

BUDGET REVIEW COMMITTEE

APRIL 4, 2019

A meeting of the Budget Review Committee was held Thursday, April 4, 2019, at 7:00 p.m. in the Aldermanic Chamber.

Alderman Richard A. Dowd, Chairman, presided.

Members of Committee present: Alderman-at-Large Ben Clemons
Alderman-at-Large Michael B. O'Brien
Alderwoman-at-Large Shoshanna Kelly
Alderman-at-Large David C. Tencza

Members not in Attendance: Alderman-at-Large Lori Wilshire, Vice Chair
Alderman Jan Schmidt

Also in Attendance: Alderman Patricia Klee

PUBLIC COMMENT - None

COMMUNICATIONS – None

UNFINISHED BUSINESS – None

NEW BUSINESS – None

TABLED IN COMMITTEE

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

- Tabled 1/17/2019

R-19-123

Endorser: Mayor Jim Donchess

RELATIVE TO THE ADOPTION OF THE FISCAL YEAR 2020 PROPOSED BUDGET FOR THE CITY OF NASHUA GENERAL, ENTERPRISE, AND SPECIAL REVENUE FUNDS

- Public hearing scheduled for 5/16/2019 at 7:00 p.m. at NHS-North Auditorium

**MOTION BY ALDERMAN O'BRIEN TO TAKE FROM THE TABLE R-19-123
MOTION CARRIED**

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Chairman Dowd

Tonight we are going to be talking about the other portion of General Government. The first Department is 131 Hunt Building, Appropriations are on Page 96. Is there anyone here to talk about this? Mr. Cummings?

Tim Cummings, Economic Development Director

Good evening, for the record Tim Cummings Director of Economic Development. I'm here this evening to discuss or present or ask for your consideration for a couple budgets this evening; Hunt Building, Parking Operations, Economic Development.

Chairman Dowd

Ok just one question I have off the top, I see there is revenue for parking but is there no revenue that comes in for the Hunt Building or is that a Special Revenue Fund?

Mr. Cummings

That's exactly right. So the revenue that does come in, comes in to a Special Revenue Fund.

Chairman Dowd

So the Special Revenue Fund is back in the pink pages. The Hunt Building is on Page 303 and it looks like the revenues are down.

Mr. Cummings

Yeah I mean that's my understanding, slightly down I believe.

Chairman Dowd

It was \$53,240.00 last year and it's \$50,600.00 this year. Page 303 – Pink and the actuals are \$26,840, I suppose that's about right. Are we fully occupied?

Mr. Cummings

Now we are. I would say for the better half of last year we were not but we are back, actually for the first time as I understand it, 100% occupied.

Chairman Dowd

It is because we were full that marketing has gone down?

Mr. Cummings

For the marketing the ...?

Chairman Dowd

It was \$5,000.00 last year, it's \$2,500.00 this year.

Mr. Cummings

I don't know why that particular line item may have dropped a little bit.

Chairman Dowd

It was probably the marketing to get somebody to go in there but they are all full. The one question I have here which I have in some of the other Departments is electricity, heating, water, all level from last year? I know they went up.

Mr. Cummings

So we defer to the Finance Team in terms of plugging in the utility figures. So that's probably a better question for them. But yes I agree with you they probably have gone up maybe we didn't know necessarily at the time.

Chairman Dowd

And there's \$204.00 for cellular telephone. We have a full-time person?

Mr. Cummings

Yes

Chairman Dowd

That's pretty low for a cell phone.

Mr. Cummings

I think that is what is contractually obligated for us. We only receive, City Hall Employees, I think a \$50.00 stipend or it really depends on the level. I think \$50.00 is the most that you get.

Chairman Dowd

I do know that it looks like Special Events like tripled.

Mr. Cummings

I do know that and so that's why I am not exactly sure about the marketing because some of what might be credited in the marketing is maybe now in the Special Events because a lot of the marketing is Special Events in nature. At the end of the day it is my understanding that the budget evened out and is under guideline.

Chairman Dowd

Any questions? Alderman Clemons then Alderman Kelly

Alderman Clemons

Just briefly so was this budget created before the building was fully occupied?

Mr. Cummings

Yeah I don't know specifically as to when this budget was created, being early Spring, late Winter, the building being fully occupied, probably was right around the same time, literally.

Alderman Clemons

Did we, in order to get it full, did we drop some of the rents because or anything like that?

Mr. Cummings

So the rents are articulated in the lease agreement that has been approved by the Board of Aldermen, I believe that the rents have been adjusted to be market rate based off of what we are seeing currently in the market and then understanding that the space that was left in the Hunt Building was actually not the most desirable of spaces. It was like basement space; so to answer your question – yes I believe some of the rental rate has dropped due to those reasons.

Alderman Clemons

Ok so that would probably reflect why the rental income is down then I would assume. Ok thank you.

Chairman Dowd

Maybe we can get some feedback, I know what you are saying. The rent last year was \$24,240 and you rented additional space and this year they got it down to \$21,600.00. Somehow that doesn't equate unless, can we get some kind of an explanation?

Mr. Cummings

Well the building was pretty empty.

Chairman Dowd

The rental that we took in last year – well I guess that's what was proposed. We had only taken in 10,500 in eight months, so yeah maybe. I don't know why we had the original \$24,240.00 projection if that was full occupancy.

Alright Hunt Building Appropriations are on Page 96. Alderwoman Kelly did you have a question?

Alderwoman Kelly

I had the same question; if it's possible for us to find out where the rental agreements are and just take a look at them, I would like to see that.

Chairman Dowd

Yeah that was the feedback we were supposed to get. Ok and I don't know who can get that for you Director Cummings but if you could filter that through Sue Lovering so she can get it out to the Board.

Alderman Clemons

What is this exactly?

Alderman Klee

Are you talking about the revenue?

Chairman Dowd

The revenues and why the revenues were anticipated last year at \$24,000.00 but fully occupied and the revenue this year is \$21,000.00. I'm curious.

Alderman Klee

And Amy should have those numbers, she hasn't had a meeting for a few months so I don't know. I'm on the Hunt Board. She hasn't had a meeting I think since December.

Mr. Cummings

So the revenue difference in the budget...

Chairman Dowd

Projected for last year.

Mr. Cummings

Yeah proposed in 19.

Chairman Dowd

Versus what is proposed for 20 even though we are fully occupied now.

Mr. Cummings

Yeah ok. Again I think it is because the rental rates have gone down.

Chairman Dowd

And if you look at the appropriations, the total Hunt Building appropriations are \$30,000.00 and we are getting \$21,000.00 in rent. So we have other ...

Mr. Cummings

Yes you do. Just walk me through what you are saying?

Chairman Dowd

I am almost answering my own question. Where is the total revenue? So the total appropriations for the Hunt Building are \$50,000.00. So you have facilities, event fees, and all that stuff, pretty much flushes out even. Ok. Any questions about the Hunt Building Appropriations? Nope, OK. Next is Parking Operations, Revenue is on Page 34 and Appropriations are on Page 97. So parking, you want any overview on this Director Cummings?

Mr. Cummings

Everything is pretty much the same as last year. Revenue, I don't believe they've changed or the projections on that. They should be comparably the same as last year's and similar with the Parking Operations services being delivered. They are all pretty comparable to last year's, level services and under guideline.

Chairman Dowd

So I thought we were going to new parking meters.

Mr. Cummings

No there has been a conversation about piloting some parking meters in certain lots in the City that would accept credit cards. But that conversation hasn't come to fruition yet because the proposed vendor that would like to do it, there would be a cost borne onto the City for that pilot and I don't think that that would be appropriate. It should be a cost on to the City so that really hasn't moved forward yet. There are pay stations proposed in different areas and we've talked about maybe adding some pay stations.

But you have to be careful to make sure that you have enough volume to warrant the pay stations, because there's an additional credit card service fee. So you don't want to necessarily put those pay stations where we would take a little bit of a loss if we weren't doing enough of the transactions.

And then it should be noted that the current meters that are out on the street, we are running out of actually. We don't have a lot of parking meter "heads" left. So a decision at some point is going to be necessary as to whether we want to invest more in meters or in pay stations or try to push people to use the app, the pay-by-phone app which is the best deal for the City but may not be the most you know consumer-friendly.

Because you are paying a convenience fee to use that so we haven't had that conversation in detail. It is probably one that we should have in the next year or two. But there is no plan imminently to roll out new parking meters.

Chairman Dowd

So hypothetically if you had a parking meter and you are staying there for an hour and you put \$.50 cents in for an hour, if you use that service, what would be the fee be?

Mr. Cummings

I would have to double check this but I'm pretty sure it's \$1.00.

Chairman Dowd

So you want a \$.50 cent parking meter and it costs you \$1.00 additional besides the \$.50 to park for an hour. No wonder nobody is using it.

Mr. Cummings

No people pay it happily.

Alderman Clemons

I use it.

Mr. Cummings

People pay it happily because I think it is a generational issue. I think the younger generation is much more wanting to see convenience and are willing to pay for convenience. I think the demographic and generation that tends to be a little bit older you know is willing to forego that convenience and pay just the straight meter. I think I put that pretty diplomatically.

Chairman Dowd

He's talking to you.

Alderman O'Brien

Very eloquent.

Alderman Klee

I actually think that the older generation is also, I've been to a number of meetings where people like the convenience of doing it and then it tells them when it's up and then they can add to it. So yeah I think it's being more popular.

Chairman Dowd

Yeah way more problematic if we had enough people around watching when it expires but anyway.

Alderman Clemons

Thank you. When I was last on the Board of Aldermen a few years ago I know that they, we had a conversation with Jill and they removed the parking meters from the Library Lot. Part of the reason for that was because we were running out meter heads, I think at that point there were only like 3 or 4 of them.

Mr. Cummings

40 but yes correct.

Alderman Clemons

Well I mean right, we recovered 40 from there. How much of that stock is gone.

Mr. Cummings

Great question we have just somewhere between 30 and 40 still remaining, we've only used 5 to 10. But that's the last available heads that we have for available replacement heads if you will.

Chairman Dowd

Correct me if I'm wrong but the Public Library has meters on it now because I had people come up to me and say that they feel that they shouldn't have to pay when they go visit the Library.

Alderman Clemons

It is the pay station though, they are not meters it is a pay station.

Chairman Dowd

Let me put it differently, you ticketed if you didn't pay.

Alderman Clemons

If you don't pay the pay station yes.

Chairman Dowd

So like I am saying there's a lot of people that are like I said they have to pay to go to the public library.

Mr. Cummings

So your point is well taken. The meters are not there anymore, we have a pay station there. I do know, we have heard a lot feedback that one pay station may not be enough and there is a lot of waiting that occurs especially at certain periods of the day. So we are trying to assess whether it would make sense to add an additional station to eliminate that. So that may be occurring but that's a \$10,000.00 cost that we will potentially be proposing to you when we look to do something maybe in the fall.

Chairman Dowd

So there are no free spaces at the Library?

Mr. Cummings

For patrons, no. I will say for the record it's not just the Library, if you come to City Hall, you are in a similar predicament.

Alderman Clemons

Thank you. So I know that there a number of lots still out there that have meters. And you mentioned that there was a potential of maybe switching some of those over to the pay stations. The lot that comes to my mind is Maple Street. But what specifically are they and what did you have in mind?

Mr. Cummings

So we haven't had much more of a conversation as to if we pick lots, Spring Street lot comes to mind, Maple Street lot comes to mind, but we'd want to do an evaluation to make sure that they actually have the volume. I think there could be some areas over by Water Street, particularly closer to the office building, it may make sense. So there are other areas in the City where you may not want to do in the downtown area, where you may not want to do a pay station. We currently don't charge directly for this but I will say for the record, we own a municipal parking lot in the mill yard that is currently under lease. And if that lease doesn't continue and it turns back to the City to be managed, that parking lot I would recommend having a pay station so you're not putting meters. There are 100+ plus parking spaces out there, fully occupied regularly during the day. It would probably be a good business decision to put a couple pay stations out there. So that's the kind of analysis we need to do and come back to you with some recommendations as to where you want to make that investment and where you will get a return.

Alderman Clemons

Thank you. I think that would be a good thing to do. I definitely agree with that. I think it would, again, extend the life cycle of the existing meters and give us some time to really pursue other vendors and kind of see which direction we want to go to. Is there anything in our clause with the pay stations that we have now that says we have to continue to go with that as we expand this?

Mr. Cummings

I don't believe so, no. But I think for a matter of just ease of doing business, that is how we've done it in terms of just keeping the same vendor and then adding on. I guess in theory we could have a different vendor who supported the pay stations but that would be administratively pretty complicated. I will say that we are under contract with that current vendor. That contract I know is coming up; it's a contract I would like to take a serious look at because I will submit to the group here and it's subject to negotiation. My understanding is that we entered into the contract and the city pays for the credit card transaction fee whereas most municipalities I've seen that have done it, it is actually pushed on to either the consumer or enough volume is done where it is waived by the company. So we need to kind of have that conversation because we could make a serious strategic mistake and put in a pay station and end up taking a loss if we don't do enough volume. And we obviously don't ever want to put ourselves in that position.

Alderwoman Kelly

That was actually my question, I was looking at the credit card service fees and I know we said that we do get assessed a fee, is that covering all of it, is that what is coming back to us?

Mr. Cummings

Correct, correct.

Alderman Kelly

So this line is new as of using the pay-by-phone app?

Mr. Cummings

So the pay-by-phone app actually is one where it completely borne on to the consumer and that's the difference. So if you use a pay station, we pay the transaction fee. If you use the app, the consumer pays it. From a municipality standpoint in terms of bringing in revenue, we would want to push people to use the app more because it is a better "deal" for the municipality. But you know that's all a conversation to be had. The big thing is the pay stations, if we want to continue using the pay stations, think about maybe looking at that contract a little bit differently and see if we can work with a vendor where the transaction is waived because we do so much volume.

Alderman O'Brien

Thank you, Mr. Cummings recently I think the Board eliminated the raise on fees on metered or leased parking spaces and that seems to be in limbo right now. But if that money was raised, would that probably help alleviate some of the purchasing of some of this equipment or is it a different fund? That's what I'm looking at.

Mr. Cummings

So it could but it's not as straight forward of a transaction like you are suggesting. Excess funds would in theory actually go to the Downtown Improvement Committee. And then if they had the desire, they could, in theory, appropriate that money but it wouldn't be just as cleanly or simply as new money being available so we can spend it on more parking equipment or we could put it towards Capital Budget to pay for Debt Service on a big purchase. That is not how our accounting is currently set up.

Alderman O'Brien

I don't want to rob Peter to pay Paul. I'm just wondering, it sounds like we need to improve our infrastructure as far as the collection data and whether we go with the apps or the machines or something like that. Just looking to see what would be the funding mechanism, but yet I don't want to take it away from the Downtown Improvement Committee, if that is their sole source of income.

Mr. Cummings

Which it is.

Alderman O'Brien

Because then we would have to replenish that in another venue as well too.

Mr. Cummings

It's a very sensitive conversation and that's why I don't ever want to draw the correlation as some people would like to do that you know we will raise the parking fees and those fees would go to paying to help improve the infrastructure of parking because you'd be robbing Paul to pay for Peter to use your analogy. Because then the Downtown Improvement Committee may not receive funds or the conversation just needs to occur so everyone is comfortable with understanding that maybe you are capping the Downtown Improvement Committee to only receive a certain amount.

And then this new revenue is going to such as what you suggest; paying for parking or another use in the downtown. Whatever it may be, I mean making Infrastructure improvements. Our Capital Improvements for the parking structures are a concern. The paving in the parking lots are a concern and unless the property tax payer here in Nashua is going to bear that cost, we may need to figure out some additional revenue.

Alderman Tencza

It is a good segway to additional revenue because we talk about what other cities and towns are doing and how we are in line with them. Here when someone gets a parking ticket, a \$10.00 parking ticket for a violation, increases to \$20.00 after 10 days or 20 days, maybe 30 days something like that. But a lot of other cities, Concord, Dover and Keene, they increase their rates up to \$60.00 if a parking ticket goes unpaid for more than 60 days. It that something that your office would support as far as parking enforcement, do you think that would generate a little bit more revenue and would that then go back to the parking funds and the Downtown Improvement Committee.

Mr. Cummings

That's a great question and if I may and if I could take a few minutes to actually talk about that. Yes, to answer your question I would support and I know my department would support very much increasing the parking enforcement fees. Not because we are looking to collect new revenue but for the sole reason that we are trying to change behavior. And it needs to be an incentive to actually have people pay the parking meter. I've had more people point out to me that it is cheaper for them to leave their car parked in an area in the City here in Nashua; not pay the meter, get the ticket then to constantly just pay the meter. Because that is just a cheaper proposition for them; so it's not an incentive to actually change behavior. So you really need to change behavior to receive the compliance. I think we have stepped up enforcement, which is good. But we are nowhere near where our peer group is in terms of charging fees or a penalty to get that type of behavior that we are looking for.

And so that is something I would be looking to submit as legislation at some point to propose to the group. Once we've done the analysis and we can show you what we think we should be making for a recommendation. I'll just take a quick second to further say that money though goes into another account. That is a whole separate account that was until recently under the Police purview and was used a lot for parking enforcement type of services. When the City of Nashua's General Government took it over and it came into Economic Development, that count was running at a deficit of about \$30,000.00 a year. To date we have a surplus or we are running at approximately \$140,000.00. So we have not only brought it into the black but we are also pay as you go type of fund. So we are paying our expenses as we go and we are seeing approximately a surplus of \$140,000.00. It will be a very strategic conversation that this body needs to have, along with the Mayor and the finance team as to how you want to use those funds. I would suggest one of the ways you'd want to use it is actually looking at making improvements to parking operations, parking enforcement, putting it back into parking. That would be a good way of potentially bringing in new revenue so long as we are constantly being diligent in how we are managing that account.

We are very actively managing that fund in terms of making sure we only have people on when you actually can write the tickets. Making sure we are being very conscious, one thing I am very proud of on the Parking Enforcement Fund, is when we first took it over we recalibrated, we heard from the public that maybe we were being a little too aggressive. So we implemented some strategies, for instance if you park overnight and maybe you shouldn't, you're not going to ticket right away, you will get a warning or two. Then you might get a ticket and so I think you know Nashua has quieted a little bit on that front. But on the flip side we are also paying for the services as we go and we are not running a deficit anymore. So that is to the credit of Jill Stansfield and her team and I think we are, I didn't want to have this conversation too early. But I think we are getting to the point, this summer, where we are going to need to decide as to how you want to use those excess funds going forward.

Chairman Dowd

Is that a Special Revenue Fund?

Mr. Cummings

So not technically because it was created prior to the Special Revenue Funds, it was done in the 70's I believe.

Chairman Dowd

So where is it accounted for in this budget.

Mr. Cummings

So it is I believe accounted for in the budget in the revenue section, or at least it should be. I was told it was being put in this year.

Chairman Dowd

Yeah it's in the revenue, where in the revenue?

Mr. Cummings

I don't know I would have to find it, I can get back to you on that.

Chairman Dowd

Is it still under the Police Department?

Mr. Cummings

No I believe it would be under, I don't know which account it would be. I don't want to hold this meeting up looking for it, I would want to get back to you.

Chairman Dowd

If you could just back to us and let us know where that is in the budget; you don't have to do that right now.

Mr. Cummings

Ok yeah.

Alderman Clemons

I know for a fact that the City of Cambridge Massachusetts is going through a similar thing right now because it is, I park in Kendall Square, well when I drive in I park in Kendall Square and it is \$35.00 a day to park there or it's \$25.00 to park on a street and get a ticket. And usually what I do is park on the street, get the ticket, and then pay it. So I understand that is an issue and it really, what we really should be looking at for that, for that we should be looking at what are the rates being charged in the private parking lots around downtown or even really around the City? And then we should raise our fees higher and you know it's not to penalize anybody or anything like that particularly if one a first offense you know we can give a warning or something like that. But I agree with Director Cummings that this is something that we should be adjusting to the market.

Alderman Klee

I want to talk to that also, I can tell you that Jill and I have become best friends because I make regular phone calls to her relative to this. In my Ward, we had a tractor trailer that was taking multiple parking on a regular basis, parking his vehicle there over by Mt. Pleasant School. And he would get a ticket and every day that ticket would get paid. Next day he'd a ticket and it would get paid. And as long as he didn't have 3 outstanding tickets we can't tow him, we can't do any of that. We have a very dusty car in the parking garage, very similar, they pay the ticket. And that's the problem, it doesn't matter how many tickets they get. I wouldn't want to us for a first offense do a massive thing, because sometimes people make a mistake. For instance the overnight parking, they may have parked there because a family member was too intoxicated or sick or something like that and they had to do that. Those things happen. So I would not want to see the first one but on multiple offenses, I would love to see something go up. I would love to see us have more teeth and more bite into that. But I know they are doing the very best that they possibly can. Jill hears from me constantly about this.

Alderman O'Brien

It seems, I'm just taking a guess, Mr. Cummings when it comes down to parking in the City, does the City a little bit of a break. People go out of town during the summer and such so you see a decline in the revenue as compared to the winter time? I imagine it would be up more because people would focus on the downtown experience. And that being said if what I say is true, then we are coming into the right season to tickle a couple committees such as Infrastructure or Economic Development to start to look at this, am I correct?

Mr. Cummings

You see the volume increase in the warmer months definitely, so summertime, springtime, you definitely see more people in the downtown. In the winter, the revenue drops a little bit and it should be noted that we strategically know that is coming because we typically waive parking for the better part of December, the parking fee.

Chairman Dowd

I have a question, the parking revenues are – projected – same as last year \$728420. But where is the cutoff that it goes to?

Mr. Cummings

That 728.

Chairman Dowd

The revenue is going to be higher presumably and the balance goes to the Downtown? Ok.

Mr. Cummings

So rough numbers, 728 to the Downtown Improvement Committee, then you see another \$300,000.00 to \$400,000.00 pays for Parking Operations, call it \$350,000.00 and then another somewhere between \$100,000.00 and \$150,000.00 depending on the year, goes to the Downtown Improvement Committee.

Chairman Dowd

Where does that difference show up in the budget, because first off the Downtown Improvement Committee, they have to come in here and ask for it and we have to transfer it from somewhere to them right?

Mr. Cummings

So I believe that occurs now in the Budget Process, in the pink, yeah it's in the budget.

Chairman Dowd

In finance?

Mr. Cummings

Yeah.

Chairman Dowd

But there were two pieces of that that you were talking about, this doesn't reflect the total revenue from the parking meters and leases? So you said for parking meters anything over this number right here goes to the Downtown Improvement Committee, which we don't know what that number will be, but it reflects somewhere else in the budget. And then you said there's another chunk of bucks that goes to maintenance?

Mr. Cummings

To cover the services. So your point is well-taken and it's a conversation or a question that would be better for the finance team to answer. They are very conservative when they project their revenues, as they should be. So I think what they try to do is just make sure that they cover the cost of the obligation and because it's – and I completely agree with this – because it is such a variable in terms of knowing what future revenue is going to be, you don't necessarily want to count on that when you are trying to put together a budget.

So maybe discounting that, a couple hundred thousand, knowing that it will – if it comes in – it will pay for the parking services of the City is how I believe strategically that they look it.

Chairman Dowd

I don't have a problem with that because it is a variable and you don't want to overestimate because then your revenues are shot.

Alderman Clemons

And that's also why the calculation for what goes to the Downtown Improvement Committee is based on a calendar year. And CFO Griffin was talking about that the other night because what that does is it allows you to calculate. You know what the number is in January, so you can insert that into the budget because we know how much we've collected.

Chairman Dowd

Yeah we've had the discussion because the budget year ends in the end of June and it takes them a few months to figure out exactly where we are at and then they can donate or give the money to the Downtown Improvements. And I assume also they will know how much they have for maintenance. Just want to know what the projections are.

Alderman Tencza

And maybe this clarifies things maybe not, Page 30 "Transfer to the Downtown Improvements Trust Fund".

Chairman Dowd

Page 30?

Alderman Tencza

Page 30 listed as \$115,863.00. And that money will become available to them in July which is what they will use to fund their priorities.

Alderman Clemons

Thank you. I just wanted to comment on the, it's going back a little bit earlier in our discussion here but it is always – being one of the founding members of the Downtown Improvement Committee and the author of the legislation, I can tell you that in my opinion it is a responsibility of that Committee to understand and to maintain their source of revenue. The source of revenue there is the parking meters and the pay stations. So I don't think that it is unreasonable to go to that Committee and say you know we want to – it's going to cost \$10,000.00 to put a new pay station in. And that is going to reserve 15 or 20 meter heads and that is going to make that cost go down for us because we are not going to have to go out and buy new meters for another year or two.

So you know, it is one of those things where you take responsibility for the way that you raise the revenue. And so my opinion on that, the first year that the Downtown Improvement Committee existed, that's what they did. They put \$40,000.00 towards the pay stations on Main Street and the City covered a portion of it too. So I think that's really not an unreasonable thing to go and ask them because that is their source of revenue and they should be helping to maintain that source of revenue. Just my opinion.

Chairman Dowd

Other questions for this area? Alright the next is Economic Development and the appropriations are on Page 99.

Mr. Cummings

So if I may Mr. Cummings, again you have a budget before you that is under guideline. Service delivery level is the exact same as the year before. I'll note that some of the accomplishments in FY19 and that we are proud of and continuing to work on. We are constantly trying to bring the Performing Arts Center to fruition. You know, we've reasonably well integrated both parking operations and parking enforcement. You know the long labored and loved renaissance project actually moved into the second phase. You've seen Phase I under construction now. And my office has been in a little bit of a transition with the departure of Mr. James Veyo and we have a new hire who actually just started on Monday replacing him. He's a Nashua resident, his name is Komba Lamina and I'll be bringing him by shortly to introduce him to the Board of Aldermen. He is a wonderful gentleman who has a background in non-profit work and working to help improve organizations and communities. I am pretty excited to have him on board.

I will note how I was able to successfully structure his salary and make it work and meet the guideline and this was how we actually handled James Veyo's salary as well for the record. Part of his salary, approximately 30% is being paid for out of the proceeds of the revolving loan fund that my office manages which is not funds off of the General Government Fund. 70% of his salary does come from that over the years I was trying to align more of the Downtown Coordinator's salary on to the General Fund, that would free up money to actually put back into the community and we would have more to loan out and put out onto the street. But to be able to obtain Mr. Lamina we had to fall back to the plan that we did a couple of years ago. We had gotten to a 90/10 split in FY19 that was from a 70/30 and now we are going back to more of a 70/30 split. So that's just a background for you, that's a trend that I see that I wanted to make sure you were aware of, that you could possibly see in a future year a bump in the salary in terms of the line item in the General Operations Government Budget and I wanted to kind of telegraph that for you in advance.

Relative to goals, sorry I can take a question. So relative to goals just quickly and I wanted to kind of have this conversation with the group make sure you are in line and all of the same thought processes as my office is relative to the goals. We are looking to continue working on bringing the Performing Arts Center to fruition, I would never say that's the number 1 priority but I think we all know that's the Number 1 Priority. But also, looking to really seriously start to engage on the School Street Parking Lot and getting some development on that downtown site. You know it's been hanging out there for a couple years and if the group wants to see it developed, I'm happy to continue to keep working on that project. It is not going to be easy but for the betterment of the downtown, if that's in line with your thinking, then that will need to continue to be a goal of mine.

Thirdly, implementation of the riverfront plant. Big priority and goal of my office is to make sure that we implement that new expanded TIF. I'd like to come before this body, not necessarily the Budget Review Committee, but the Board of Aldermen, the Infrastructure Committee or PEDC or the Full Body or whatever the purview or whatever is pleasurable by the group to have a discussion about the implementation of the TIF. We are just starting to get up and running; we will have our first meeting on April 9th with the newly appointed TIF Advisory Committee where we will be looking to implement the TIF plan that was approved by this board. And so that is going to take some work to be able to do that and so therefore it is a goal of mine and an objective that I've outlined in accomplishing this year.

Other goals that are noted in my budget are just pretty strategic standard type of goals that should be in my budget and they are long term prospects in terms of implementing. You know strategic plans for the Downtown Improvement Committee, the Rail Committee, BIDA and what not. So that's just a quick update and overview of my department's budget.

Chairman Dowd

Just quickly before I open up for questions, are the new apartment buildings Cotton Mills and the other ones, are they part of the TIF?

Mr. Cummings

Lots 34 and Cotton Mill are both part of the TIF.

Chairman Dowd

Ok so the revenue generated from taxing on those properties goes into the TIF?

Mr. Cummings

The increment does, yes.

Alderwoman Kelly

Thank you I have a couple of questions if that's ok. So when you were talking about your new employee and revolving loan fund, I know some other departments use grant money. Are there restrictions that come with using that for part of his salary?

Mr. Cummings

Yes so there are restrictions in that the sense that he has to work on the Revolving Loan Fund, which is part of his job and part of the job description that is part of it. That would be the biggest and only restriction and so we definitely comply.

Alderwoman Kelly

You were talking about the Riverfront Project and you said that's one of your big goals. I was just interested I know it has been awhile since we've talked about the TIF, are we hoping that that project as it is phased will be completely covered by the TIF.

Mr. Cummings

That is a really good question and really complex and detailed. So just to clarify, when you say the "Phase of the Project" which Phase?

Alderwoman Kelly

I guess I was assuming that we were going to phase it that we are not going to do it all at once. So I am just wondering from a budgetary standpoint, do we think that the TIF is going to cover it as we do these projects? Or are we going to have to start thinking of line items in your budget in the coming years?

Mr. Cummings

Oh to pay for? Oh good question, well no I don't think that that would be the intention or the plan but I can't answer for you today but hopefully in a couple of months I can come back to you and actually tell you what we actually see is in terms of feasible and in terms of cost and how we would recommend the financing plan to pay for the various projects.

If any of you have an interest in attending the TIF Committee, it is at noon on Tuesday, April 9th in Room 208. It is a public meeting, you are all welcome, we'd love to have participation and I say that because that is going to be one of the agenda items that we actually discuss at that meeting. It is setting goals and priorities to phase the implementation of the TIF plan and then we will see if we can align the resources and the funding mechanism necessary to be able to accomplish those goals.

Chairman Dowd

Where is that going to be again?

Mr. Cummings

Room 208.

Alderwoman Kelly

Sure you level funded your budget but I just had a question around consulting services. I saw that went up a bit and I was just wondering what you are anticipating for that, consulting is kind of a vague term.

Mr. Cummings

Sure, great question. So during the escrow process here in the City oftentimes you'll see an economic development that money is escrowed for "consulting services" and depending on what may be necessary that is used along and throughout the year. I depleted a lot of the escrowed money in consulting services paying for hotel market study, and paying for different type of engineering type studies for real estate consulting. Similarly, if I'm to follow the same path in terms of trying to achieve the goals as outlined, I suspect I will need to have access to some consulting money to be able to implement some of these goals. So for instance I would not be surprised if at some point a conversation starts to get serious with a developer and we are talking about developing the School Street Lot, maybe we will need to undertake a survey. That would be a \$5,000.00 to \$10,000.00 cost and so having that consulting fee money available could help with that.

A market analysis, engaging VHB to do a traffic study of Bowers Street to understand the traffic flow, to possibly make it one-way, would be where this would be the line item that would pay for those types of funds assuming that engineering didn't pay for it out of DPW. We haven't had that conversation yet but that's what this type of money is used for and I wanted to make sure I replenished some of the money that I had spent this year implementing some projects.

Alderman Tencza

So follow up on some of Alderwoman Kelly's questions about the Riverfront because I know we have, a lot of the work that's been started on the riverfront as far as the Master Plan is concerned is through the, is not necessarily through your office, it's through Director Marchant's office, correct? So those funds that have already been appropriated for the invasive species clean up and some lighting projects, those are not contingent on the TIF those are going forward. I think they have already started.

Mr. Cummings

Yes and no. They definitely have already started and I definitely know that some of those projects have their own funding sources. For instance I think money has been set aside for lighting. But the invasive species removal, I fully think that TIF funding is anticipated to pay for that. Unless there's money that was set aside somewhere else that I'm not aware of, which I would have to talk to Director Marchant about. I know we are in constant communication over this specific issue to make sure we both know; we are working in tandem to understand what projects are happening out of her office and what projects are happening out of my office and which source of funds will be paying for what. She is on the TIF Committee that meets regularly and will be involved in the implementation of that Master Plan that came out of her office, which is the plan we are using to implement the TIF.

Chairman Dowd

I was going to ask you about whether one of your duties as assigned included working on the Master Plan that we are now funding.

Alderman Tencza

If I could just follow up, this is probably more of a comment than a question really, but so you know I still think and I have said it before that the riverfront here in Nashua is an untapped resource for us. I think as much as the Performing Arts Center is going to bring people into the City, into the downtown, you know more in the evenings, I think the riverfront could be developed a little bit more. It would be a huge asset to bring people and families to the downtown during the day and on weekends and every other time. So not that you can prioritize things one over the other, but to the extent that any progress can be made quickly on that plan, you know, I would be all for doing whatever we need to do to make that come together a little bit more. Clean it up and make it a place where people want to go and walk around and enjoy the river.

Mr. Cummings

Definitely.

Chairman Dowd

Real quickly a couple of updates on where we stand with the rotary in front of the bridge going to Hudson and where are we on the redirection of the downtown streets?

Mr. Cummings

So the rotary and I just want to be clear, it's not a rotary that is being proposed. But the traffic improvement project that we proposed to this body for the local managed project, the LPA project for the City of Nashua

has gotten to the point now where it is at the State and the State is vetting it and looking to make comments and recommendations on it. Once they approve the engineering study that we did this summer, they will then allow us to move on to the next phase. So we are in a holding pattern right now waiting for the State to provide us feedback and make sure that we are in alignment with their feedback. They have provided us some initial feedback and we want to address their concerns and make sure we are both on the same page. Once we've worked out all those comments, we would be proceeding on to the design phase, which would take most of 19. We were originally thinking we would start construction in the fall of 19 and the feedback that we got from the State that they believe and I agree with this, we are probably now looking at a spring construction start of 2020.

So that's we are with that project and we continuously are working to try to move that forward. I got a phone call today with folks telling me how bad the traffic was trying to go from Nashua into Hudson. It was pretty bad; so we hear you and we are trying to work as fast and quickly as possible. Relative to the reversal of the one-way streets, you know that project has moved as far along as possible in terms of public outreach, receiving feedback, talking to folks. We put out a concept plan; we have not advanced it any further than a concept plan and having conversations with various stakeholders. We have gotten feedback from stakeholders that they didn't want to see the one-way plan implemented. We have received other feedback from others who are very passionate about this project who think it definitely needs to occur. So there really hasn't been enough consensus yet where I felt it was appropriate for me to take any leadership to try to advance the project but I do know that it is a project that a lot of folks around this horseshoe do want to see happen. So it is a conversation that we are going to need to have at some point as to what direction we want to go.

Chairman Dowd

I noticed that at the end of Pearl Street and then I think that's Central Street, that we finally changed the direction of the yield sign. The problem is that we have a fair amount of people in this City that don't know what the word yield means. I notice that we've had a Police Officer in his car sitting there making sure that people understand what yield means and I am assuming they are either stopping or ticketing people that are now allowing the yield. But if I had a bulldozer I'd change that intersection in about 3 days.

Mr. Cummings

You and me both.

Chairman Dowd

If we are not going to change the direction of streets anytime soon, we need to change that particular intersection because there have been cars almost, I'm down there quite a bit, almost everyday somebody that's going to get creamed.

Mr. Cummings

So to that point, that's a point well taken, not necessarily with the reversal of the one-way, that's a whole separate project, but and what I am about to say could be incorporated into that project but also can be a stand-alone project which we are actively working on which is squaring off the oval. That, I mean, what has risen to the top and everyone seems to agree with is that area needs to be squared off. It appears as though the traffic can be calm successfully and safely in that area by squaring off the oval, as you know, we've squared off one end of it. And we are hopeful that we can square off the other end which will you know mitigate the issues that you just spoke about.

That project cost is going to be expensive, a couple hundred thousand dollars, maybe a little more. We are going to need to find the money to do that, so I flagged that for you because you have a lot of priorities and you are going to need to decide whether that is a high enough priority where you want to take that cost on.

I don't know if we will be able to achieve much in terms of other State grants or Federal grants for that small project.

Chairman Dowd

In the grand scheme of bonding, that's not a big deal.

Mr. Cummings

Duly noted.

Alderman O'Brien

Mr. Cummings I'm so glad you mentioned that, if you saw the minutes of the last Infrastructure, it was brought up by one particular Alderman to be discussed at length and extremely concerned about it. So we may actually on that endeavor probably ask you, while we have you here before us now, to come to the next Infrastructure probably with just a brief overview or send documentation to the Committee on what the initial plans, what level we are at right now.

Mr. Cummings

I'd be happy to do that, when is the next Infrastructure Committee meeting?

Alderman O'Brien

Usually the week of the 20th, the 3rd week.

Mr. Cummings

So we'd be looking at April 24th?

Alderman O'Brien

Around that week yeah. I will get back to you specifically, I will talk to you offline from tonight's meeting to set up that next meeting. Very good, thank you.

Alderman Clemons

Please correct me if I'm wrong but was part of that plan to square off that area to sell some city property?

Mr. Cummings

So yes and no. There was as I understand it a plan if I am understanding your question appropriately and I'm following the logic. Quite a few years ago, prior to my arrival, there was a thought or concept plan where maybe you could take the oval, maybe look at a parking lot that was in-between the School Street Lot and the oval and assemble that all and try to create a bigger package. Which if that is the case, that was a thought at one time to kind of do a one big squared off development. The private owner has not expressed an interest in wanting to move in that direction and so that's why while I've been here particularly we have been focusing on the more smaller, just School Street Lot development.

Alderman Clemons

So maybe I have the plans wrong in my head but where you used to be able to go what street is that, High Street, you used to be able to go straight across and that is now blocked off and it is sort of a park. That's where you are talking about squaring off correct?

Mr. Cummings

Correct.

Alderman Clemons

So is it the intention of the City to sell that parcel that is now I don't know picnic tables I guess?

Mr. Cummings

Thank you, we haven't gotten that far in the conversation. I don't know if it would be actually a lot that is developable but it may be something to look at. The goal would be is to square off the lot. So maybe the current owner who owns the middle would be interested in doing a bigger development, but that assumes that that owner would be willing to take that on. And I can't represent that this is what their intention would be.

Alderman Clemons

The reason I bring it up is because if the intention or if there is a will or an intention there to sort of have two parcels on either side of that courthouse, the old courthouse, what I am thinking is is that if that could go through before you do the project, that could finance the project, right? So what I am thinking is that if that's, maybe that's a discussion that should be had prior to going forward and doing a bond let's say to get that project done. Maybe that might be a better idea simply because we could take the proceeds from that and then go ahead and do the project and you'd have those pieces of property and the value would go up and whoever bought them would have the benefit of having a brand new street. It would be a win/win.

Mr. Cummings

I couldn't agree more and that is the thought process I had as well and we've had some of those conversations very preliminary. But the response and the feedback we've gotten is that there really isn't an appetite to go in that direction. So maybe it is a conversation to have on another night, another day in more detail because I think it's worthwhile conversation to have. But I just at this point can't represent to you that that ambition is there. So the overall goal of trying to square off the lot, try to reintroduce that traditional street grid, calm the traffic, create a more pedestrian environment, those are all good wins. But ideally to get that additional in-fill development with tax dollars would be the home run and I just don't know if we are there yet.

Alderman Clemons

I personally think that and I don't mean to be critical but I personally think that we sort of put the cart before the horse with that one. But you know it is what it is and I think we should really look at that because what are we going to do if we square that off, right then you are going to have two pieces of property on either side of that courthouse that – what are we going to do with it? Do you know what I mean?

Mr. Cummings

I do.

Alderman Clemons

And if we just survey that out and wait until there is a buyer then we can do that entire project and it won't cost the taxpayers a dime.

Chairman Dowd

Any additional questions in these areas? Nope, thank you very much for coming in.

Mr. Cummings

Thank you.

**MOTION TO PLACE BACK ON THE TABLE R-19-123 RELATIVE TO THE ADOPTION OF THE FISCAL YEAR 2020 PROPOSED BUDGET FOR THE CITY OF NASHUA GENERAL ENTERPRISE SPECIAL REVENUE FUNDS
MOTION CARRIED**

R-19-127

Endorsers: Mayor Jim Donchess
Alderman-at-Large Lori Wilshire
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Linda Harriott-Gathright
Alderman Richard A. Dowd
Alderman-at-Large Brandon Michael Laws
Alderman Tom Lopez
Aldermwoman-at-Large Shoshanna Kelly
Aldermwoman Mary Ann Melizzi-Golja
Alderman-at-Large David C. Tencza
Alderman Jan Schmidt
Alderman-at-Large Ben Clemons

AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS NOT TO EXCEED THE AMOUNT OF TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$2,800,000) FOR POLICE DEPARTMENT HEATING, VENTILATION, AND AIR CONDITIONING SYSTEM (HVAC), AND WINDOW IMPROVEMENTS

- Tabled pending public hearing – 4/2/2019

GENERAL DISCUSSION

Alderman Clemons

I just want to say to Director Cummings while you are still here, I know I was a little critical of you the other day, it might have gotten in to the media. But I do want to say that you do an outstanding job and I have all the confidence in the world in you. We may disagree from time to time, but in general this City is in better hands with you here. So I just wanted to say that publicly.

Mr. Cummings

Thank you.

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN - None

POSSIBLE NON-PUBLIC SESSION – None

ADJOURNMENT

**MOTION BY ALDERMAN O'BRIEN TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 8:11 p.m.

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