

BUDGET REVIEW COMMITTEE

JULY 24, 2023

A meeting of the Budget Review Committee was held Monday, July 24, 2023, at 7:14 p.m. in the Aldermanic Chamber.

Alderman Michael B. O'Brien, Sr., Vice-Chairman, presided.

Let's start the meeting by taking a roll call attendance.

Members of Committee present: Alderman-at-Large Michael B. O'Brien, Sr., Clerk
Alderman-at-Large Lori Wilshire
Alderman Ernest Jette
Alderman-at-Large Shoshanna Kelly (via Zoom)
Alderman John Sullivan

Members not in Attendance: Alderman Richard A. Dowd
Alderman June M. Caron

Also in Attendance: Alderman-at-Large Ben Clemons
Alderman-at-Large Gloria Timmons
Alderman Derek Thibeault
Carolyn O'Connor, Senior Manager DPW Finance & Admin.
Dan Hudson, City Engineer
John Griffin, CFO/Treasurer/Tax Collector

ROLL CALL

PUBLIC COMMENT - None

COMMUNICATIONS - None

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS

R-23-133

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

RELATIVE TO THE TRANSFER OF \$110,000 FROM DEPARTMENT 162 "STREET LIGHTING", ACCOUNT 54100 "ELECTRICITY" TO DEPARTMENT 159 "HYDRANTS - FIRE PROTECTION", ACCOUNT 54835 "HYDRANT FEES"

MOTION BY ALDERMAN WILSHIRE TO RECOMMEND FINAL PASSAGE BY ROLL CALL ON THE QUESTION

John Griffin, CFO/Treasurer/Tax Collector

This is what I would call our traditional housekeeping of being a little bit short in the hydrants. This is bills that we pay monthly to Pennichuck Corp. and Pennichuck does have the ability through the regulatory process of making investments and getting some of those dollars back that they get charged to their customers like the City of Nashua. Fortunately very

quick transfer would be \$110,000 from Street Lighting which we have very good news. We have about \$175,000 of unspent appropriations there. That transfer should you wish would eliminate the \$109,000 shortfall in the appropriation for hydrants for Fiscal 2023.

Chairman O'Brien

Additional questions by members of the Board.

Alderman Sullivan

Thank you, Mr. Chairman. I was looking through the fiscal statements and they only go through May. You alluded a little bit to. In Department 54835 through May, there was \$198,000 left there. Then also through May there was in Department 5400 which is Street Lighting, there was \$215,000 left. So I know we're going to take \$110,000 from - so Mike I have a few questions. What are the current balances in both of those departments please?

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman, if I may?

Chairman O'Brien

Yes you may.

John Griffin, CFO/Treasurer/Tax Collector

In June we received invoices totaling \$307,479.87 which created a year to date expenditure of \$3,609,472.84. That shortfall is \$109,472.84. So with this \$110,000 transfer, that negative number will be positive.

Second question was the street lighting. We received a bill for \$30,118.22 for June which provides a year to date expense of \$334,493 leaving about \$175,000 of surplus; \$110,000 of which we'd like to use here.

Chairman O'Brien

Follow up?

Alderman Sullivan

Thank you. Where can we find a detailing of what needed to be done to these hydrants to get an idea of why there was a shortfall on here?

John Griffin, CFO/Treasurer/Tax Collector

So maybe if I may Mr. Chairman, hydrants get billed to the city based on a formula. We work with Pennichuck. They provide us estimates at the beginning of the year. As I mentioned during the year depending upon some of their activity of either recognizing some capital needs, they do get regulatory recovery. So they don't run short of funds on their own but the detail, we just have to produce the bills for you and the Committee if you would.

Alderman Sullivan

Would that come through Finance?

John Griffin, CFO/Treasurer/Tax Collector

Well my financial group would package all of the invoice and we can send it to you.

Alderman Sullivan

Okay, thanks.

John Griffin, CFO/Treasurer/Tax Collector

Which I think would be important because it's a big number but its utility based. It's the PUC basically creates the rate that they charge us so it's not - we own Pennichuck but we can't say, you know, don't bill us for the services because the PUC requires it but certainly we can get you the detail of the bills.

Alderman Sullivan

I appreciate it. Thank you.

Chairman O'Brien

Additional follow up?

Alderman Sullivan

Since we just approved the Fiscal Year 2024 for all of these line items, how do you feel we are positioned financially? I mean I understand we don't have a crystal ball when it comes to fire hydrants but just looking at the trends and whatnot how do you feel that we've appropriated money for Fiscal Year 2024? Will we be here a year from now moving monies?

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman, if I may. We could be back but I'm very comfortable with the street lighting. I think that's in good shape but, you know, it provides a little bit of a cushion for us. We work with Pennichuck pretty extensively on the rate side so once we see things, we'll be able to duly note it and figure out a way of paying that bill that needs to be paid.

Alderman Sullivan

Okay.

John Griffin, CFO/Treasurer/Tax Collector

Thank you.

Chairman O'Brien

And if I may Mr. Griffin, correct me if I'm wrong, yes the city does pay for the hydrants but whenever there was a fire - and you've got to understand some of the behemoths that the Fire Department has the capability of 1,200 to 2,000 gallons a minute that is free - it's just the one cost that we pay annually for those particular hydrants.

Alderman Thibeault

Thank you, Mr. Chair. I'm obviously not on the Committee but I do have a question. I think it's great that, you know, we have the ability to move this money because if you didn't, then obviously we'd have a shortfall and we'd have to figure out a way to do that, right. My question is why have we come up so short on the street lighting? Why was that less than we anticipate because our rates have been pretty much the same, right? I think we're running five cents. So is it – maybe it's a question for Mr. Hudson. Are we not replacing street lights out there? Why is that coming in shorter than anticipated? I mean you figure you probably have a rate of how many street lights we have to replace every year, and what the cost of electricity to run those lights, so why don't we have extra money I guess in that?

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman if I may. We conservatively budget that number. When the current administration transferred the lights to LED, the bill several years ago was about \$800,000. Now it's down to \$500,000 less so it's almost cut in half. I believe we replace very few lights but we do have a team that basically, I think, we have the light. We provide it to their line people. They want to make sure that they're replacing the light. We've done very well with the cost, the tariff cost of street lighting. So that's really - its conservative budgeting. I kind of look at the two together believe it or not - utilities, street lighting, and hydrants. We did the same transaction last year. I know you were a big supporter of it last year as well so thank you.

Chairman O'Brien

Follow up?

Alderman Thibeault

Oh, I can't remember. Thank you, Mr. Chairman. I can't remember on this year's budget did we keep the budget the same for street lighting or did we bring it down a little bit notice that we had to do this last years?

John Griffin, CFO/Treasurer/Tax Collector

I believe we added Mr. Chairman and others a slight increase for the cost of replacing lights. We have to kind of buy the lights and then so as we go forward in time, we have to make sure we have enough money not only to pay the utility bill but to pay the cost of the product to create the light.

Alderman Thibeault

Great, thank you.

John Griffin, CFO/Treasurer/Tax Collector

You're welcome.

Chairman O'Brien

Additional questions? See none.

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Sullivan, Alderwoman Kelly, Alderman Jette, Alderman Wilshire,
Alderman O'Brien 5

Nay: 0

MOTION CARRIED

R-23-134

- Endorsers: Mayor Jim Donchess
- Alderman-at-Large Michael B. O'Brien, Sr.
- Alderman Patricia Klee
- Alderman-at-Large Melbourne Moran, Jr.
- Alderman Thomas Lopez
- Alderman-at-Large Ben Clemons
- Alderwoman-at-Large Shoshanna Kelly
- Alderman Alex Comeau
- Alderman Richard A. Dowd
- Alderman Tyler Gouveia
- Alderman June M. Caron
- Alderman Derek Thibeault
- Alderman-at-Large Lori Wilshire

AUTHORIZING THE MAYOR TO ENTER INTO A FEDERAL AID PROGRAM PROJECT AGREEMENT WITH THE STATE OF NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION FOR THE PURPOSE OF IMPROVEMENTS TO THE WALNUT STREET OVAL INTERSECTION AND TO ACCEPT AND APPROPRIATE \$2,061,847.26 FOR THE PROJECT

MOTION BY ALDERMAN WILSHIRE TO RECOMMEND FINAL PASSAGE BY ROLL CALL

ON THE QUESTION

Chairman O'Brien

Mr. Hudson can you give us - again I know you did it at the early hearing but for people that may have turned in late can you give an overview of what this particular project is please?

Dan Hudson, City Engineer

Sure. Thank you Mr. Chair. For the record, Dan Hudson, City engineer. So this resolution seeks to approve the city entering into agreement with DOT for this project. The project is to make changes at the Walnut Street Oval to improve traffic flow, pedestrian safety, better accommodate bicycles, and make a more direct connection to downtown from the Veterans Memorial Parkway. Project funding is 80/20 split with DOT. 80% being more by the federal government, 20% city funds, and the funding for the city share was previously authorized under R-22-038. I'd be happy to answer any questions.

Chairman O'Brien

Thank you Mr. Hudson. Any questions members of the Board?

Alderman Sullivan

Thank you, Mr. Chairman. I was looking into this and if anybody wanted to know, I found it under the Downtown Circulation Improvement Study page 28. It goes directly to the Walnut Street Oval and then there's some open questions but you answered them now and then earlier about, you know, we don't have details about the project which brings me up to my question which is there seems to be a lot of options on this signalized versus roundabout and then there seem to be sub-options inside those two options. The number that we're voting on tonight \$2,061,847.26 is a very specific amount even though we don't have a detailed project outline of building materials, hours, what the end project is going to look like. In your opinion does this cover all of it, half of it, a quarter of it?

Dan Hudson, City Engineer

So it's an excellent point. The project budget will definitely vary as we go through the process. The project request was submitted a while ago and then it goes in a 10 year plan. Then they index in for inflation so we ended up with this kind of odd number with some very specific dollars and cents. I didn't want to complicate matters too much but we did get another million dollars in congressionally directed funding added to this project. So at some point, we'll be back and we'll probably amending this agreement to incorporate that additional money. So the project budget in the ambulance being about \$3.5 million or so.

To the budget, I'd say we'll look at a bunch of alternatives what the budget will be in our minds so I think we'll kind of work towards that budget and not elect the options that may be well outside the scope of that budget. The 2015 study referenced a bunch of options and those will be looked at again so we'll hopefully come up with some additional ones. Some of those were pre Pennichuck having headquarters there so some of those are kind of out the window now. There's that facility there but we'll go through this project. Again, the intent will be to kind of work toward to the budget so to speak so that we end up for the best project that we can for the funding that we have.

Alderman Sullivan

One follow up please?

Chairman O'Brien

Follow up, please.

Alderman Sullivan

Thank you for that. You mentioned a 10 year plan and then you also mentioned 2015, 2023, Fiscal Year '24. I did notice in the outline for accepting this money didn't we have to do something by 2025?

Dan Hudson, City Engineer

Yeah you're absolutely correct. So the funding for construction given that additional funding that we'll be receiving an additional million dollars, that comes with a hard deadline of obligating that funding by September 30 of 2025. So we essentially have two years to get through this process which is typical for DOT projects. It's usually about a two year timeframe. I mean this is certainly could be a complicated project depending on what we ran into. We're gonna get this project underway and we're going to want to progress in an orderly fashion so we can meet that deadline.

Alderman Sullivan

So just to define it, obligated means here's the project that we have and we've signed off on it. We've gone through all the approvals by September 30, 2025. We don't need shovels in the ground, we don't need to complete it, we just need it here's what it is.

Dan Hudson, City Engineer

That is correct. It means that we've gone through an environmental process, project design, we have bid package, and we're ready to advertise it for construction. When the bid package is ready to bid, DOT and Federal Highway approves that and obligates those funds and then those funds are locked in. We have to spend the money by I think it was 2030. So we have five years to actually complete this construction whatever it is but there is that hard deadline on the initial thing. We just went through a much smaller process project where we basically accelerated the timelines so we could hit a deadline which had a similar hard deadline. It's not fun to be under a hard deadline like that but it's certainly motivating to get it done. So that's the situation.

Alderman Sullivan

Great. Thank you Mr. Hudson.

Chairman O'Brien

Further questions by members of the Committee? Seeing none.

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Sullivan, Alderwoman Kelly, Alderman Jette, Alderman Wilshire, Alderman O'Brien	5
Nay:	0

MOTION CARRIED

NEW BUSINESS – ORDINANCES

O-23-056

Endorsers: Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.

PERMITTING CERTAIN FUNDING TRANSFERS WITHIN THE PUBLIC WORKS DIVISION

MOTION BY ALDERMAN WILSHIRE TO RECOMMEND FINAL PASSAGE BY ROLL CALL

ON THE QUESTION

Chairman O'Brien

I'll turn to Mr. Griffin. Can you brief us on this please?

John Griffin, CFO/Treasurer/Tax Collector

Certainly, Mr. Chairman. To my left is Carolyn O'Connor who you met during the budget process. She is the Senior Manager of DPW Finance and Administration. I'm going to give an overall explanation and thought behind this and she could be the color person tonight for some real life issues.

So just to go back, the way our ordinance is set up is when you have a department, let's say its street lighting, hydrants, one short, one has some surplus. It would be great if I could have transfer that and not come before you with the trust that you put in the CFO's office but the reality is you can't do that. You can't transfer money between departments. For many years, I've worked with the Mayor, Director Fauteux, Miss O'Connor, Legal, and we thought that this might be the time with the new building that houses virtually all of the management of the DPW Division and the recognition that budgets are tight as you've gone through several budget iterations that we might want to put a change to the ordinance that's very specific to

DPW that would allow them to take their Admin and Engineering Department, their Street Department, and their Park and Rec Department treat it as one, learn about the costs related to the new building, learn about how we can be more effective, and efficient, and so forth, and most importantly to the extent some issues crop up during the year.

One budget that might have a surplus, specifically like Street Department in the spring time might be able to transfer money for items that are needed. Well the thought is that with the Mayor being the Chairman of the Board of Public Works and my working closely with Miss O'Connor to give you some comfort, I would recommend a transfer to the Mayor and he and I would have to approve such a transfer. We do that now just you may or may not know but we're the only ones that can move monies from payroll to non-payroll in each budget. Then for obvious reasons, we cannot – we're prohibited from moving money from non-payroll to payroll. That's been in existence for several decades. Good reasons but the thought here is that if we could treat the DPW operating divisions, not Wastewater or Solid Waste, but if we could hone in on this one, they might have flexibility throughout the year and especially at the end of the year. We have some experience with this with our School District. As you folks know, you transferred \$130 million to the School District under the Board of Education control but Mr. Donovan uses this technique quite frequently as he tries to manage things like paper, paperclips, pens to make sure that each building - and they have 18 of them - have the right funding at the right time. So if you want to kind of see a bird's eye view if you look at the financial statements online, the very last PDF is the transfers. You'll see that there's a significant amount of school transfers but they're all appropriate and they're all reviewed by Chief Operating Officer Dan Donovan under the leadership of the plant ops, Finance Committee at the School District.

So that's a little bit of background as to why we're here today and wanted to present to you may be a better way of gathering some efficiencies and some effectiveness. But I would if I may Mr. Chairman have Miss O'Connor explain some of the day-to-day activities and things that would help.

Chairman O'Brien

Absolutely. Welcome Miss O'Connor.

Carolyn O'Connor, Senior Manager DPW Finance & Admin.

Thank you. Just to give you an understanding, DPW really operates as one Division. Our departments don't operate independently. They overlap a lot as they're preparing and they're doing projects. So there's a lot of interaction and work together on projects. So this would allow us to properly fund where things are needed. Parks and Rec and Admin. /Engineering have smaller budgets so most of the transfers if they were done would probably come from the Street Department where there might be a surplus at the end of the year.

Being in the new facility together, it's made a lot of shared expenses where we're trying to save and get better pricing on such things as PPE, office supplies, cleaning supplies. So allowing us to process these transfers would make it easier to operate. To give you some examples that's happened in the past, like last year, pool chemicals increased substantially and that impacted Park's operating budget. If we had been able to possibly transfer some things out of Streets when it was easier winter, you know, we would have had some more funding to go into Parks to allow them to do others repairs that they may have needed to do.

Another example is though Parks does budget for playground equipment, we could have something happen like we did a few years ago where a slide needed to be replaced. Just normal wear and tear. You don't realize like just replacing a slide is upwards of \$10,000. So \$14,000 in the normal playground equipment repairs maintenance so that had a negative impact on their operating budget. So I think the beneficial thing that should make you feel a little bit more comfortable is that we are going to put into controls that the CFO and Mayor approved. It's not like the Division is just going to be transferring around and hopefully be able to make (inaudible) operate more smoothly because DPW unlike other divisions really is just one division where everyone works intertwined.

Chairman O'Brien

Okay. Just for clarity, I'll recognize you next Alderman Clemons.

In looking at the ordinance is exactly what Mr. Griffin said. Skip down a department. The whole gist of the ordinance is the Mayor and Chief Financial Officer to jointly authorized transfers within the Public Works. So it is saying exactly the way it was explained.

Alderman Clemons

Yeah my question through you to whoever can answer it. In the two examples - I'm sorry is it Ms. O'Brien?

Carolyn O'Connor, Senior Manager DPW Finance & Admin.

O'Connor.

Alderman Clemons

O'Connor. Okay.

Chairman O'Brien

Close enough. She's Irish.

Alderman Clemons

I'm Irish. We're all Irish. So my question is in those two examples that you gave did those requests eventually come to the Board of Aldermen for transfers, or how were they resolved, or were they not resolved, or what ended up happening?

Carolyn O'Connor, Senior Manager DPW Finance & Admin.

Really they were absorbed into the operating budget so other lines. We were lucky we made it through the year.

Alderman Clemons

Okay.

John Griffin, CFO/Treasurer/Tax Collector

Well thank you but Mr. Chairman if I may. Alderman Clemons has been with me for several years. Very, very rarely do you get a resolution like what was described by Miss O'Connor people. The team just does what they need to do but sometimes it's tough on the operating budgets because you didn't plan for it. So it's kind of a situation where it's a good safety net. To actually you folks know how long it takes to have a resolution so if there's a resolution, first reading, committee, second reading. It's a month or so and then the water was probably already over the dam at that point. So it's looking at it, it's kind of an efficiency. It won't be abused in the sense that I don't see as transferring millions of dollars from savings from snow and ice to pay for a new park or something like that. It's going to be these type of events that would be very beneficial to be able to solve things quickly.

Alderman Clemons

Okay. Thank you very much.

Alderman Thibeault

Thank you, Mr. Chairman. Just out of curiosity, and I don't know if either one of you know the answer to this question, a question through the Chair. Other cities of our size do you know what they do in the cases like this? It may be something you guys just haven't looked at but if you do know I just be curious.

John Griffin, CFO/Treasurer/Tax Collector

I would say that - well I know I haven't looked at it but I don't hear complaints from my colleagues that boy I wish I could transfer that money. We have a rigid structure. I think working with Miss O'Connor, Director Fauteux, and the Mayor, this was kind of the perfect - and the combining of most of the management under one building and it was kind of time for us to suggest that you take a look at this and then we can see how it works.

Alderman Thibeault

Thanks.

Alderman Sullivan

Thank you, Mr. Chairman. My question I have concern about this. My concern is and maybe you can allay it by where the oversight is because essentially what we did earlier tonight, I think, it was a great example. You're here tonight talking about this because just a few minutes ago, we approved a transfer of monies from one department to another department. Essentially what I think I'm hearing in this ordinance, and please correct me if I'm wrong, but we're kind of removing the oversight from the Board of Aldermen to move monies. If it's \$1 or if it's \$100,000, it doesn't matter. It just knocks that down and allows the department to say I need to take this money from here to move it here. It's just one big department so now we don't have to vote on it.

Where is the accountability? I can understand and appreciate that you want to look at that but then I look at decades from now and whatnot as far as when different people are in the seats, we want to make sure that there's oversight of this money and where it goes. That's kind of where my concern sits with this ordinance. I understand we have the Board of Public Works as well. Are they involved in this? Do they have to vote in order to transfer dollars or is it only to yourself and the administration of DPW?

John Griffin, CFO/Treasurer/Tax Collector

So Mr. Chairman if I may. With any kind of seeking of efficiencies, you have to kind of I agree with you. Your oversight is less. But as I indicated in the previous answer, it just doesn't get done. You're gonna see the one tonight that you recommend for final passage. You'll probably have two more for your first meeting in August to what I call "shore things up". What's been lost here is the inability for the Division to basically recognize boy it would be great if I had money to do that. I need to do it soon. Do I really want to go a month and a half to figure out what, you know what I mean, might be done. Since I've been here, there was an Alderman that was very keen on transfers. He would communicate directly with me on the transfers. Furthermore, he communicated directly with the Chief Operating Officer of transfers in the School Department. If you so choose, you can get answers as to why.

But the other thing that's going to happen is when you go through your budget process and you look back at what's been spent, you're gonna see movement of the budget dollars from a Streets, to a Park Rec, and you can ask questions at that time. So there should be a lot of oversight and that's why the Mayor and I feel very strongly that he and I are the only ones that can approve. The answer to the BPW question is they don't - you folks are the ones that control how the monies are transferred and so forth.

Alderman Sullivan

Okay. Thank you.

John Griffin, CFO/Treasurer/Tax Collector

You're welcome.

Alderman Jette

Thank you. So I have similar concerns and this is not a reflection on the people who are currently in these positions. This is not a reflection on you, the Mayor, or the Public Works Director but you may not be CFO forever. The Mayor may not be Mayor forever. Similarly with the Director of Public Works. What concerns me, and tell me if I'm wrong about this, but I think about for example this is a hypothetical. I'm just making this up but let's say that some of the Aldermen, you know, feel that a certain park has been neglected for a long time. They feel that that ought to be rectified. They lobby and they get support from the rest of the Board of Aldermen to allocate a certain amount of money to make improvements at that park. But then after we do that, the Director of Public Works feels that the Silver Knights need better lighting and that the lights at Holman Stadium ought to be replaced and decides that a better use of that money would be to take care of the lights at Holman Stadium. She gets you to go along with it and the Mayor thinks it's a good idea. Would you be able to transfer in spite of what the Aldermen want that money to be used for you could transfer the money from that project to another project without our approval?

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman, if I may. I think the big differentiator is those are more capital items. We're requesting to take care of ongoing operational matters with more effectiveness and efficiency. So I wouldn't approve and probably my successes wouldn't approve a \$200,000 transfer from Streets. Well we couldn't do it because we don't have the approval of doing. We can't transfer that into park rehabilitation or things like that.

Alderman Jette

So how does that...May I continue?

Chairman O'Brien

Follow up?

Alderman Jette

Sorry. So how does this ordinance reassure me or anyone else who has that concern? Where in the ordinance does it limit you on when you say, you know, that it wouldn't involve a capital expense? Where does it say that? When you say you wouldn't approve \$200,000 where does it say that? Where are the limitations?

John Griffin, CFO/Treasurer/Tax Collector

So if I may, Mr. Chairman. Tried to get to it with general fund accounts. The last three lines of this underlined area...

Alderman Jette

Okay the last three words general fund accounts.

John Griffin, CFO/Treasurer/Tax Collector

General fund accounts - you could put operating - general fund operating accounts. I think that's really the intent.

Alderman Jette

Okay.

John Griffin, CFO/Treasurer/Tax Collector

Not a project based. So for example when we did some work at one of the parks to get some lighting for safety and other reasons, we put it into the expendable trust fund and spent it out of that fund.

Alderman Jette

Okay.

John Griffin, CFO/Treasurer/Tax Collector

But I know you've always Alderman Jette I appreciated you literally reading, and then wondering, and protecting down the road. Just trying to think what could be amended to make sure it's the operating accounts.

Chairman O'Brien

We could just state that, correct? I can entertain an amendment at this time and basically strike general fund accounts and just submit operational accounts.

John Griffin, CFO/Treasurer/Tax Collector

Well Mr. Chair it would still be general fund but it would be the operating accounts not any other type of account like capital.

Chairman O'Brien

Okay. So it'd be general fund accounts and operational?

John Griffin, CFO/Treasurer/Tax Collector

It will be general fund operational accounts

Chairman O'Brien

/operational.

John Griffin, CFO/Treasurer/Tax Collector

Or operating in front of accounts. I think you'd have it.

Alderman Clemons

General fund operating accounts. Okay.

Alderman Jette

So I would offer an amendment to add the word "operating" between funds and accounts. The last two words so it would read "general fund operating accounts". That would be acceptable to you?

John Griffin, CFO/Treasurer/Tax Collector

Yes.

MOTION BY ALDERMAN JETTE TO AMEND BY ADDING THE WORD "OPERATING" BETWEEN FUND AND ACCOUNTS IN THE LAST SENTENCE BY ROLL CALL

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Sullivan, Alderwoman Kelly, Alderman Jette, Alderman Wilshire,
Alderman O'Brien 5

Nay: 0

MOTION CARRIED

MOTION BY ALDERMAN WILSHIRE TO RECOMMEND FINAL PASSAGE AS AMENDED BY ROLL CALL

ON THE QUESTION

Alderman Jette

So thank you. So hopefully that takes care of that problem but what about the limitation? You said, for example, you wouldn't approve as much as \$200,000. Is there a limitation that you would be comfortable with that we could further amend this to limit the dollar amount?

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman, I was more thinking of this as kind of solving the issues that we had. I wasn't thinking of the magnitude. For example, the Mayor and I over the last few weeks have approved transfers from salary to non-salary to cover expenses that were non-salaried. Not sure. I wasn't thinking of a limitation. I'm just thinking the reality would be that I'm not sure what would come up that would be hundreds of thousands if not millions of dollars.

Alderman Jette

So when you say that you and the Mayor have approved transfers from non-payroll to payroll. So in the analysis, I'm reading the last sentence of the analysis and it says, "Any transfers from non-payroll accounts into payroll accounts will still require the approval of the Board of Aldermen pursuant to NRO 5-130 D.

John Griffin, CFO/Treasurer/Tax Collector

Right. So if I may. As I mentioned at the beginning, we cannot take non-payroll and put it into payroll without aldermanic

approval for some reasons that you can imagine. A couple of us are in cahoots. We transfer money into a payroll account and pay it. We don't want to do that and we don't want any of our successors to do that. So not sure if it ever happened but it's customary in municipal and governmental budgeting and processing not to be able to transfer without the appropriate authority knowing about it and approving it.

Chairman O'Brien

So I have other Aldermen in queue Alderman.

Alderman Jette

Well I'm just trying to understand what the CFO Griffin is saying.

Carolyn O'Connor, Senior Manager DPW Finance and Admin.

They transfer out of payroll to non-payroll. Things they can't transfer into payroll. The Mayor and CFO...

Alderman Clemons

From payroll to something right.

Chairman O'Brien

Right.

Carolyn O'Connor, Senior Manager DPW Finance and Admin.

So they can transfer out of payroll into non-payroll expense line.

Alderman Jette

Okay.

John Griffin, CFO/Treasurer/Tax Collector

That's why that is really there to further explain. We're not changing that. We're changing the other transfer.

Alderman Jette

Okay. So is there no limit that you can tell us that you'd be comfortable with?

Carolyn O'Connor, Senior Manager DPW Finance and Admin.

I don't want to just toss one out. I hadn't really thought of a limit because I was thinking more of just small operational things. For transferring \$200,000, we didn't really even - maybe some lines we have \$200,000 but you would close out that line. You wouldn't be able to operate.

Chairman O'Brien

Alderman Clemons.

Alderman Jette

Are you saying that...?

Chairman O'Brien

Excuse me Alderman Jette. Alderman Clemons has now been recognized?

Alderman Clemons

I'll let Alderman Jette.

Chairman O'Brien

Okay you will yield. Keep in mind Alderman Jette other Aldermen do have purview.

Alderman Jette

Yeah I understand. I just didn't hear what she was saying.

Carolyn O'Connor, Senior Manager DPW Finance and Admin.

I'm just saying that we couldn't such a large transfer would close out a line. We wouldn't have that much money in a line. So I hadn't thought of a limit as to what would be appropriate. I was just thinking of overage that we run into.

Chairman O'Brien

And as Chair, I would feel much more comfortable if this went for a vote. People vote your conscious. If you don't like it, vote it down. That's your prerogative then to have these people indiscriminately come out with take a dart and throw it at a board a mile away and say this is the limit. I think that needs to have some, you know, fiscal responsibility or research if that question was to be answered. Okay. All set Alderman Jette?

Alderman Jette

For now. I would like to make another motion but I'll wait till other people have a chance to speak.

Alderman Clemons

Thank you. Through you to Mr. Griffin. So of these accounts or departments really that we're talking about, can you give me a ballpark figure of how much we have generally speaking at the end of the year as a surplus between all of these accounts? Are you able to give me a ballpark tonight or is that something you'd have to come back on?

John Griffin, CFO/Treasurer/Tax Collector

I would say Mr. Chairman that it depends on the vagaries of winter. There's been some years that we've had to dip into the snow expendable trust fund. With a mild to light winter, there could be millions as surplus.

Alderman Clemons

Between all of the ones that are listed?

John Griffin, CFO/Treasurer/Tax Collector

Between yeah, I mean, between Park Rec and Administration, those are small budgets. The fact that we budget for snow and ice removal is unique in the sense that in Massachusetts you would never do that. You'd basically budget a modest amount and then what they call "raise it on the recap" the next year, they tax the next year. We actually provide for good coverage and then dip into the expendable trust fund as necessary but take that surplus and usually through some type of escrow process, we reposition it for other needs that we weren't able to budget in that current year.

Alderman Clemons

I guess my question is, is it safe to say that between all of those departments you're typically coming out with hundreds of thousands if not millions of dollars in surplus at the end of that that's unexpended?

John Griffin, CFO/Treasurer/Tax Collector

I would say hundreds of thousands but...they're unique in the areas I mentioned. When you budget \$14,000 a year for replacement of playground equipment, that's not a lot. You're not going to have a lot of surplus there. At most, you have \$14,000. It's really in the payroll and operational requirements. Salt is a big number but it's the labor that we budget for the overtime to plow the streets and so forth.

Carolyn O'Connor, Senior Manager DPW Finance and Admin.

The snow budget is only \$1.3 million as a total. Truly Parks Rec and Admin have very minimal balances at the end of the year. As I said this year with chemicals being so much higher in Park Rec that was actually one of the reasons that we had to request to transfer out of - luckily we had some vacancies into the other operating expenses for Park Rec. Very minimal money is left in those two departments.

If there was any transfers that were done would really have to come out of Streets. That has a larger budget but we only have a \$1.3 million total budget for snow operations. We'd have to buy no salt, no sand, and have a super sunny winter. This is really more just on the operational needs should we have shortfalls in any other departments.

Chairman O'Brien

Alderman Clemons follow up?

Alderman Clemons

Well more of a comment. I guess the way I kind of look at this is we budget a certain amount of money, right? We put that money in the budget and at the end of the day, we're very accustomed in Nashua to getting because we budget so well and we spend - more importantly though, we spend very well in Nashua. People say we have a spending problem but every year we come back and we have, you know, literally millions of dollars to do escrow. We put money back towards taxes to pay down the tax rate for the following year. That's because we don't overspend, right. The only way you could do that is to not overspend.

So I understand the concerns of some of my colleagues about not wanting to give away some of that control but on the other hand when we craft a budget, we craft it so that the money can be spent. We authorize it and say we want you to spend it. It's for the benefit of our city. So when I think about what this is doing, it's basically just saying we've already authorized that money to be spent even though it might not be necessarily spent where we thought it was because something else came up over here. So you're taking from here to pay here because maybe like I said, we do budget and we do spend well. So maybe you got to deal on something here that you can take that excess revenue and do something unexpected over here that came up. To me, that's what you'd do in your household. I mean that's what people do every single day when they go out, and they shop, and they buy stuff for their house, or they plan for improvements, things like that. You try to go out and get the best deal you can. The city has an excellent reputation for doing that.

So I think when this - I don't have a vote tonight but I think when this comes to the full Board of Aldermen, I will definitely support it. I don't think that there needs to be a limitation on it because, again, the limitation my opinion comes during the budget season, and comes when the budget comes before us, and then we say you ask those questions of well what did you transfer between the departments, and what lines, or whatever were overspent but because of the fact that you transferred money over here, there should we adjust some of those lines. But to me at the end of the day if there's money left in the bank, we appropriated that money to be spent anyway. If they can do stuff that they wouldn't have been able to do because it wasn't in a certain account but it should have been done, I think that's a shame. So I think I will be supporting this when it comes to the full Board. Thank you, Mr. Chairman.

Chairman O'Brien

You're welcome. Okay. Alderman Jette I think everybody has spoken. I'll give you your...

Alderman Jette

Okay. Thank you. So I would move to table to allow your CFO to come up with a number, a limitation that he would be comfortable with.

MOTION BY ALDERMAN JETTE TO TABLE O-23-056 BY ROLL CALL

A viva voce roll call was taken which resulted as follows:

Yea:	Alderman Sullivan, Alderwoman Kelly, Alderman Jette, Alderman Wilshire	4
Nay:	Alderman O'Brien	1

MOTION CARRIEDTABLED IN COMMITTEE**R-23-118 Amended**

Endorsers: Alderman-at-Large Melbourne Moran, Jr.
Alderman Thomas Lopez
Alderman-at-Large Gloria Timmons
Alderman-at-Large Michael B. O'Brien, Sr.

INCREASING THE MAXIMUM ALLOWABLE AMOUNT IN THE SNOW REMOVAL EXPENDABLE TRUST FUND AND EXPANDING ITS USEGENERAL DISCUSSIONAlderman Sullivan

Thank you, Mr. Chairman. I was on the city website over the past 48 hours looking around. We're one month into - CFO left - we're one month into the Fiscal Year. I could not find for the life of me where the Fiscal Year 2024 budget was. It was there now it's gone and then I also wanted to speak to the fact that we're now almost at the end of July and the financial statements are only up to date through the end of May. So I just wonder how long it takes to do, you know, go through the June statements and come up with that. So I guess I'll follow up with CFO Griffin on those questions because that was a little bit - I don't want to say disturbing - I couldn't find the budget.

Chairman O'Brien

Well I assure you we didn't lose a budget overnight.

Alderman Sullivan

I understand but we're now one month into the fiscal year and if I wanted to know where the budget was I couldn't find it on the website.

Chairman O'Brien

But your points are well taken but Alderman Sullivan it's above my paygrade. I think maybe a follow up with CFO Griffin would be the wise thing at this particular time. Thank you for your concern.

Okay, anybody else in general discussion?

Okay. I would like to just basically say I've seen several things and I remember writing an ordinance for the city had perhaps Alderman Wilshire and Alderman Clemons remember. That was, I think, when I was on the board of finance. For appropriations, our predecessors wanted to keep their thumbs that are cut down to Park Rec couldn't even buy a lawn mower. It was \$10,000. I don't know exactly off the top of my head what our operational budget for the city but our predecessors were worried about \$10,000 on the lawn mower. Okay. I wrote an ordinance, brought it to the Board, and raise it to \$25,000. I look at this where we built a brand new facility, one time we had Public Works. We still have the garages down by Stadium Drive. They have to stay there for now but Park Rec has changed and moved into one general facility. Street department is there. The landfill department is there. So now in modern terminology basically it's a lot easier for the Director to look and see. People are walking by her office that she can come in, explain to me this, and that, and everything else. So I was pretty comfortable with some of the transfers. I am also the liaison to the Board of Public Works. I do see how they approve some of the issues at hand there and it's all above the board.

Alderman Sullivan

To your point Alderman O'Brien and I can understand, you know, and Alderman Jette said it and I should have prefaced my comments when I said it. My concern is with overall oversight of transfers of money where earlier in the night, this Board authorized the movement of money. All the people in the seats right now are great people. They've all been there a long time but you said nothing personal. But you're right, there's nothing personal about this. It's all about checks and balances within the city and when I read that and then I read the ordinance, I went hmm I'm a little uncomfortable with that. Right now in this environment, it's fine. It's fine but in five years, 10 years, 50 years from now those people won't be in the seats. It might be somebody different. Somebody that you don't agree with and you don't feel that they have proper

oversight. So at that point, you want to take that back. That's why I treat that pretty serious.

Chairman O'Brien

Right but also too Alderman Sullivan keep in mind that futuristic boards do supervise and they will supervise in the future.

Alderman Sullivan

Of course and we can always change the law but to your point about the \$10,000 lawn mower, I would go back to your department heads. When it comes to budgeting and it was said earlier about we don't have a spending problem. No, we probably don't but do we have a budgeting problem? If we have surpluses where we have surpluses, then I take point to that, that perhaps we do have a budgeting issue that maybe we're overshooting it. Maybe we need to scrutinize the budgets a little bit more, and look at trends, and look at where things are going. I mean if we're back and forth on a \$10,000 lawn mower, I mean I understand your point but I think that that might be more of an outlier as opposed to everyday occurrences.

Chairman O'Brien

Well my point was trying to get quorums for meetings for the \$10,000 lawn mower at the time. As you saw this evening, we were sweating a quorum earlier. So that was what was happening at that particular time.

Any other general comment. Okay, seeing none.

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN - None

ADJOURNMENT

MOTION BY ALDERMAN WILSHIRE TO ADJOURN BY ROLL CALL

A viva voce roll call was taken which resulted as follows:

Yea:	Alderman Sullivan, Alderwoman Kelly, Alderman Jette, Alderman Wilshire, Alderman O'Brien	5
Nay:		0

MOTION CARRIED

The meeting was declared closed at 8:15 p.m.

Alderman Michael B. O'Brien, Sr.
Committee Clerk