

BUDGET REVIEW COMMITTEE

MAY 23, 2022

A meeting of the Budget Review Committee was held Monday, May 23, 2022, at 7:38 p.m. in the Aldermanic Chamber and via Zoom which meeting link can be found on the agenda.

Alderman Richard A. Dowd, Chairman, presided.

Let's start the meeting by taking a roll call attendance. If you are participating via Zoom, please state your presence, reason for not attending the meeting in person, and whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.

Members of Committee present: Alderman Richard A. Dowd, Chairman
Alderman John Cathey
Alderman Ernest Jette
Alderman-at-Large Shoshanna Kelly
Alderman John Sullivan
Alderman-at-Large Lori Wilshire

Members not in Attendance: Alderman-at-Large Michael B. O'Brien, Sr.

Also in Attendance: Camille Correa, Transit Administrator
Dan Donovan, Chief Operating Officer, Nashua School District
Matt Sullivan, Community Development Director
Cheryl Lindner, Treasury Management Officer

ROLL CALL

PUBLIC COMMENT - None

COMMUNICATIONS - None

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS

R-22-027

Endorsers: Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Patricia Klee
Alderman Alex Comeau
Alderman Richard A. Dowd
Alderman Derek Thibeault
Alderman-at-Large Lori Wilshire

AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS NOT TO EXCEED THE AMOUNT OF THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$3,700,000) FOR THE REPLACEMENT AND UPGRADE OF RADIO COMMUNICATIONS EQUIPMENT

MOTION BY ALDERMAN CATHEY TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairman Dowd

Discussion on the motion? Alderman Sullivan?

Alderman Sullivan

Thank you very much Mr. Chairman. I see that in this legislation that this is slated for the Fiscal Year 2022 capital improvement budget. Seeing as we're discussing the Fiscal Year 2023 which will include that, the timing around that. Why now? Why not earlier in the fiscal year? Just wondering.

Chairman Dowd

I'm only speculating, that would have been a question for Mr. Mansfield. It probably has to do with researching the availability of the hardware.

Alderman Sullivan

Okay. I will follow up with him.

Chairman Dowd

Any other? Seeing none.

MOTION CARRIED

R-22-029

Endorsers: Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Patricia Klee
Alderman-at-Large Melbourne Moran, Jr.
Alderman Alex Comeau
Alderman Richard A. Dowd
Alderman Derek Thibeault

AUTHORIZING THE MAYOR AND CITY TREASURER TO BORROW AN AMOUNT NOT TO EXCEED SIX MILLION NINE HUNDRED THOUSAND DOLLARS (\$6,900,000) THROUGH THE ISSUANCE OF BONDS AND/OR A LOAN THROUGH THE NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES STATE REVOLVING LOAN FUND FOR THE WASTEWATER TREATMENT PLANT DRY WELL VALVE REPLACEMENT PROJECT

MOTION BY ALDERMAN CATHEY TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairman Dowd

Discussion? Alderman Sullivan?

Alderman Sullivan

Thank you Mr. Chairman. I see that we can either Bond this or we can borrow it. According to this if we bond it, it's a 4% interest. Do we know what the interest rate is on if we borrow it in the low interest loan program. Is that a question for Mr. Griffin?

Chairman Dowd

It would be Mr. Griffin isn't here, however his able assistant is. Chery Lindner would you please come up.

Cheryl Lindner, Treasury Management Officer

We did ask our counterparts at the Department of Public Works and right now they can get a loan from the State for around 2%. So we'll go with the lower rate whether it's a loan or a bond. Right now our bond rates are higher, so the loan will probably be the way we'll go but at the time we borrow it will depend on the interest rate. If you have additional questions, I'm happy to follow up with you. I can check back in with DPW as the time gets closer to see where we're at.

Alderman Sullivan

That's fantastic. Thank you.

Cheryl Lindner, Treasury Management Officer

You're very welcome.

Chairman Dowd

Any other questions? Alderwoman Kelly

Alderwoman Kelly

I had the exact same question as Alderman Sullivan. Got an answer. Thank you.

Chairman Dowd

Any other questions? Alderman Jette?

Alderman Jette

I don't have a question. Since I've become an Alderman, I've been astounded by how much money we spend on our wastewater treatment facility. Every time something like this comes up, I'm just overwhelmed by the cost. I've learned that we really don't have a choice. Our wastewater treatment facility is an essential part of the City infrastructure. We can't ask everybody to hold it. It's going to make its way to this facility one way or the other and the cost is astounding but it is what it is. I just want the public to know that we're not looking for ways to spend money. This is something that's essential and we really don't have a choice. We're under the federal government mandates how we run this wastewater treatment plant. I just want everyone to know that we really don't have a choice. We have to do this.

Alderwoman Kelly

Thank you. I just wanted to piggy back on that. I know that as this has come up I have asked Superintendent Boucher like what we were doing because I believe what Alderman Jette is pointing out is that we've had a couple of years with a lot of things that had to get fixed when Superintendent Boucher came on. There were a lot of things that were in disrepair and needed to get for it. So correct me if I'm wrong but my understanding was that when he came on, he did a lot of repairs that needed to happen and has put in place opportunity for us to be more on top of maintenance so we don't end up having to do this over, and over, and over again because it is costly but there's not much we can do about it.

Alderman Wilshire

Thank you and Director Boucher did mention that one of the parts for the piece that they are replacing was from 1972. That's a 50 year old piece of equipment. I mean that's pretty good. That's 50 years so.

Chairman Dowd

So if you amortize that cost over 50 years, then it's much one would take.

Alderman Cathey

Correct me if I'm wrong to Alderman Jette's point, weren't there some years ago where we were not putting enough money into the wastewater treatment facility which is why these past couple of years we've had to sort of play catch up to get it where it needs to be and then obviously more work will be needed to keep it maintained.

Chairman Dowd

It's the old pay me some now, or pay me a lot more later. Yes. Alderman Sullivan?

Alderman Sullivan

It's a comment, but maybe it is a question. Doesn't the wastewater treatment plant pay for itself? Isn't it one of those

entities in the City that as much as it costs to run it, we do take in fees and what not that pay for it to cover the cost?

Alderman Wilshire

It is an enterprise fund and they do get the wastewater fees that the public pays, but I don't know if we subsidize it at all.

Chairman Dowd

That will be part of the budget discussions with the DPW. There's the wastewater and there's also the solid waste. I think the wastewater is more self-sufficient than the solid waste, but there may be some things we have to cover.

Alderman Sullivan

Yes on my first glance of the budget, it looked like we were subsidizing solid waste but wastewater was paying for itself.

Chairman Dowd

Pretty close.

Alderman Sullivan

I don't know what this does to it when you add in...

Chairman Dowd

This is a bond so it will reflect in the Wastewater budget. Cheryl do you have any clarification on that?

Cheryl Lindner, Treasury Management Officer

No, that's a great question. We can check into that and follow up with you if that's okay Alderman Sullivan?

Alderman Sullivan

Sure.

Cheryl Lindner, Treasury Management Officer

Okay. Thank you very much.

Alderman Dowd

Okay. Any other questions? Alderman Jette?

Alderman Jette

On that point, I'm not a financial expert and I'm certainly not a municipal financial expert but your point is probably accurate. The wastewater facilities are paid for by the users but those users are us. Those users are the taxpayers. The same people that's paying it. So by our approving the expenditure of this money, we're causing the fees that we have to raise to pay for it were causing those to go up. So it's not like the - the people who are paying the wastewater fees are the tax payers. So it's the same. Your point is well taken, but it doesn't really make any difference.

Alderman Dowd

I think more or less the question was if we bond something, the bonding is paid for through the debt service we do for bonds. It won't show up in the wastewater yearly budget numbers. Bonding isn't in there. It's separate. So when we bond something, the debt service on that bond is paid for via a portion of the budget that covers debt service for bonds. There is a part of the bonding that's for wastewater. It's segregated but you won't find it in what used to be the green pages which are no longer green pages. But that again can be discussed in further detail when we have the DPW in. Any other questions? Seeing none.

MOTION CARRIED

R-22-030

Endorsers: Mayor Jim Donchess
Alderman Richard A. Dowd
Alderman Derek Thibeault
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Patricia Klee
Alderman-at-Large Melbourne Moran, Jr.
Alderman Thomas Lopez
Alderman Alex Comeau
Alderman Tyler Gouveia
Alderman John Cathey
Alderman-at-Large Lori Wilshire

RELATIVE TO THE TRANSFER OF \$25,000 FROM DEPARTMENT 194 "CONTINGENCY", ACCOUNT 70100 "GENERAL CONTINGENCY" TO DEPARTMENT 109 "CIVIC & COMMUNITY ACTIVITIES", ACCOUNTING CLASSIFICATION 56 "OUTSIDE AGENCIES" FOR THE PURPOSE OF PROVIDING FUNDING TO THE NASHUA ASSOCIATION FOR THE ELDERLY

MOTION BY ALDERMAN CATHEY TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairman Dowd

R-22-030 motion is to recommend final passage to full board. If anyone desires, we have an expert on the subject sitting in the audience if you'd like to hear from her. Alderman Caron would you just give us the history of this particular activity?

June Caron

Thank you Mr. Chair. My name is June Caron, 44 Montgomery Avenue and I am a member of Board of Directors for Nashua Senior Center. Also with me tonight is the President of the Board of Directors Martha Ackerman. As you know for many of you, the Board of Aldermen over the past 11 years has provided approximately \$25,000 for the Nashua Senior Center for them to put money away for emergency funding and also to utilize the rest of the funds to provide maintenance and upkeep to the building that belongs to the City.

Last year you were gracious enough to give us the money and we were able to redo our thrift shop which hadn't repaired since the building's been up which has been "x" amount of years. So this year because of changes that are going on with internet, we really need to upgrade our internet service computers that we provide for our members of the community. We felt that this year that in the legislation we could ask if we could utilize that \$20,000 for that purpose. Just for the public's notice that the Nashua Senior Center is a non-profit. They are not funded by the City other than this approximate \$25,000. Everything they get is from revenues, or fundraisers, and donations. Obviously the City has provided them a building in which they could have their members and their organization located. I hope that you will find in favor of our request. If not, you will not get any more candy. Thank you.

Chairman Dowd

Thank you former Alderman Caron. As she said, we've been doing this for 11 years and it has worked out very well. It supports some of most important citizens in the City. There are a number of them there all the time and it's a great activity. Are there any questions? Seeing none.

MOTION CARRIED

R-22-031

Endorsers: Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman John Sullivan
Alderman Patricia Klee
Alderman Thomas Lopez

Alderman Richard A. Dowd
Alderman John Cathey
Alderman Derek Thibeault
Alderman-at-Large Lori Wilshire

AUTHORIZING THE CITY OF NASHUA TO ENTER INTO CONTRACTS WITH THE SOUHEGAN VALLEY TRANSPORTATION COLLABORATIVE, NASHUA COMMUNITY COLLEGE, RIVIER UNIVERSITY, TOWN OF HUDSON AND TOWN OF MERRIMACK FOR TRANSIT SERVICES

MOTION BY ALDERMAN CATHEY TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairman Dowd

I believe Director Sullivan is here. Would you like to provide some overview and insight into this?

Matt Sullivan, Community Development Director

Thank you. I'm actually quite useless this evening. I'm actually on here to introduce Camille Correa the Transit Administrator for the Nashua Transit System. She will be providing some background information relative to R-22-031. I'm certainly available to answer any questions that you might have about broader context but she being the Administrator for the system and also the subject matter expert is best positioned to provide this overview and will be doing so this evening. Thank you.

Chairman Dowd

Miss Correa?

Camille Correa, Transit Administrator

Thank you. Thank you Matt. The Transportation Department is pleased to present to you this evening five revenue contracts for your review and approval. Each contract represents a continued partnership with the following in order to provide public transportation: Rivier University and Nashua Community College for their students to ride for free on the fixed route service; Souhegan Valley Transportation Collaborative, Town of Hudson, and Town of Merrimack to receive van service and curb to curb public transportation service within their communities and also to and from the City of Nashua from their communities. Each one of these contracts is effective from July 1, 2022 through June 30, 2023. I'm happy to answer any questions that you might have in regards to the revenue contracts.

Chairman Dowd

Alderwoman Kelly?

Alderwoman Kelly

Thank you and thank you for coming forward. I think the transit system we have is very important in the City. I'm just wondering if - and I've seen the Universities that has and I'm wondering if Hudson and Merrimack is new, or expanded, or is just again that typical renewal of what we've already been doing?

Camille Correa, Transit Administrator

Thank you for asking that question. We are so excited to have a continue partnership with the Town of Merrimack, Town of Hudson, SVTC, Rivier, and the Nashua Community College. All of them have been great supporters of public transportation for many years. If we could have a continued contract with each one of them we would and in this case, it is a new contract for Fiscal Year 2023. However, it is more of an annual contract if we could do so. It's great to have their support and thank you for the question.

Alderwoman Kelly

Thank you for the answer.

Chairman Dowd

Any other questions? Alderman Jette?

Alderman Jette

I just want to clarify for the public sake. These contracts are where an active transit if providing transit services we're getting paid for it. It's not costing the City anything if I understand it correctly. It's actually brining revenue to the City to help us pay for our transit services.

Camille Correa, Transit Administrator

Yes Sir. In regards to Rivier University and Nashua Community College, the funding that they provide or the contract revenue that they provide assist with buying down fares for the students so the students can ride for free and the public transit service can receive the money for the fares directly from those organizations and/or SVTC, the Town of Hudson, and the Town of Merrimack, that is revenue for the direct service to provide the direct service.

Chairman Dowd

Any other questions? Alderman Sullivan?

Alderman Sullivan

Thank you Mr. Chairman. So just a logistical question, if I'm in Merrimack tell me how it works? Who do I pay? Do I buy a bus pass? What does that look like and the same for Hudson?

Camille Correa, Transit Administrator

For the Town of Hudson and the Town of Merrimack, there are application processes where someone could download the application from the website or receive it in the mail. They would fill out the application and then we would tell them about the service, provide a brochure for them so they would know what time that service would operate which is Monday through Friday. Then we would work with them to schedule their appointment. They would pay the fare when they board and the fare in each one of those communities would be dependent upon where they're going. For example, SVTC is \$2.50 and the person could either utilize a coupon from SVTC to pay for that ride directly, or they could pay with cash, or a ticket, and then we would bill the remaining amount of the transportation trip to that actual organization on a monthly basis depending upon the number of riders in their community.

Chairman Dowd

Any other questions? Thank you Miss Correa.

MOTION CARRIED

R-22-032

- Endorsers: Mayor Jim Donchess
Alderman Richard A. Dowd
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman John Sullivan
Alderman Patricia Klee
Alderman-at-Large Melbourne Moran, Jr.
Alderman Thomas Lopez
Alderman Alex Comeau
Alderman Derek Thibeault
Alderman-at-Large Lori Wilshire

APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE NASHUA BOARD OF EDUCATION AND THE NASHUA TEACHERS' UNION, LOCAL 1044, AFT, AFL-CIO, UNIT D, FOOD SERVICE WORKERS FROM SEPTEMBER 1, 2021 THROUGH AUGUST 31, 2024

MOTION BY ALDERMAN CATHEY TO RECOMMEND FINAL PASSAGE

ON THE QUESTIONChairman Dowd

Mr. Donovan is here to explain how that contract works. Mr. Donovan?

Dan Donovan, Chief Operating Officer, Nashua School District

Good evening. Daniel Donovan, Chief Operating Officer for the Nashua School District.

Before I go through the summary of the cost items, just to let everyone know, this is part of the food service special revenue fund. So these costs are not born by the operating budget, by the taxpayers. It's a self-sustaining fund. Revenue comes in from sale of lunches to students, faculty, etc. That revenue is enough to pay for the cost to run the program. This contract pays for not the management but for everybody else. So basically a quick summary. One other point, this year for the first time we had free lunch for all students. So the federal government put through a policy that there is free lunch for all students. The interesting thing that that did typically the revenue from this fund about half of it comes from people paying and the other half comes from basically the government subsidizing free and reduced. This year it was free lunch for all. So if you give free lunch to a high school student, they're going to take it. Interestingly enough the revenue has really gone up this year. We had hoped that the free lunch for all would extend into next school year. At this point in time, it is not. They're still discussing that down in Washington, different States are talking about it, etc. But at this point, the free lunch for all we're planning will end this year and we'll move forward next year with the standard model but that may change.

So quick summary. It's a 3-year contract September 2021 through 2024. So basically, we're pretty much done the first year already. The increases per year including steps in the wages are 3.71, 3.3, and 3.4 over the three years respectively. We did something a little different with this contract this year. Because we had excess funds due to the free lunch for all and because we're short-staffed this year - we couldn't get enough staff to work the lunch program - the people that worked the program were pretty stressed out. So we decided to put into this contract what we're calling a "stay on bonus". So that's \$800 this year and \$800 next year. It's paid out half way through the year - \$400 half way through the year, at the end of the year the other \$400. The employee has to work 81 of the 90 days for the half of the school year. So we figured since there was more revenue coming in, it would be good to share with the staff, especially those staff who were working to make up to work extra time and extra stress trying to get the lunch done when we were short-staffed. So that totals about \$60,000 in the first year and we're assuming it will be slightly more in this coming school year if we have more staff.

Other than that, they did agree to the City insurance due to the fact that the contract is coming through now as opposed to the open enrollment just ended. That won't become effective until next year, but they have agreed to that. Other than that, we did give there are 3 levels of employees. There's Tier 1 which are the cooks - the full time people but for Tier 2, the staff that helps out in Tier 3, we did give them each one more sick day. So Tier 2 had 4, we gave them 5 and Tier 3 had 3, we gave them 4. The final cost item is there was a clause in the contract guaranteeing the number of days they would get paid. It became tricky at times if we had a lot of snow days and then we decided to reduce the number of school days. So we have an agreement towards the end that if we're going to cancel up to two days, then there's no guarantee that they could get paid. If we needed the services, we'd have them come to work. If we cancelled three days, we guaranteed them one. If we cancelled four days, we guarantee them two. So that was just to sort of clean up the whole idea of people getting paid for not working. It's something that I personally don't like that. So they agreed to that language. Typically there aren't too many years where we cancel too many days, but sometimes if there is a number of snow days we will switch to hours as you can switch to hours taught as opposed to number of days as far as the State is concerned. This sort of clears up any issue we'll have with that. So those are the items.

Just the one other thing on the costing sheet. If you take a quick look at the costing sheet down at the bottom where it says the increase per employee, its 9.1, 4.1 and then a -2.9. Those numbers are pretty much driven by that sign-on bonus that I mentioned earlier. So in this first year of the contract, there's an extra \$60,000 which is the sign-on bonus that's pushing up the percentage. That number stays there for next year. There is no stay on bonus for the third year. So therefore that's why it drops so much. So that is a quick summary.

Chairman Dowd

Questions? Alderwoman Kelly?

Alderman Kelly

Thank you. You had mentioned that they agreed to the City insurance. I assume you mean the high deductible plan that most other unions have been switching to. Is that the case?

Dan Donovan, Chief Operating Officer, Nashua School District

Yes. The higher the HMO and yes the new offerings.

Alderman Kelly

Just a comment, not a question. I think this group of people have gone through a lot in the City and they were incredibly powerful and helpful with them getting school lunches out during COVID. I know they were there preparing and making sure they get on the buses in early COVID. I think the sign-on bonus makes a lot of sense. It seems like a fair contract and I have whole other spiel about free school lunch that I would love to see. I would really would love to see it stay. I think it is really important for equity issues and kids will just take the food. To your point. I think it's really important that we've so many times that kids learn better when they're fed. So hopefully the federal government will continue that program but I think it's something that really has done a lot of good. Thank you.

Chairman Dowd

Alderman Sullivan?

Alderman Sullivan

I see that you planned this contract to fund 90 positions and if my math is correct on the "stay-on" bonuses you're at about 75 right now?

Dan Donovan, Chief Operating Officer, Nashua School District

Correct. Yes because we don't have enough staff right now and typically there is turnover especially in the schedule 3 the part-time. They don't tend to work. There's a lot of coming and going for that group.

Alderman Sullivan

So if you are budgeted to pay 90 people and you only pay 75 people, does that money just roll over into the next year? I mean where does that surplus go?

Dan Donovan, Chief Operating Officer, Nashua School District

Yeah since it's a special revenue fund, the money stays in the fund and it rolls over from one year into the next.

Alderman Sullivan

Got it. One more question. I see that the contract is retroactive to September of 2021. The folks do they get a lump sum retroactive payment or is it paid out over time?

Dan Donovan, Chief Operating Officer, Nashua School District

Yes. By the time this is approved, I mean they work until the last day of school. So we'll do a retroactive. We'll give them their raise in one paycheck and the next paycheck will be retroactive. We may do both since it's very late in the year, but that's typically what we do.

Alderman Sullivan

Okay. Thanks.

Chairman Dowd

Any other questions? Alderman Jette?

Alderman Jette

When you talked about providing free lunch to everyone and the revenues went up, it kind of reminded me about the joke about the guy who charges less than his cost and he makes it up in volume. So the free lunch is free to the student and we actually charge for those lunches. Is it the federal government that pays us for them?

Dan Donovan, Chief Operating Officer, Nashua School District

Yes. The federal government has a price per lunch that they pay. So for every lunch we sell, we get back it's about \$3.00 per lunch. So the whole volume thing when you're making certain items, the volume if you can sell all of those whereas prior to this when there was paying, we could only charge for the lunch we served to a free and reduced to the government. So if you had excess food, you couldn't charge for it. Now if we make the exact amount, we can charge for it. That's basically what happened. It actually turned out to be more money that we projected. The balance in the fund right now is higher than it's ever been. Typically at the end of the year it rolls over about \$300,000. This year it's going to be significantly higher than that.

Alderman Jette

Well good. I hope you're able to get it again.

Dan Donovan, Chief Operating Officer, Nashua School District

Yes because this also buys all the equipment. So we'll be able to take a look at that. At the federal level, it was not in the initial budget. The federal budget as we know goes back and forth. So we'll see what happens.

Alderman Jette

Thank you.

Chairman Dowd

Any more questions? By the way, the equipment on Elm Street is going to be fully replaced at the new school with brand new equipment and whatever is still useable will go to the other schools to replace the equipment so that will be good.

Dan Donovan, Chief Operating Officer, Nashua School District

Hopefully there are some items there that can replace older items.

Chairman Dowd

We're redoing the entire cafeteria at Pennichuck this summer. Alright, no other questions.

MOTION CARRIED

NEW BUSINESS – ORDINANCES - None

TABLED IN COMMITTEE - None

R-22-035

Endorsers: Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman John Sullivan
Alderman Patricia Klee
Alderman Thomas Lopez
Alderman Alex Comeau
Alderman Richard A. Dowd
Alderman John Cathey

Alderman Derek Thibeault
Alderman-at-Large Lori Wilshire

**RELATIVE TO THE ADOPTION OF THE FISCAL YEAR 2023 PROPOSED BUDGET FOR THE CITY
OF NASHUA GENERAL, ENTERPRISE, SPECIAL REVENUE AND GRANT FUNDS**

GENERAL DISCUSSION - None

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN - None

ADJOURNMENT

**MOTION BY ALDERMAN CATHEY TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 8:13 p.m.

Alderman John Cathey, Pro Tem Committee Clerk