. I'll take your route and then you can you can do that. These are logistical challenges that are happening every day around our City. They affect a lot of people who rely on that for all kinds of things like livelihood, medical appointments.

The adjustments of the para-transit availability were particularly concerning for me and how that might affect elderly people with mobility issues. So this is not like just a convenience factor. This is a major amenity that our City offers that is not as voluntary for some as it is for others. People don't just take the bus for a little day trip shopping and all that kind of stuff. They rely on it to get their kids to pick them up from Boys and Girls Club, to do any number of things that are very important for them. I know in getting here to these meetings and showing up for work, I've probably spent a couple \$100 in like last minute lifts or cabs where I haven't been able to make the connection that I needed to make or, they didn't have the second bus that used to be there that I could jump on if the first one was going to be done before I was ready. So there are a lot of people that are struggling with this and we are missing out on a lot of ridership too because younger riders can be using this instead of other alternative transportation systems. The schools - Rivier is a contractor with us and their international programs. I mean they need to be able to get back and forth from where they're living to the school. These are people that would pay for their rides and would continue to generate revenue if we had the bus capacity for it to happen.

I noticed on Monday's meeting of the Joint Committee of Planning Economic Development and Infrastructure it was stated outright that we need to expect inner city neighborhoods to start adjusting their transportation strategies. We need to move away from this everybody gets a car thing. Well you can't do that in the absence of an actual public transportation system. One of the first things to go with respect to Nashua Transit was the east and west routes were heavily reduced and now you're starting to see even the major ones like Amherst Street reduced. You're seeing less and less bus access when it was a problem already for people who, for example, want to work on a Sunday and don't have that transportation. So this is definitely a much needed service. The transit system as it is, is doing its best to be nimble and adaptable to what is a regional issue. They are collaborating with me in a number of other areas like you know the Employment Committee with the Greater Nashua Continuum of Care trying to reach new markets, new people who are looking for jobs. They just don't have the horsepower to do it. When you say beggars can't be choosers if you present working for our bus company to somebody who's homeless and has a CDL, they're gonna go work at UPS. Of course they're going to be choosers. So people with the skills that we need and the interest, we're losing them. We need to be building those relationships, having those longtime drivers who know the routes, know the traffic patterns, know the riders, and we're missing that.

I think Nashua Transit's been doing a great job. The City staff and the Development Department have been doing a great job and the bus drivers that are there have been doing a great job. I know at least one bus driver who's doing a great job for Concord Trailways because he gets more money. It was a struggle for them. When I saw them on the bus, I was like hey I haven't seen you forever. Are you here now instead of over in Nashua? They're like I love Nashua. Believe it or not, Nashua's roads are in better condition than a lot of the competing cities there. They have essential hubs so you don't have that confusing transition that like oh I'm gonna go change my bus over at this perimeter stop. I love the people in Nashua but I need to pay my family. I need to feed my family. I need to pay my rent. So I think we're struggling with a lot of regional issues, including increasing costs of housing and all that and so are the bus drivers. So I would encourage everything that the Board of Aldermen can do to support Nashua Transit and the Community Development Department in

addressing these issues. We do it because this is an underserved part of our community that we rely on and that relies on us. Thank you.

Mayor Donchess

Alderman Clemons?

Alderman Clemons

Thank you. So perhaps through either Director Sullivan or the Mayor can answer my question here. What impact is this going to have on the budget for next year?

Matt Sullivan, Community Development Director

I'd be happy to answer that question. Alderman Clemons there will be no direct impact on the FY'24 budget at least as of this point in time. There are several reasons for that. One is you're aware our funding structure for the transit system is quite complex. There are several streams of money coming into it, including a substantial amount of FTA funds or Federal Transit Administration Funds amongst others. One of the things that I think is important to understand is that during COVID-19, incredible amounts of funds flowed into transportation systems through the ARPA and Cares Programs that frankly allowed many of them, including particularly rural providers, to remain solvent for a much longer period of time that I think they would have without those monies coming in through COVID. So in that way COVID was actually a blessing for public transportation across the State of New Hampshire. The same was true for us here although to a lesser extent.

So what that allowed us to do is to be very fiscally conservative and careful with our local allocation which on an annual basis has been \$429,000 in recent years to the transit system that allows us to actually have some cash on hand available to cover this increase in contract costs with First Transit. I think the question that I'm not prepared to answer tonight but one that we may have to discuss in the future is will that be sustainable for years to come assuming that costs continue to rise, existing federal formula funding remains the same. That crystal ball is much harder to see into. I do believe, and I said this briefly in my memo, I do believe there will be a point coming over the next 18 months where through this body, and certainly the Board of Aldermen, and the Mayor, there will be a conversation about the value that public transit has for the City of Nashua through NTS because there may be a need for the City to actually contribute additional funds as costs continue to rise and federal funding remains relatively stable over a period of time. So no immediate implications of the FY'24 budget. You may see a moderate increase as part of that as a contribution to the Nashua Transit System but there'll be a larger conversation coming in the next I would say one year to 18 months around contributions to the system.

Mayor Donchess

Yes, go ahead.

Alderman Clemons

So I guess my question is do you have - and I don't want to put you on the spot. If you're not prepared to answer, you can just tell me that. I'm going to support this. I support public transportation and I think it's important for all the reasons Alderman Lopez mentioned and everybody else before me. The impact that I see is what I don't want to see is if we make this commitment this evening that we pull the rug on people. So if we're committing to this tonight, and we're voting yes on this tonight, and at the full Board of Aldermen, then we should basically understand that there's going to be a fiscal impact later on down the road that the city is going to have to contribute to. I just don't know if you if you know what that figure roughly would be, or...?

Matt Sullivan, Community Development Director

I can certainly respond. We can make some very rough assumptions. If we assume a full return to service, we also assume that based on these modifications we've had to do that we don't learn any efficiencies in our system, we continue to provide the same amount of hours, roughly I estimate that about 50% of this increased contract costs will have to be filled through some local source. I want to be very careful about what that means. I also want to say that it would be easy for me to say we're going to need \$200,000 additionally to make this work but I don't think it's that simple. There's several other local sources of match that we can use whether it's through partnerships like what we have with Rivier, whether it's potential partnerships with the hospitals. We've had past partnerships with BAE. We have the ability to work with employer's to set-up programs that bring match dollars into the system that buy down what the actual municipality needs

to contribute. So I truly do not know what the number is. We're going to be putting our heads together over the coming months particularly as we head into the budget season to talk about what some innovative approaches to revenue might be. There will be an ask to the municipality at some point in time. There has been a sort of an incremental increase over time. We may need to recalibrate how we look at that but we're gonna have to come forward to you at that time and say that we're doing everything else we can to try to find other match funding sources that can buy down that impact. No question, this contract amendment is not without financial impact. It certainly does have one. The fortunate position we're in allows us to defer that to an extent safely until that conversation can be fully had.

Mayor Donchess

Alderman Clemons?

Alderman Clemons

Thank you for that candid response. I just think it's good to know and to be put out there on the record. Again, this is something that I fully support. My grandmother rode the bus every single day till she was 90 years old. She said that had she not gotten sick, she would have preferred to get hit by the bus to go instead of the way she did. So for her, it was a lifeline, for a lot of people in the City it's a lifeline, and it's something I fully support.

#### **MOTION CARRIED**

From: Mayor Jim Donchess

Re: Emergency PO Request – Change Order 1 for Salt

*There being no objection, Mayor Donchess accepted the communication and placed it on file.*

#### **MOTION BY ALDERMAN COMEAU TO SUSPEND THE RULES AND ALLOW FOR A COMMUNICATION THAT WAS RECEIVED AFTER THE AGENDA WAS APPROVED MOTION CARRIED**

From: Matt Sullivan, Community Development Director

Re: Amendment to First Transit, Transit Operations Contract

#### **MOTION BY ALDERMAN COMEAU TO ACCEPT THE COMMUNICATION AND PLACE IT ON FILE MOTION CARRIED**

UNFINISHED BUSINESS - None

TABLED IN COMMITTEE - None

NEW BUSINESS – RESOLUTIONS - None

NEW BUSINESS – ORDINANCES – None

RECORD OF EXPENDITURES

#### **MOTION BY ALDERMAN COMEAU THAT THE FINANCE COMMITTEE HAS COMPLIED WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES FOR THE PERIOD FROM FEBRUARY 24, 2023 TO MARCH 9, 2023 MOTION CARRIED**

GENERAL DISCUSSION - None

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN - None

ADJOURNMENT

**MOTION BY ALDERMAN KLEE TO ADJOURN**

**MOTION CARRIED**

The Finance Committee meeting was adjourned at 7:29 p.m.

Alderman Alex Comeau  
Committee Clerk





## City of Nashua

### Community Development Division

City Hall, 229 Main Street, PO Box 2019  
Nashua, New Hampshire 03061-2019  
www.nashuanh.gov

Community Development	589-3095
Planning and Zoning	589-3090
Building Safety	589-3080
Code Enforcement	589-3100
Urban Programs	589-3085
Conservation Commission	589-3105
Transportation	880-0100
Sustainability	589-3092

**Date:** March 8<sup>th</sup>, 2023

**To:** Jim Donchess, Mayor  
Finance Committee  
Board of Aldermen

**From:** Matt Sullivan, Community Development Director

**Re:** Amendment to First Transit, Transit Operations Contract

The Division of Community Development and Nashua Transit System (NTS) respectfully request the following contract amendment to the existing five-year contract for transit operations services with First Transit, the City's operational contractor. In June of 2019, the City of Nashua entered into a 5-year contract for transit operations with the option to extend for up to three (3) years at one (1) year intervals past 2024. The contract was awarded through an RFP process in accordance with the City's purchasing policy and the FTA's procurement guidelines. The City has a long-standing relationship with First Transit extending beyond the current contract.

In January of 2023, Community Development and NTS announced temporary modifications to the system's route structure in response to significant labor shortages that had been prolonged based on constrained CDL and non-CDL driver market. Further service reductions were announced in early March of 2023 that will take effect on March 13<sup>th</sup> of 2023 in response to additional shortages. Through extensive NTS public outreach meetings, Transit Center engagement, aldermanic input, and driver interactions, we are acutely aware of the profound impact that these service reductions have had on transportation access for those who need it most.

While these modifications are considered temporary in nature, we expect that these reductions will extend until May or June of 2023 assuming that actions can be taken to address labor shortages. To that end, the Community Development/NTS team has been working collaboratively with First Transit to identify direct solutions to overcome these challenges. Since the original contract was executed, the transportation industry in the northeast has experienced a significant decrease in available CDL and non-CDL drivers, driving up industry wages in the region. Many surrounding transit and school bus agencies have struggled to successfully hire and retain staff to maintain their operations and have had to raise wages to address these issues. The COVID-19 situation only exacerbated this situation. First Transit has expressed that they are facing a situation where operational costs simply must rise in order to hire and maintain a fully staffed operation. In an effort to confirm these observations, a regional wage survey was conducted in late 2022. The findings of this survey revealed that potential driver wages based on current First Transit variable and fixed cost rates are not competitive with comparable positions in regional services. That wage survey is attached for your review.

To address this wage differential that has directly impacted the City's ability to hire drivers, please review the following request to amend the remaining 15 contract months between April 1<sup>st</sup>, 2023 and June 30<sup>th</sup>, 2024 based on a new variable hourly and fixed monthly rate. As shown within the attached contract document, the proposed not-to-exceed value over the remaining 15 contract months will be \$406,041.60. The proposed contract amendment will be in place until the conclusion of the current 5-year contract term with First Transit. First Transit leadership has committed to ensuring that if the proposed contract amendment is approved, an aggressive hiring and marketing campaign will be commenced with a goal to return to full service offering as soon as possible. The City will also implement a set of shared performance targets for the remaining contract period to ensure that the objectives of this amendment are being satisfied. The City does maintain its ability to extend First Transit on a year-by-year basis for a maximum of three (3) years beyond the June 30<sup>th</sup>, 2024 date and will evaluate that option in late 2023 based on contract performance criteria and market conditions.

This amendment changes the original contract language in contract Section 5.a. Compensation, Contracting Fee - Variable Costs and Fixed Costs, as follows. **Please note that for the purposes of interpreting this table, the assumed monthly variable rate hours are approximately 3,732 and the fixed rate is applied on a monthly basis. Variable rate hours are subject to future route structuring and staffing capacity.**

	Months	Hours	Value	Total
Current Contract Variable Revenue (April-June 2023)		11197	\$35.96/hour	\$ 402,644.12
Current Contract Fixed Revenue (April - June 2023)	3		\$47,023.00/month	\$ 141,069.00
Current Contract Variable Revenue (April-June 2024)		44788	\$37.06/hour	\$ 1,659,843.28
Current Fixed Revenue (April-June 2024)	12		\$48,371.00/month	\$ 580,452.00
<b>TOTAL REMAINING EXPENSES CURRENT CONTRACT</b>				<b>\$2,784,008.40</b>
New Variable Rate Expenses		55985	\$42.00 /hour	\$ 2,351,370.00
New Fixed Expenses	15		\$ 55,912.00/month	\$ 838,680.00
<b>TOTAL REMAINING EXPENSES NEW CONTRACT</b>				<b>\$ 3,190,050.00</b>
<b>15 MONTH EXPENSE VARIANCE</b>				<b>\$ 406,041.60</b>

This amendment does not immediately require a budgetary adjustment based on available transit general fund allocation. However, it is anticipated that a review of general fund contribution to the operation of the Nashua Transit System will need to be completed in the coming calendar year to ensure that adequate funding is being provided to offset increased labor/contractual costs associated with services.

We thank the Mayor, Finance Committee, and Board of Aldermen for your continued support and consideration of this critical amendment for Nashua's Transit System riders, many of whom represent the community's most vulnerable populations and are fully transit-dependent.

I am available to provide a brief overview presentation of the request to the Finance Committee and Board of Aldermen as well as answer any questions that Aldermen may have in advance of those sessions.

Thank you for your consideration of this request.

Sincerely,



Matt Sullivan  
Community Development Director

Cc: Camille Correa, Nashua Transit System Administrator

**10/24/22 Nashua Transit Wage Review**

	Starting	1 year	2 year	Top	Proximity to Nashua Market
<b>Nashua Transit</b>	<b>\$20.00</b>	<b>\$21.00</b>	<b>\$22.00</b>	<b>\$24.00</b>	<b>0</b>
Derry FS	\$19.66	\$22.50	\$22.50	\$22.50	30
Plaistow FS	\$20.00	\$23.75	\$23.75	\$23.75	40
LRTA (Lowell)	\$20.60	\$27.45	\$27.45	\$27.45	20
Manchester Transit	\$22.00	\$23.16	\$23.16	\$23.16	23
Salem NH FS	\$22.30	\$24.30	\$24.30	\$24.30	36
COAST	\$22.55	\$22.55	\$22.55	\$25.00	68
Exeter FS	\$23.00	\$23.00	\$23.00	\$23.00	45
Nashua FS	\$23.00	\$26.00	\$26.00	\$26.00	0
Hudson NH FS	\$23.00	\$26.00	\$26.00	\$26.00	0
Litchfield NH FS	\$23.00	\$26.00	\$26.00	\$26.00	0
MVRTA (Haverhill)	\$24.85	\$27.60	\$27.60	\$27.60	38
Hudson MA FS	\$26.01	\$26.01	\$26.01	\$26.01	39
Merrimack STA	\$27.00	\$27.00	\$27.00	\$27.00	13
Windham FS	\$27.00	\$27.00	\$27.00	\$27.00	24
Fitchburg MA FS	\$27.17	\$27.17	\$27.17	\$27.17	41
Concord Coach	\$29.00	\$29.00	\$29.00	\$29.00	34
Wayland MA FS	\$29.80	\$29.80	\$29.80	\$29.80	42
Sudbury MA FS	\$30.35	\$30.35	\$30.35	\$30.35	46
Average	\$24.46	\$26.04	\$26.04	\$26.17	28