

BUDGET REVIEW COMMITTEE

JANUARY 17, 2019

A meeting of the Budget Review Committee was held Thursday, January 17, 2019, at 7:06 p.m. in the Aldermanic Chamber.

Alderman Richard A. Dowd, Chairman, presided.

Members of Committee present: Alderman-at-Large Lori Wilshire, Vice Chair  
Alderman Tom Lopez  
Alderman-at-Large Michael B. O'Brien  
Alderman-at-Large Shoshanna Kelly  
Alderman-at-Large David C. Tencza  
Alderman Jan Schmidt

Also in Attendance: Alderman June M. Caron  
Alderman Mary Ann Melizzi-Golja  
David G. Fredette, Treasurer/Tax Collector

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PUBLIC COMMENT – None

COMMUNICATIONS - None

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

**R-18-100**

Endorsers: Alderman Richard A. Dowd  
Alderman Jan Schmidt  
Alderman Mary Ann Melizzi-Golja  
Alderman June M. Caron  
Alderman Tom Lopez  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman-at-Large Shoshanna Kelly

**CHANGING THE PURPOSE OF UP TO FIFTY THOUSAND DOLLARS (\$50,000) OF UNEXPENDED BOND PROCEEDS FROM THE LED STREET LIGHTING PROJECT TO THE DISTRICT-WIDE MIDDLE SCHOOLS RENOVATION AND CONSTRUCTION PROJECT FOR FUNDING ENGINEERING AND ARCHITECTURAL SERVICES**

**MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Alderman Tencza

Every once in a while we have one of these resolutions that comes to the Board where there's more money from the bond. In this project, is there a reason why it ran less than the city had expected which is why there's extra money left over?

David Fredette, Treasurer/Tax Collector

This doesn't happen very often in the 20 years I have been here. When we sold this bond, we only had an estimate of the cost. When they went out for the contract, they got a very good price which was considerably lower than what was authorized. They have basically completed this job and have several hundred thousand

dollars left. It's a public works bond, so I am hoping they are going to find some purpose for it in public works. So far the only one who has used a little bit of it is the school project. It is kind of rare that we have that kind of money left over in a bond.

Chair Dowd

All the school projects; just had to bring that up.

Alderman Tencza

From what I remember about this project, it was a revenue neutral project in the sense that the money from the bond was going to be saved each year based on the savings in energy costs from this project.

Mr. Fredette

I believe it was going to take a couple of years for that to happen, but yes, after a few years we'd be saving quite a bit of money in electricity costs versus the bond cost.

Alderman Tencza

I think it is important to point out sometimes these city projects go well or even better than expected since so many times people are critical of the city in what they are doing. This is just another project that shows it made sense. It was smart to go forward with two years ago, and for the members of the Board who were on the Board back then, I think it's important to point out.

Alderman Lopez

I just want to clarify that because a specific contract or dollar amount hadn't been stated initially with the bond, that's why there's an overage?

Mr. Fredette

When the bond was approved by the Board, they did not have a firm price on what the contract was going to cost. When they went out for contract, it ended up costing less than they had estimated.

Alderman Lopez

In comparison to last night's request for initially a to-be-determined amount, which ultimately just ended up being kind of just an overall sketch, this is a different situation because we're not bonding it yet with regards to the Performing Arts Center. We're only going to spend up to a certain amount. There won't be any leftover monies sitting in an account such as this?

Mr. Fredette

No, because we haven't sold any of that bond yet for the Performing Arts Center.

Alderman Lopez

Okay. I just wanted to clarify because last night we also had sort of a request for an open-ended expenditure which we ended up nailing down to more of a budget item, but in the hopeful event that we don't spend all of the money that we gave permission to spend up to, then there wouldn't be any need to move money from another account into some future project because with the Performing Arts Center that money is only going to be counted once it spent. Does that sound right?

Mr. Fredette

Somewhat. I believe the way it is going to work, and this is somewhat unique with the tax credits, I have never done those, but we're going to have to sell that bond all at one time when they are ready with the tax credits. That project may end up costing less than what we sold. You may have left over money that could be repurposed, but I can't really tell. That's a couple of years away from now.

Alderman Melizzi-Golja

Treasurer Fredette, refresh my memory. This didn't go out. We had an estimate and it's just that the estimate was higher. It was not like a bunch of people sitting around. People who knew what they were doing said this is what we are estimating it will cost. The bond went out with that estimate. But then when the contract was actually let, what we got back was less than the estimate. There wasn't an amount in there when the bond was let.

Mr. Fredette

There was an estimate done. I'm not sure if it was an engineering firm but there was an estimate done.

Chairman Dowd

We had an expert that came in and showed us the lights. They estimated what it was going to be cost. When it finally went out to bid, it came in much lower.

Alderman Melizzi-Golja

And that's what I wanted to clarify. It's not an exact apples to apples to what happened last night. We did have an estimated.

Alderman Kelly

The only time we need a public hearing like this is when we are changing the use of the money that was let for a specific bond, correct? Last night when we talked about this, what we discussed was that if there's money left over as long as it is used against the Performing Arts Center bond, we're not changing the use of the money and therefore it wouldn't have to have a public hearing.

Chairman Dowd

The Performing Arts is much different than other types of bonds. Tonight we had a public hearing on the reallocation of the \$50,000 but actually we really didn't need it. We were repurposing money. All we needed was a vote on the Board, but we did it anyway.

Alderman Lopez

I think Alderman Kelly was drilling down to what I was trying to say. We are not repurposing left over money based on what happened last night because it's all still going to the Performing Arts Center, whereas this was intended for LEDs and now is going for a different purpose. As long as Economic Development doesn't spend more than the amount we talked about last night for the Performing Arts Center then they can repurpose it within the Performing Arts Center bond budget and not have to add anything to the total cost. That's what I was getting at. Last night we had two proposals in the Finance Committee where first they were proposed as completely open-ended, which the committee did not approve. Then it was amended to estimates. Those estimates aren't going to drive the total bond for the Performing Arts Center up because they are being spent on a certain item and then moved. If they are not spent then they are not spent. If there is additional room within what was approved then the Performing Arts Center will stay on budget. I just wanted to draw a contrast between that and this where money was being allocated for a specific purpose, we

underspent. It is still sitting in the account for that specific purpose, and now it has to be changed.

Chairman Dowd

Typically you need a public hearing any time you are going to bond money. When you repurpose it, you don't really need a public hearing; it needs a vote of the Board of Aldermen. I'm not sure how the bond is going to work for the Performing Arts Center. You also mentioned overspending beyond the bond, and no. Nobody in the city has the authority to overspend. They would have to come back and have the Board of Aldermen add more money to the bond and that would take a public hearing, correct?

Treasurer Fredette

Correct.

Alderman Lopez

I was trying to clarify the apples to apples and oranges to oranges. What we did last night was basically say within the bond that we're planning on taking out, we identified how much can be spent total on a certain part. If less than that is spent on it, it's still part of the total bond. We're not going to spend more under any circumstances than the bond that we already planned on bonding.

Chairman Dowd

Based on the earlier discussion that we had, I would be very concerned if we signed a contract that didn't have dollars allocated against it. I don't even think you can. That's a corporation counsel thing. If you don't have money to cover the contract, you shouldn't be signing the contract.

## **MOTION CARRIED**

### **R-18-102**

Endorsers: Alderman-at-Large Lori Wilshire  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman Richard A. Dowd  
Alderman-at-Large Brandon Michael Laws  
Alderman Jan Schmidt

**APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE NASHUA BOARD OF POLICE COMMISSIONERS AND UFPO LOCAL 645 PROFESSIONAL EMPLOYEES OF THE NASHUA POLICE DEPARTMENT FROM JULY 1, 2018 THROUGH JUNE 30, 2022 AND AUTHORIZING RELATED TRANSFERS**

## **MOTION BY ALDERMAN O'BRIEN TO TABLE R-18-102**

### ON THE QUESTION

Chairman Dowd

The police department wants to recall this to do further deliberations on it. I have the written authorization from the police commissioners and the union who waived the 30-day for approving this contract. They are going to take it back and do some further negotiations. One of the issues, as many of you know, is the buyback on vacation, and that will change.

Alderman Caron

It's not vacation; it's sick leave.

Chairman Dowd

Sick leave. I'm sorry.

Alderman Lopez

I just want to differentiate between the position I had for unaffiliated employees who aren't in a union and don't have people to speak for them and had their benefits retroactively changed. In this situation, and express appreciation that the unions are willing to look at this as a different situation than that, because I was very supportive of the unaffiliated employees and I think this is a different situation entirely.

**MOTION CARRIED**

NEW BUSINESS – ORDINANCES – None

GENERAL DISCUSSION

Alderwoman Melizzi-Golja

I have a question in speaking about the buyback of sick time. Do we know when the letters went out and have we heard anything?

Alderman Caron

My understanding is an email went out to the 11 employees, but I haven't heard as to how many have ...

Alderwoman Melizzi-Golja

What their choices were.

Alderman Caron

No.

PUBLIC COMMENT – None

REMARKS BY THE ALDERMEN – None

POSSIBLE NON-PUBLIC SESSION

ADJOURNMENT

**MOTION BY ALDERMAN LOPEZ TO ADJOURN**

**MOTION CARRIED**

The meeting was declared closed at 7:21 p.m.

Alderman-at-Large Michael B. O'Brien, Sr.  
Committee Clerk