

**Special Board of Public Works Meeting
Meeting Minutes
February 20, 2020**

A special meeting of the Board of Public Works was held on Thursday, February 20, 2020, at 3:00 p.m. in the Auditorium at City Hall, 229 Main Street, Nashua, NH 03060.

Mayor Donchess, Chair, declared the meeting to order at 3:00 p.m. and called the roll.

Members Present:

Mayor James Donchess, Chair
Commissioner Tracy Pappas
Commissioner G. Frank Commissioner Teas (Arrived at 3:08 p.m.)
Commissioner Shannon Schoneman

Members not Present:

Commissioner Kevin S. Moriarty

Also Present:

Ms. Lisa Fauteux, Director, Division of Public Works
Mr. Dan Hudson, City Engineer
Mr. Jon Ibarra, Superintendent of Streets
Mr. Nick Caggiano, Superintendent of Parks & Recreation
Mr. Jeff Lafleur, Superintendent of Solid Waste
Mr. Dave Boucher, Superintendent of Wastewater

FY21 Proposed Budget Presentation

Director Fauteux

Unfortunately, our Ms. Carolyn O'Conner, our Financial Manager, could not be here as she has a new grandchild who was born this morning at 3:15 a.m.

We were given by the Mayor a 2.25% directive which is not a significant increase but we do appreciate the 2.25%. Most of the increase was used for wage increases so there wasn't a lot that we could actually do with our budgets this year so pretty much what you will see is that everything is level-funded. Our utility and fuel purchases are aligned with the Purchasing Manager's guidelines so that's where we got those increases and you will notice that for our UAW and AFSCME employees there are no increases in our budget yet because negotiations are still on-going.

Our Administration, Engineering, Streets, and Parks & Recreation Departments all came in at 2.25%. Solid Waste is a little bit higher and that is because of our permit regulations. There are certain things that we have to do. Wastewater was actually able to come in at 1.9% which is a little bit under the directive. We would like to go department by department

and just give you an overview of the changes that we have made and then you can feel free to ask questions either when the superintendents are talking or after. Does that sound okay?

Commissioner Pappas

It does. I hadn't contacted the Director because I was going to wait until someone from Financial Services was here. Before we are asked to actually pass the final budget, one of the things that I noticed in the packet this year as opposed to other years is there is a lack of salary breakdown for individual positions. For example, from time to time...let's say we eliminate one truck driver position and then you might add an operator. Rather than just having the general amounts for what we are paying in wages, I find it really helpful to be able to figure out how many truck drivers we have, how many operators we have, how many laborers we have. So the next time we get a packet for approval I would find that helpful.

Director Fauteux

I think that...do we need final approval tonight?

Mayor Donchess

This kind of tracks the way the city budget is presented but there is a separate document where you can see that. We could just get that portion for you.

Director Fauteux

We can put that in your packet for next week.

Commissioner Pappas

Okay, perfect.

Mayor Donchess

That's not a problem.

Commissioner Pappas

I didn't think so and that's why I just figured...Financial Services doesn't really necessarily know what we find helpful. I find that helpful because we remember that if we have to eliminate a position or what we added to what...because we do that from time to time.

The other thing in general for next time is I liked the explanation and I liked the explanation why we couldn't adhere to the increase because obviously, we have to maintain compliance. But, in the future, I think what would be really helpful would be to have an executive summary for each department or maybe even for when it hits the Board of Aldermen this year. For example, we have replaced "X" number of pool filters, we had

extra money in our snow budget so this is what it was spent on, and just major accomplishments throughout the year I think is not a bad...

Director Fauteux

We do have that in the budget narrative that we provided to the Mayor so we can also put that in your packet.

Commissioner Pappas

Okay, that would be great, thank you.

Commissioner Pappas

This is in general and is probably more directed at the Mayor. I'm just curious and I know that a lot of this is a guess because you don't know what's coming to you as far as say healthcare insurance goes so where do you get...let's say that we go way over what we had anticipated in the healthcare cost. Where do you get that money from?

Mayor Donchess

So, in this budget, the 2.25% applies to the non-healthcare portion of the budget. There is a separate line item in the budget for healthcare costs which is a cost that is out of Public Works (inaudible) We do have a projection as to what the healthcare costs are going to go up by next year which is probably accurate. This year was accurate. That projection is 8.6% or about \$3 million. So that as you have implied or said is a big number and will affect the overall budget and the tax rate as well. I have suggested to the Board of Aldermen that we limit wage increases while we are dealing with this and while we are seeing all of these major increases in healthcare cost to the cost of living. They haven't really bought that point of view up to now. I don't know if you have been watching what has been going on. So, yes, it is very difficult or impossible to pay for departments that are going up more than the cost of living and to pay the healthcare costs at the same time without taxing (inaudible) that is more than people are used to.

Commissioner Pappas

Thank you.

Mr. Dan Hudson, City Engineer, presenting for Administration & Engineering

The Engineering budget is very similar to last year. Most of our costs are staffing and that's been consistent. There are a few items I wanted to highlight where we are proposing increases.

First, overtime which is account 51300 and that's due to all of the paving work that we are doing. Last year we had quite a bit of overtime due to night paving and other operations so we expect some of that again this year so we are looking for an increase there.

We have an item for our architect and engineering services and that would be to supplement our in-house design. Sometimes we come across specialty work that we need assistance with. It would be a funding source that allows us to pull someone in on a contract basis and help us.

There are small increases in cellular telephone and that's due to the fact that we have iPad's that have data cards in them enabling our crews in the field to be able to have mapping and record assets and that type of information as part of our GIS efforts.

Another thing is some small changes in dues & membership, and conferences & seminars; and that's probably primarily from me coming on-board and being involved in a couple of the organizations and for added training. Then there was computer software, it's for iPads and other software packages.

Commissioner Pappas

Under 5100, Full-Time Wages, it went down slightly. Is that due to retirement?

Director Fauteux

That is because of reallocation of some of the positions into other...some of them, as you know, are split so my salary, for instance, the City Engineer's salary; a number in administration and engineering are split between departments so that was probably a change in the allocation of those.

Commissioner Pappas

Will that be one of the things...

Director Fauteux

That will be one of the things you will see in the salary, yes.

Mr. Jon Ibarra, Superintendent of Streets

I will start off on page 14 – HVAC Maintenance. I adjusted that up by \$4,000. It's for maintaining the infrastructure at the Street Department.

Also on page 14, Building & Grounds maintenance, line 54280 is a significant jump and is due to the aging facility. That is trying to get caught up on the boiler and the facility itself, again, due to aging infrastructure. We are going to be staying there a while and I need some overhead doors; we have some heating units on the shop floor that I need to replace. It's just keeping the place going.

Commissioner Pappas

I assume we still use the traffic building. Do we have a leaky roof there?

Mr. Ibarra

Yes, we do and it's on our list of repairs for the spring.

Commissioner Pappas

Ok, thank you.

Mr. Ibarra

Also on page 14 is 54600 – Vehicle Repairs & Maintenance. Again, that was a substantial increase and that's just to keep up the vehicles in the fleet.

Page 17, 61166 – I raised that by \$2,200 from 6,286 to \$8,486 and that was based on usage just looking at our chart and how we are burning through the gas this year. That is the hot boxes and welding shop.

Page 18, 61705 – Tires. That's modest, I went with 3% after speaking with Fleet. You'll see the adjustments as \$480 on tires, and I raised lubricants by \$600.

Page 19, 61799 – Vehicle Parts & Supplies. That's smaller materials so I just went 3% after speaking with him also on that. That number is only \$195.

Page 19, 71228 - Computer Software. That was adjusted for software upgrades for the Tactics Program and that's an annual increase of \$2,000.

Mr. Nick Caggiano, Superintendent of Parks & Recreation

Page 21, 51300 – Overtime has increased a little bit. Wages have gone up and a portion of that is also paid out for custodians for our Bidy Basketball Program.

Page 21, 51400 – Temporary Seasonal Help. We struggle to find summer help so we have increased our rates. It's very important because of our school situation. We have to maintain standards for lifeguards per (inaudible) and we have to increase our wages for pool personnel just to keep up with other communities.

Page 23, 53999 - Professional Services. You will see a small decrease in professional services. We were able to save a little bit of money there. That's life safety inspections; sprinkler systems and things such as that.

Page 24 – 54821 – Portable Restroom Contract. The Board approved the contract at the last meeting.

Page 25 – Conferences & Seminars. I've increased that by \$400. In order to gain efficiency if we thirteen licensed pesticide applicators in the department and it's the largest

number of any municipality in the state. We are pretty proud of that but once you obtain that you maintain the certifications (inaudible)

Page 26 – Benefits & Outings. That has increased by \$1,300. The reason we are doing that is the senior outing; this coming year will be the 50th senior outing and we wanted to do something special for that next November.

Page 27 – 61156 - Pool Chemicals. We are going to drop that by \$1,500 because we resurfaced the Crown Hill pool last year. Because of the resurfacing, we are going to have better water chemistry and it will require less materials.

Page 28 – 61705 – Tires. That has also increased by a little less than \$3,000. Tires are just getting more and more expensive.

Page 28 - 61799 – Vehicle Parts & Supplies. Again, those parts that we have to buy are going up.

Page 29 – Miscellaneous Equipment. That line is used for trimmers, blowers, and this we need to start replacing some of our ride-on mowers. They are aging out. We made our last big purchase in 2010 and I want to try to do one per year for the next four or five years so they don't all fail at once.

We stayed within our guidelines. There's not a lot of ways to stay at that 2.25% but we were able to do it.

Commissioner Schoneman

Can you explain to me a little bit about salary adjustments, what they mean and what falls under salary adjustments for any of the given departments?

Director Fauteux

These are probably...I'm not sure, to be honest with you, I'll have to look into that for you. I could guess but...

Mayor Donchess

Contractually (inaudible)

Director Fauteux

It's the estimated increase that the Union employees will probably get once the contracts are...

Mayor Donchess

But there are non-Union people in here as well.

Director Fauteux

This is all Union. They're estimates of what we may need to pay once the contracts are settled.

Mayor Donchess

Because the contracts aren't in place.

Director Fauteux

So when you see our final budget this will be taken out and it will be put in another place.

Mayor Donchess

When it has to do with Union contracts where there is no contract then we estimate a certain amount that we will probably agree to and that goes into contingency and it's held.

Commissioner Schoneman

So it's a bit of a placeholder.

Mayor Donchess

Yes, and these dollars will be consolidated into a contingency account which (inaudible).

Director Fauteux

But, we have to consider now because it goes toward the 2.25% that we are allowed and that's why it's in there now.

Mr. Jeff Lafleur, Superintendent of Solid Waste

Page 36 – 53107 – This is a \$5,000 increase for funds that will help allow me to do contracted engineering for any of the PFOA testing that I have to do. It's starting to come up at DES and they are making it a lot stricter so I have to do a lot more engineering and filing for reports.

Page 36 – 53114 – Accounting & Auditing. That's my share of the city's contract with the auditors.

Page 36 – 53500 – Aerial Imagery. You will see \$15,600 that was a one-time expense last year so that's back down to my budget.

Page 37 – 53999 – Other Professional Services - \$7,000 is for a USDA contract which is my hired person that I have to have on-site. They get rid of all of the vermin in the landfill; the seagulls, and the woodchucks that dig holes. They travel around the city and scare off the turkey vultures that are on people's buildings or properties.

Page 38 – 54600 – Vehicle Repairs & Maintenance. That's the increase in the cost for parts that everyone's been speaking to. I have a lot more moving parts on my vehicles so I added \$10,000.

Page 40 – 55699 – Other Contracted Services. I added \$15,200 for my well-razing stuff. I have to buy pipes, fittings, and wellheads. Just to give you a quick idea, the MSW landfill only has 73 wells on it and my phase I and II right now have almost 110 wells on it. I have a lot of wells on that landfill to collecting the gas to help emissions. I want to keep adding more and more to it and that's for repairs in case anything collapses.

Commissioner Pappas

Just as a reminder to folks that we have to do those wells because it helps with smells.

Mr. Lafleur

The odors and the emissions that we have to follow with the state for our permits.

Page 41 – 61705 – Tires. That's an increase for the cost of tires at \$25,000. I have some big equipment up there, for instance, the loaders are over seven years old and I haven't had to change the tires. The tires for that vehicle cost about \$6,000. We try to recap them as often as we can so we are keeping that down a bit.

Page 42 – 75100 – Debt Service. That's my bonds that we are paying off. That's the biggest increase in my department, \$665,000.

Page 43 – 75200 – Interest to the Debt Service. That's \$81,000.

Page 43 - 89701 – Transfer to Closure Fund – That's up by \$50,000 and is an engineering estimate that's been put forward to us to close our landfills. That's our yearly contribution to show that we are putting money aside so when we are ready to cap the landfills the money is there to do that. That is also DES mandated.

Commissioner Pappas

For the recycling, we had to go back for a significant appropriation last year. How come we are not proposing more?

Mr. Lafleur

Because I have been taking in glass as cover from Casella so they are paying us \$16.00 per ton for that and it's offsetting our recycling costs. I got approvals through DES to use the crushed glass. Remember there was a big issue with using glass from the facilities? We got it through DES to be able to use that as daily cover and in our setback.

Mayor Donchess

What line are we talking about?

Commissioner Pappas

It's 90500.

Mayor Donchess

What page?

Commissioner Pappas

44.

Mr. Lafleur

It's 55699, that's my Other Contracted Services. The line is under the Solid Waste Fund Recycling. That's the \$950,000 that I have there. We budgeted the \$400,000. We should be fine with that this year because I am taking in the glass and that's cutting off a large increase that we would be paying. It's offsetting it by \$16.00 per ton.

Commissioner Pappas

Okay, and you think that will pretty much round it off?

Mr. Lafleur

We should be pretty good with that this year.

Commissioner Pappas

Have those markets...

Mr. Lafleur

They have gotten worse. Right now we are paying \$103 per ton for recycling.

Commissioner Pappas

How much were we paying last year?

Mr. Lafleur

Last year at this time we were paying about \$89 per ton. The markets are fluctuating, it goes up and down. It was at \$77 back in September and then went to \$85, \$99, and then this month it's \$103. December was like \$99 and January was \$102. We are still waiting for February. Hopefully, I will know by next week's Board of Public Works meeting so I can let you know where we are exactly at. It's been kind of fluctuating up and down.

Commissioner Pappas

Do you feel pretty confident that...

Mr. Lafleur

With us taking in the glass we should be in an alright shape this year.

Mayor Donchess

How many tons of glass do we take in?

Mr. Lafleur

I am taking in 1,000 tons per month.

Mr. Dave Boucher, Superintendent of Wastewater

Page 49 – 53107 – Architects & Engineers. This is used for engineering services as needed. These are professional wastewater engineers who design wastewater facilities. We have a lot of permits we have to renew this year such as air permits and our discharge permits for the river are up for renewal. The DES requires us to have some oversight from professional engineers in wastewater in order to get these passed through.

Page 50 – 54100 - We have an increase in the electricity. This is following purchasing guidelines and looking at historical usage.

Page 51 – 54487 - Equipment & Repairs. This is for parts for the pumps we have at the wastewater facility. We have noticed an increase in parts of all of our pumps that we purchased. This is all the repair parts.

Page 52 – 55200 – Dues & Membership. We belong to the New England Water & Environmentalist Association. We have some new employees so this is the cost to add these additional employees to our membership.

Page 53 – 55607 – Postage. I have an increase in postage. This is a line that was reallocated. It was being paid for out of a different line. It was reallocated to this line so we can keep better track of what we are using for postage.

Page 54 – 61107 – Clothing & Uniforms. We have additional employees and we need to add uniforms for them.

Page 54 – 61157 – Chemicals. We have a projected increase cost in chemicals, plus we have to use additional chemicals at the facility. We have three order control systems that we utilized chlorine from our processed water but it was determined that there was not enough chlorine in the system so now we have to add straight chlorine which we hadn't been doing before. This is for the additional chemical costs for those particular processes. We have other parts of the facility that require bulk chemicals that increase the cost.

Page 56 – 71000 – Equipment. We have some new equipment at the wastewater facility that was installed. They are major pieces of equipment that remove rags from the system. We don't have any spare parts on-hand for this equipment. Most of the equipment comes from Germany and there is a long lead time to get parts in so this is to have parts on-hand for it. Plus we have other pumps within the facility that we would like to have spare parts on-hand for.

Page 56 - 75100 & 75200 – Principle & Interest. That's just the increased cost in debt services on our major projects that we had at the wastewater plant.

Commissioner Pappas

For the long-term for our electricity, have we at all thought about maybe solar panels and have we kind of been looking into what they might be doing at the state level and how we might be utilizing that in our facility?

Mr. Lafleur

We had someone come through looking at our roof structures to see if we can do solar panels.

Director Fauteux

The Mayor has a pretty big initiative here in the city to install solar. We've been looking at all city buildings and I'll let you talk about which buildings have solar. Unfortunately, there is not enough roof at the wastewater facility to be able to install solar so we couldn't do it. Actually, we don't have it on any of our administration/engineering building. It's no surprise that the roof can't hold solar panels on that building. The Street Department, because of the uncertainty of what's happening with that building we didn't really look at that. We have had some successes.

Mayor Donchess

There is solar on the (inaudible)

...there is an analysis that has to be done. First of all, the building has to be able to sustain the panels and then...the Public Works administration building on Riverside was evaluated but it was determined it was unable to sustain the weight of solar. Two, the roof has to be of a certain...it can't be over a certain age because if you need to replace the roof...the solar panels have a projected life of twenty years and if the roof needs to be replaced during that time...because then you have to take the panels off and replace the roof and then put them back. That adds a lot of cost to the long-term analysis. Some roofs are better than others even if they are new and so in terms of the administration building and the (inaudible) the problem with the public works garage, which would possibly be a good location is that building might be replaced. If you can't be sure everything is going to stay the same for twenty years then it doesn't make sense to go ahead. If that building

(inaudible) suggested to be placed out at the landfill, if that were to occur then we don't want solar on the garage because if that (inaudible)

Commissioner Pappas

The reason that I had asked about wastewater was because I thought that we used way more electricity at wastewater. I wasn't sure if there was anything at the state level where really high users of electricity...

Mayor Donchess

There is very little in terms of state incentives. Are there even state incentives. We've been working with ReVision Energy to (inaudible) these products and it relies upon the fact that electricity that is used once...certain buildings get the lowest amount (inaudible) it increases the electricity cost for that building to the point where the law says the cost (inaudible) and in the end, to some degree, reduces the energy cost and certainly radically reduces the (inaudible) grid type of electricity. So, that analysis is done on every building and I think you are going to see it on more school buildings and possibly other city buildings depending on the analysis.

Commissioner Pappas

As I said, I just thought about that building...

Mayor Donchess

I think at the treatment plant...the roof...there's a big electricity use but the roof isn't big enough to really make it worth it. Now we are generating a lot of electricity by burning the methane. It's a different thing but that is another means of electricity as Superintendent Boucher can tell you about.

Mr. Boucher

We have a digester complex which as a by-product of the sludge being digested creates methane gas so we will be able to burn that mixed with natural gas. We use a lot of natural gas throughout the facility. That will generate power to power a portion of the wastewater plant and hopefully, we can generate enough power where we can sell some back to the grid and save some money.

Commissioner Pappas

Has that initiative started yet?

Mr. Boucher

Oh yes, well no, we are getting ready to do our start-ups shortly. We had some setbacks with it but the generators are in place.

Mayor Donchess

It used to be done with a lot of the equipment (inaudible) the generator's and everything was blown out so it hasn't been in operation for how long?

Mr. Boucher

Since 2017, I believe.

Mayor Donchess

So it's been out of commission for several years and some of the equipment replacement that we've approved will (inaudible) back to the digester and generators (inaudible)

Commissioner Pappas

Because if the electricity goes up...it seems like it's been a while since we've taken a look at our wastewater fees. I thought we were supposed to do that last spring.

Director Fauteux

I believe the CFO said they were looking for an increase to be brought in July.

Commissioner Pappas

I thought we were supposed to review them every year and I don't think we did that last year.

Director Fauteux

It has been a while; it's been a couple of years. I know an increase is planned for July.

Commissioner Pappas

We don't want that to sneak up on us because it was a disaster a few years back.

Director Fauteux

I agree.

Commissioner Teas

In terms of formatting, I can appreciate (inaudible) comes out of the city for budgeting. Is there a way to add two columns? One would be the delta between the 2020 and the proposed budget as well as the percentage difference?

Director Fauteux

Not easily. It would be nice to be able to that through Lawson but we don't have that capability.

Mayor Donchess

I will ask about that. (inaudible)

Director Fauteux

Before we had Lawson, Commissioner Pappas, we had more information.

Commissioner Pappas

I thought it was much better before.

Director Fauteux

The new software...

Mayor Donchess

The new software, Lawson, (inaudible) \$7 million. Did the city make the right decision back then (inaudible)

Director Fauteux

It's very difficult for all of us to utilize. Unless you are in it on a daily basis like the financial managers are, it's very difficult and not very intuitive.

Commissioner Pappas

What he requested doesn't seem all that complicated.

Director Fauteux

I'll ask Carolyn.

Commissioner Teas

I'm guessing if it was available she would have put it in there but...

Director Fauteux

There were a number of things that I asked for and she said: "no, I can't do that."

I think we were able to do that with the old software.

Commissioner Pappas

Yes, we did have that.

Commissioner Teas

Do you want us to approve this?

Mayor Donchess

There is the question which was raised before you arrived about the statement of individual salaries which we will provide but it's kept in a separate document from the budget. What you have are the consolidated salary and wage lines.

Mayor Donchess

I do have to propose the budget for the second Tuesday of March which means printing wise it has to go in early March. If you wanted to approve it subject to getting the information regarding the individual salaries that would be okay. We meet next Thursday, the 27th.

Commissioner Pappas

Yes because Kevin is not here.

Mayor Donchess

We will get you the individual salary stuff soon.

Commissioner Pappas

If it's not going to change the bottom line...

Director Fauteux

It's not, it's just a report to print out, that's easy. We will just include it in your packet when we send it out.

Commissioner Pappas

If you feel like we are going to have a long agenda next Thursday and if you'd rather do it today I guess that...if it makes a difference.

Mayor Donchess

We will get you that information and we can vote next Thursday.

Non-Public Session

MOTION: Commissioner Pappas moved by roll call that the Board go into a non-public session pursuant to RSA:91-A3 §2(b) the hiring of any person as a public employee.

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: Mayor Donchess, Commissioner Pappas, 4
Commissioner Teas, & Commissioner Schoneman

Nay: 0

MOTION CARRIED: 4 – 0

MOTION: Commissioner Pappas to seal the minutes of the Board of Public Works non-public session of February 20, 2020, until such time as the majority of the Board votes that the purpose of the confidentiality would no longer be served.

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: Mayor Donchess, Commissioner Pappas, 4
Commissioner Teas, & Commissioner Schoneman

Nay: 0

MOTION CARRIED: 4 – 0

MOTION: Commissioner Pappa to come out of non-public session.

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: Mayor Donchess, Commissioner Pappas, 4
Commissioner Teas, & Commissioner Schoneman

Nay: 0

MOTION CARRIED: 4 – 0

Adjournment

Commissioner Pappas made a motion to adjourn.

MOTION CARRIED: Unanimously

Meeting adjourned at 4:03 p.m.

DRAFT