

BUDGET REVIEW COMMITTEE

JUNE 16, 2016

A meeting of the Budget Review Committee was held Thursday, June 16, 2016, at 7:01 p.m. in the Aldermanic Chamber.

Alderman Richard A. Dowd, Chair, presided.

Members of Committee present: Alderman-at-Large Lori Wilshire, Vice Chair
Alderman-at-Large Brian S. McCarthy
Alderman-at-Large Michael B. O'Brien
Alderman David Schoneman
Alderman Ken Siegel

Members not in Attendance: Alderman Sean M. McGuinness

Also in Attendance: Mayor Jim Donchess
Mr. John L. Griffin, Chief Financial Officer
Mr. Tim Cummings, Director, Economic Development

PUBLIC COMMENT - None

COMMUNICATIONS

MOTION BY ALDERMAN SCHONEMAN THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR THE INTRODUCTION OF A COMMUNICATION RECEIVED AFTER THE AGENDA WAS PREPARED
MOTION CARRIED

From: Mayor Jim Donchess
Re: Proposed FY2017 Budget Amendments

MOTION BY ALDERMAN SCHONEMAN TO ACCEPT AND PLACE ON FILE
MOTION CARRIED

WRAP-UP SESSION

Chairman Dowd

Tonight after we take the budget off of the table we can start excepting potential motions for changes to the budget. If we add anything at the full Board level it will require ten votes and eight votes for taking something off of the budget. We will be addressing motions this evening.

UNFINISHED BUSINESS – None

NEW BUSINESS – None

TABLED IN COMMITTEE

R-16-029

Endorser: Mayor Jim Donchess

ESTABLISHING AN EXPENDABLE TRUST FUND FOR RIVERWALK WALKWAYS, BRIDGES AND RELATED IMPROVEMENTS AND APPROPRIATING AT LEAST \$500,000 INTO THE EXPENDABLE TRUST FUND

- Tabled 5/23/16

**MOTION BY ALDERMAN SCHONEMAN TO TAKE FROM THE TABLE R-16-034
MOTION CARRIED**

R-16-034

Endorser: Mayor Jim Donchess

**RELATIVE TO THE ADOPTION OF THE FISCAL YEAR 2017 PROPOSED BUDGET FOR
THE CITY OF NASHUA GENERAL, ENTERPRISE, AND SPECIAL REVENUE FUNDS**

- Tabled 5/16/16

MOTION BY ALDERMAN SCHONEMAN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Siegel

At this point would it be appropriate to suggest making changes?

Alderman Dowd

Yes.

Alderman Siegel

There are two items before us but one item in particular that has just come up and that was the recommendation by the Personnel Advisory Board on the merit raises. This was in lieu of the legislation that we were going to pass that was indefinitely postponed. We were waiting for this recommendation that has been brought in under suspension and I propose that we act, at least partially on this. There is a .9% merit plan increase and this calls for 2.9%. I don't propose that we raise or take additional money out of the budget but I would like to shift something around and I do have a suggestion. I would propose that we move it into various salary line items. There's probably on the order of twenty different merit pay salary line items so I don't know what the necessarily appropriate motion would be other than to say I will give you where it's going to come from and where it is going to go to is addressing this myriad of salaries. I noticed in looking at the budget and I am a big fan of the library and I am not proposing that they not spend the money that they want to spend where they want to spend it, I think it's fine but they are sitting on almost \$1 million or more of trust fund money and at least over \$600,000 of it, by my reading of their trust fund descriptions, is unrestricted and the agent to expend would be the Library Board of Trustees. I would propose that we transfer the...this is on page 61, the \$20,000 equipment line item so that's the 71 line item and the three elements add up to \$20,000. I would propose that we transfer that into the various accounts associated with the memorandum that we received. I don't know how best to categorize it because I would have to break it down into individual amounts proportionately across a variety of positions and since we were just handed this I don't know how to best break that down but that would at least partially address the recommendations of the Personnel Advisory Board without allocating more money out of the budget. The idea would be to backfill that \$20,000 from a large amount of money that's available in the library trust funds. I am not suggesting that they fund any operating expenses out of there, I don't think that's really a good idea for trust funds but this is effectively a capital expense of \$20,000 and not a large one. I was originally going to propose that it go to the CERF fund but it's so small it won't make a dent in our CERF budget but it will make a material impact on the recommendations that we have before us.

Mayor Donchess

There are thousands of decisions in any budget. They have asked for this and I think Alderman Siegel has looked more carefully in the last day or two in terms of the trust funds and what the restrictions are and I have not done that. I know some of those funds are restricted to particular purposes and others may not. I think it's a change that would maybe be positive.

Alderman Siegel

I did look at the various library funds and there are quite a number of them and some of them have very specific restrictions and I am very sensitive to that. I am also very sensitive to the fact that I think the library does a great job. Again, this is not punitive and not a reflection on the personnel or the budget process whatsoever, it's a reflection on a need that has just arisen which seems legitimate based on recommendation and a source of funding that also seems legitimate. Again, there is one fund by my reading which is unrestricted or clearly the Board of Library Trustees is the agent to expend but there aren't specific descriptions that are described in the description of that fund. So, we are talking about a relatively small amount of money north of a \$600,000 trust fund so I don't necessarily think it's unreasonable to propose this. If going forward we find that there is other information I suppose at the full Board level we can roll that back but it would be my recommendation at this time to do that.

Alderman McCarthy

I guess the issue I have with that is in looking at the budget it would appear that is an operating expense. If I look at this years' budget there is \$22,000 allocated, \$12,000 of which has already been spent. The computer equipment line item, for example, is about ¾ spent already and that leads me to believe that is annual replacements that have to go on continually in which case if we offload that to the trust fund there won't be money to do it next year unless it comes from the trust fund and the trust fund will get depleted because those funds, other than the meager amount of interest that they earn in a year, are not being replenished by any new source of revenue I don't believe.

Alderman Siegel

Just to address that and that is a legitimate concern, it was my understanding from the library presentation that was a replacement of all of the pc's that are currently in the library's computer room. I'm not sure that this is an on-going expense in the sense that this is something that will happen every year. I do agree that would be a concern, it's something we want to get involved with if it is an ongoing expense and again my original idea was to put it towards CERF but if it doesn't make any sense, going forward I think the library could certainly ask for it again and it's not clear to me that we wouldn't give it to them, certainly if there were some problem. This is my idea right now to address what came before us just recently so it just seemed like the most convenient way to try to address a real problem identified by the Mayor in this memorandum. I don't have a good answer in short.

Chairman Dowd

If I understand the motion this is a subtraction from page 161, line item 71 from the library.

Alderman Siegel

That's the easy part, the hard part is where to put it because if you look at this memorandum on page 3 there are 31 line items in here that represent salaries that are affected by this memorandum's recommendation. We could just say to go towards a...I don't know how best to put this, on page 3 of the Mayor's memorandum a scaled increase over the recommendation from taking out of that \$20,000 but again, I don't know how to word this because I am staring at 31 different line items.

Chairman Dowd

Mr. Griffin, what would your suggestion be as far as allocating it to this fund?

Mr. Griffin

First off I would reduce the department 179, line 71 and not feel compelled at this time to move it to the

items that are listed on page 3 of the Mayor's memorandum. I'm not sure what the will of the committee is, is it to fund the entire amount of the Mayor's memorandum or is the \$20,000 of that proposed memorandum? It would help to know that at this point.

Alderman Siegel

So my sense is that I don't want to spend more money. I am happy to reshuffle money and there are other places where I have recommendations but my big concern personally was the CERF fund and so some of the recommendations that I may make are to address what I think is unfortunately and underfunding of the CERF account. I suppose that we could potentially peel part of that money from there but I don't know if that's the right thing to do. Again, that's the will of the committee and the full Board ultimately but it's a discussion we can start to entertain moving forward.

Chairman Dowd

That was the answer to your question so...

Mr. Griffin

I think the first motion would be to reduce the funding for department 179, line 71 and then as Alderman Siegel is indicating there may be more transfers or reductions in other departments that would essentially get to the point that the Mayor is suggesting.

Chairman Dowd

You are suggesting that we take these separately then, the reduction and then...

Mr. Griffin

Right, it doesn't have to be a trade and the other one would be an increase to the lines as described on the 3rd page of the memorandum from the Mayor.

Alderman McCarthy

First, while I appreciate that may be cleaner, I don't intend to vote for any unilateral reduction motions in this budget because I think if we don't put it back somewhere else, and I don't see that is going to happen, every buck we take out of it is one more that we are going to have to scrape for next year when we deal with the pension issue. We have not yet passed anything that actually adjusts the salaries of the merit employees, correct? We have indefinitely postponed the ordinance and my understanding is that there is a resolution coming. I guess I would be tempted to leave the money where it is and when we put in a resolution and include in it any transfers that are necessary in order to fund the results of the resolution and that way, first of all it will give us an opportunity to check with the library whether or not that is an ongoing expense and secondly, it just makes it cleaner at the end when we figure out what the actual numbers and then we will know what the line items are that have to be transferred to.

Alderman Siegel

I actually Alderman McCarthy's suggestion is a very good one and I would be happy to withdraw the motion that was incomplete anyway.

Alderman Schoneman

Mr. Griffin, on page 3 of 5 of this memorandum; just so I understand it, the amount of money that we are talking about is the last column, \$50,000 additional and the previous column \$2.5 million, is that already in

the budget for fiscal '17?

Mr. Griffin

Page 3 of 5 is the request of the positions that are currently off of the grid and the adjustment to be made to the salaries to provide a 2.9% increase instead of a .9% which is in the budget. The specific answer to your question is in the budget is the, the second column of numbers, the \$2,524,864, that's what is currently in the budget. The complicating fact here is that some of the employees work in the general budget, some funding is out of wastewater, some is out of solid waste and finally some are out of a special revenue account, especially for the government channels. The next page is where, to the extent that this was increase and no reductions, that's really the money needed to pay the increase in salaries coupled with the appropriate FICA, MEDI and pension. That's the series that could be adopted as printed if that worked but that's the objective. This page 4 of 5 is the objective.

Chairman Dowd

So if I understand these changes have not been approved by the Board of Aldermen yet so moving things to pay for something that hasn't been approved yet probably isn't something we ought to do. I think that wherever we are going to take up whether this is approved or not approved has to happen first and then as Alderman McCarthy had suggested we can do transfers to fund it.

Alderman Schoneman

I don't disagree with any of that. I was just looking to know out of all of these numbers which is the total number that this memo represents as an addition.

Chairman Dowd

Yes, it's \$57,000.

Alderman Schoneman

Is that the \$50,047; that would be additional to the budget?

Chairman Dowd

It's \$57,020 for both 3 and 4.

Alderman Siegel

Read across the bottom columns on page 4 and add them up.

Alderman Schoneman

Okay, so \$50,000 plus \$2,400 plus \$7,300; is that correct?

Mr. Griffin

That's correct. Some of it impacts the spending cap and some of it doesn't. The amounts for the individuals that work in the CTAB account, that special revenue that adds to the revenue so the resolution would be increased on the spending cap.

Alderman Siegel

I know there is this uncomfortable notion of here is the percent increases and some artificial limit but I think it is very important that we look at who is on this list and how replaceable or not replaceable they are. There are certain employees on here which are incredibly valuable employees and to lose them would be literally a catastrophe and I'm not going to name them but we should be very cautious about handling this in a callous way if that was ever the intent of the committee or anyone else.

Alderman Schoneman

It was certainly not my intent; again I just wanted to know the order of magnitude.

Alderman Siegel

I didn't mean to disparage even indirectly anyone on the committee.

Chairman Dowd

Evidently and maybe this is best addressed to the Mayor, there is legislation coming to the full Board to adopt this?

Mayor Donchess

So the recommendation of the Personnel Advisory Board was that we undertake a complete review of the salaries across the merit system and that following that review we suggest changes to salaries potentially and other changes that they would recommend. That could take a while; it could take six months I don't know. It involves trying to make comparisons with other communities and that kind of thing. In the interim they recommended that the people at the top of the scale who seem to be underpaid as compared with other places, they thought that those individuals should receive a raise in the neighborhood of 2.9% and I guess when we did this memo I was thinking that you could simply add it to the budget. You have raised the issue of would we need a resolution to do it to amend the merit plan. Maybe we would, I don't know. The merit plan right now says 0.9%. I was thinking that if you wanted to make that change you could simply add it to the budget because the review of the salaries and the whole merit system is certainly going to take more than a month or two at the beginning of the fiscal year.

Chairman Dowd

Alderman McCarthy, if we were to add this to the budget somehow, wouldn't that take ten votes?

Alderman McCarthy

Yes.

Alderman O'Brien

Mayor, is there compression also from the bottom? Some of the positions are covered with labor and so therefore some of these people are high end managers and at the bottom they are not receiving the benefit for that particular position because the other positions that may be in labor are encroaching upon their salaries so why would somebody want to do one of these jobs if they could stay at the lower position. I see that as a problem.

Mayor Donchess

Yes there is definitely compression because people below who may not yet have reached the top of the

scale are getting the normal steps and the people at the top who have reached the top of the scale are not getting the normal steps and every year there is a degree of compression and that compounds over time. There are some people who make less than the people working for them.

Chairman Dowd

Mr. Griffin, the only thing I see is if we wanted to add this to the current Mayor's budget we would have to make a motion to add the \$57,000 to some line somewhere and we would have to defer to you to find out where. We would have to recommend that at the committee level if it passed to the full Board and it would take ten votes to add it to the budget.

Mr. Griffin

That's correct.

Alderman Siegel

It seems like the most prudent course of action at this point on this particular item is to leave this recommendation on file and do something with it later rather than to try to transfer some unspecified amount of money at this time.

Chairman Dowd

Is there any other discussion on this subject?

Alderman O'Brien

Mr. Griffin, I'm kind of confused. Why is not merit already on a line item? Has it been in the past?

Mr. Griffin

Each and every employee position that's on that page 3 is in the budget. It's carrying a .9% increase from fiscal '16. We identified those 31 positions to where they were charged and then did the analysis of an additional 2% on their fiscal '16 wages and allocated that to the departments and divisions in which they work. It's a little more complicated in that some, for example, the Director of Public Works is charged to the general fund budget, department 160, administration & engineering, wastewater and solid waste. The other thing I did was an analysis of the spending cap and that number, as you know, we've got \$100,039 under the spending cap so that would go to \$42,980 if this was adopted. We wanted to provide that information as well.

Alderman McCarthy

It seems to me that normally when we've adjusted the merit table we've done it synchronist with the budget and it's just gone into the appropriations. If we were going to put money aside for possible changes later on it would seem that to be consistent with what we do with the CBA's we would put it in contingency negotiations. I'm not convinced that we are going to get ten votes to put \$57,000 more in contingencies.

Chairman Dowd

Well, it would have to start in the Budget Review Committee; no, I guess you could bring it up to the full Board of Aldermen.

Alderman Siegel

I am going to leave this topic for now but I would defer to anyone else who would like to add to this discussion before I turn to a different topic.

Mr. Cummings, on page 86 for the economic development budget there is a downtown specialist in the salary line and it's a 77 parts position and it's funded at \$44,461 and the rest of the position is funded through grants. It's my understanding that was the downtown specialist and is that specifically and exclusively a downtown specialist or are there other duties associated with that position?

(Inaudible)

Alderman Siegel

What would you propose would be the amount associated with downtown versus just everything else?

Mr. Cummings

I wouldn't be able to give you that answer tonight only because I wouldn't know how you would want to quantify?

Alderman Siegel

I'm not trying to split hairs and if it's not really fairly cut and dry I probably won't make any motions but my idea was that if we have a specialist who is completely devoted for downtown economic development it would seem to me that should be funded out of the Downtown Improvement Committee money that we typically allocate. Again, I know we have this whole problem of that being in a fiscal year; it's on a calendar year versus a fiscal year. It sounds like it is not feasible because there is just a mix of position and it's not really very effective to do much with that so I guess I won't make any motions towards that.

This is another one that may not be popular. With the sensitivity I have to the CERF funding I looked at page 193 and there is \$165,000 allocated for the Rail Trail improvements; a project that I think is a worthy project, but I have to wonder if it wouldn't make more sense for us as a city to take that money and put it into CERF and backfill that money out of the expectation that we get the excess parking revenue money because that's very much a downtown function. I think we are in a position now where I really have to question starting our CERF in preference to something like this which could be funded with an alternate source. Rather than making the motion initially it's probably better to get a sense from the committee to see if it is even going to get anywhere.

Alderman Wilshire

I know that for many years the Rail Trail lighting has been an issue for people that want to use it and for people that live around it because people it is dark and then we had the unfortunate mishap over there. People don't feel safe and I think it is a good investment. I think to cut the lighting out of it would not be good for our constituents.

Alderman Siegel

Just to be clear I am not advocating not doing the project; I am in favor of the project; I'm just looking for a different funding source. I'm suggesting that we use money that typically goes from the excess parking revenue that we put towards banners and flower beds and use that chunk of money.

Alderman Wilshire

Do we know how much that excess parking revenue is? That wouldn't cover this whole project.

Chairman Dowd

Last years would but that would be negating the things that they normally do with it.

Alderman McCarthy

It's less than \$100,000 this year I think. Because of the work that was done on Main Street we had less revenue from the meters than we would normally have. Next year it will be back up. I think we have actually changed direction a lot; the hanging flower baskets are out, I don't think we are paying for new banners; the banners are actually going to be sponsored. The things that it is paying for this year are basically the signage package to get people to find the garages because you can get people onto Main Street but they can't find the garage that is a block away still which I think is crucial to the purpose of the fund. There is the money that is used to maintain the planters and stuff on Main Street which I think is important and there is nothing in there anymore that I think I consider fluff. The only thing is that we paid for the lighting originally out of CDBG and I'm not sure how good it looks to say well, we paid for that out of CDBG and now it needs maintenance and it is not important enough to do that out of the city budget. I want to get the lighting fixed and there is not enough money in the downtown fund to do that and I think we would be starving other projects that are actually important to the generation of additional revenue if we did that.

Alderman Siegel

I appreciate Alderman McCarthy's insight here; I had forgotten that a major portion of that funding was going to be going to the signage which has been a hot button of mine for the last few years. Given that is the case this probably would not be something which would be worth discussing because we will need that money for the identification. I don't think I have anything further on that.

Chairman Dowd

Mayor, there is a \$700,000 reduction in CERF. Are there any plans on catching up other than trying to push it off into infinity? Is there any way that can be recovered? Is there any large item(s) in the CERF that we would end up bonding as opposed to using the CERF funds?

Mayor Donchess

In terms of the facts, the budget for CERF last year was \$1.3 million and this is capital equipment purchases. This year it is proposed to be \$1.8 million so the actual budget is up considerably but as you pointed out the request was \$2.5 million, meaning fulfilling everything on the schedule, so the reduction from everything on the schedule to \$1.8 million is \$700,000. I would rather spend \$2.5 million but there are many decisions in the budget as I've suggested at the beginning and we wanted it to be under the spending cap and this is just one area where it kind of increased the budget from last year but it didn't meet all of the requests. In discussing this line item, we did talk with public works and there are certain things there that would be purchased under the \$2.5 million that they don't absolutely need and they think they can put it off. I think if you talk with Director Fauteux you will find that is the case. If we can, if we had the money it would be better to buy \$2.5 million but \$1.8 million is more than \$1.3 million last year. It was just one of the compromises.

Chairman Dowd

My concern is okay well we take the stuff that we want to purchase in '17 and we can live another year

without it and push it to '18, which by the way is going to be a worse budget than '17 as far as staying under the cap and you are adding \$700,000 to that number and chances are without something else drastically happening in the budget you are not going to meet that so you are going to have push stuff off and maybe even more than \$700,000 into '19. The problem is that sooner or later you going to get burned. Things are going to start failing and you can't replace them because we won't have the money.

Mayor Donchess

I agree that we really need to focus on this equipment purchase line and that's why I did try to increase it from last year by a significant amount although not meeting everything on the schedule. It's hard to project what would happen in future years. We could, as you suggested, look at bonding a few things. It's not the best practice but it's an area that we need to look at. In terms of next years' budget, as you propose, it is going to be difficult especially with that pension problem. We need to work on trying to mitigate that problem if there is any way we can do that at the state level. I don't have a magic answer, \$1.8 million is more than last year but it's still not ideal but the budget is under the spending cap.

Alderman Schoneman

Is Director Fauteux proposing to postpone purchases from fiscal '17 to fiscal '18 or is it kind of an indefinite postponement until it is really needed? I don't mean to imply that it's not really now but it sounds like it's not really needed now and what kind of delay factor do we get out of this?

Mayor Donchess

I think we have a lot of moving parts so as we work through next years' budget we will have to see how much money there is and how critical each of these pieces of equipment is. I don't think there is a clear answer for that.

Alderman Schoneman

I understand that, it's hard and you are not the Director of Public Works but do you know what kinds of equipment she is planning on delaying?

Mayor Donchess

Garbage trucks, for example.

Alderman Schoneman

If we delay those it means that they are somehow still functional but not as reliable maybe?

Mayor Donchess

Maybe not as reliable but for every year your car gets older, like when it's six years old it's not as good as when it's two years old but it still works. There may not necessarily be a dramatic change from one year to the next.

Alderman McCarthy

When I had asked before about how we were determining how to fund CERF and the answer I got back was we are funding it by what we are going to replace this year rather than by the depreciation method. I guess after thinking about it for a while I don't have a problem with that except that means that the number varies substantially from year to year. It was \$1.3 million last year and it should have been \$2.5 million this year which is double what we spent last year and I don't know if next year the natural part of the schedule

is \$1 million, \$3 million, \$5 million or whatever. I think what it is we need to do is and maybe we've got it and it hasn't been made public enough to the Board, all I see is what the schedule looks like and what the CERF demand is for the out years for some number of years because one of the things that we should do, even if we are going to fund it that way is to flatten it out some way. If we know that this year is going to be okay but next year is bad we probably want to put more than enough in and roll it over so we can mitigate the contribution in next years' account. That's one of the issues that I think is causing some concern and I don't want to get into the case where we are just not funding it and every year we have to look under the cushions on the sofa for money to buy cruisers. The other thing is the stop/loss policy which would free up some amount of money for one of these purposes. I don't think we have to figure that out now but we need to understand what we are going to do about that and potentially transfer that into CERF or paving or any of the capital costs that are not adequately funded this year. I do want to see the schedule for CERF, I think that was the intent of the legislation to pass last year was that we would have a long-term plan that this Board could review in concert with the budget every year and understand where we were and where we would wind up. I think we want to see a longer term presentation of what those requirements are. A question I had was do we have a number for what we anticipate debt service to be in 2018 versus 2017?

Mr. Griffin

The projections are that it will be lower.

Alderman McCarthy

It's lower.

Mayor Donchess

Well, sort of. It depends. First, on the CERF, last year what happened was someone went in and removed things from the schedule for fiscal '16 before the budget went in so it looked like this was being fully funded because there was only so much on the list but the list was reduced just before the budget was proposed. This year we didn't do that, we just gave you the list and showed you and proposed a number as against that list. Secondly, over time if you look at the CERF account and what the balance has been, I mean a few years ago it was like \$3.4 million, it's depleted over time to the point where now it's simply this is the equipment we are purchasing this year and there is no real deposit against the depreciated value. A long time ago there was an actual significant balance so you could buy equipment without spending current money.

Alderman McCarthy

It generates the same long-term expenditures, it's just a question of; I want to understand what the ten year plan is so we can say let's not have a surprise in year number nine that's \$4 million that we don't have.

Mayor Donchess

Right and I think your suggestion was good.

On the issue of the bonding, we have of course the bonds that we are currently paying and in the pipeline we have \$10 or \$12 million, meaning stuff that is sort of in the works, for example, the \$2 million on the telephone system that we just passed and the contract was awarded last night and there are a group of other items. As I recall our analysis...

Alderman McCarthy

That doesn't include any improvements at Burke Street, however, is that correct?

Mayor Donchess

It includes no improvements at Burke Street. As I recall when we were running these scenarios, if we do just what is in the pipeline we keep the budget fairly constant; maybe down a little bit but if we do the Burke Street project the numbers could escalate very significantly. Another thing that I didn't realize is that the flexibility with bonding has been reduced to some degree by the fact that the Broad Street Parkway bonds we are really not making principle payments. The current principle payment in the year that we are looking at is like \$20,000 against \$30 million plus and they were sold in a way that the big principle payments begin in around 2020 or 2021 which is not the most conservative way to do it but that's what we have. If we were to undertake a large project such as Burke Street we would probably need to do that again because in the traditional most conservative way when you begin in year one and you pay off 1/20 of the principle you are always in a declining situation. In this case we might have to push some big principle payments out beyond the years in which the big payments are being made on the Broad Street Parkway. If we do that our flexibility begins every time we do that the flexibility becomes declines. I think in realty and I want to address the Board soon on this, we have to think seriously about how much of the Burke Street project we can do in the short term and how much this might cost. With a \$2 million pension increase and with a 0.9% spending cap we certainly cannot increase the bonded and debtness budget and have any hope of making the budget work.

Last night the Finance Committee approved a contract that reduced the stop/loss from \$250,000 to \$350,000 which was the recommendation from the consultant. It reduces the premium but it could also increase the claims. In an average year I believe their estimate was 72%; so in an average year we will save 28% of the premium savings, 72% of the premium savings will be used in claims in an average year but every year isn't an average year. It will reduce expenditures to some degree and I think it was a decision that was worth doing and I'm glad that you and Alderman Siegel raised it but of course it's a large pool of medical benefits funds and so it will realize savings in the average year but not necessarily in any one year.

Alderman McCarthy

Okay well we can take a look at that when we understand what those numbers are then. My point regarding the bond and debt service, etc. is my belief is if we take the sum total of debt service capital improvements and CERF which is basically our capital investment in the city. That ought to stay a fairly fixed percentage of the budget on a long-term basis so we don't get behind. My understanding is that in most communities in the U.S. that's about 10% of the budget. It is now about 10% of our budget, it used to be less than 5% of our budget for years and years and that's one of the reasons why we've had to do a huge number of capital projects in the last twenty years. I think we've gotten to a good place on that; there's a rough spot now because of the retirements but I want to make sure that we don't lose that in the long-term and that we stay on track with proper investing in the infrastructure.

Alderman Siegel

With regard to Capital Equipment Reserve Fund, just an FYI, one of the things and you can see this on page 249, that's where you can take a look at what it is that we will be buying this coming year and how we are going to do it. I would point out that one of the elements in here is almost \$1 million or slightly more in the solid waste department expenditures. We haven't approved those bond issues yet but I guess that is an anticipated bond so that's another \$1 million out there. That would have been normally one would have expected or hoped that it would have been funded by a normal contribution to the CERF to pay that down when the time came and not have to bond it so we are sort of like okay we will replace them but then we are going to use a bond instrument to do that. It's not necessarily a bad thing except for the fact that we getting a little bit more squeezed at this point. I'm pretty concerned about our Broad Street balloon payment, that's a little frightening and I don't know how to address that. Some of the numbers from Burke Street are pretty scary and on top of that we are looking at our streets department. As far as funding CERF, one of the things I would have liked to have done is we have that \$500,000 windfall from

Clocktower which looks like the legislation that is on the table is to allocate that to the riverfront. That is a very attractive thing to look at for making up a CERF shortfall to me or to make up for the pension shortfall when the time comes but that's outside the scope of the budget. I also want to touch on the stop/loss provisions. Mr. Griffin was kind enough to give me a history of the premiums that we have paid against the payments that we have made out over a period of time and I haven't brought them before the committee, I would have normalized them so that we are all comparing apples to apples and see where we were at. The problem is we can't do anything with that right. We can say are we going to cut that policy down or we have approved the policy for the year going forward out of FY '16 money so I think we have some time and when the time comes up per the recommendation of Mr. Griffin we can make a decision then about what to do with that money and where we are at. Effectively our contingency funds become our stop/loss should we need them. In looking at the history we definitely over time...it's a net loose for the city, north of \$200,000 per year if normalized. Although now there is a disconnect because we always had a \$250,000 deductible and now we have a \$350,000 deductible so it's a little worse but our payoffs will potentially be smaller too. I would not look at the stop/loss policy in this budget discussion. I think that is something that we have to spend a lot more time on and do it after we pass the budget.

Alderman Schoneman

When does the stop/loss policy renew?

Mr. Griffin

It goes with the fiscal year so July 1st. The recommendation, the approval last night is for the July 1st of this year to June 30th of next year.

Alderman Schoneman

Okay so we are really looking at next year when we have a decision to make?

Mr. Griffin

Correct. As we are going through this year there has been at least one that I know of, the cost of \$600,000 and the stop/loss was \$250,000 so we will get a check back for \$350,000 when that goes through the process.

Mayor Donchess

Just to be clear on the Broad Street Parkway, there are various bonds that were sold and some we are paying in more of the traditional way but the principle one I am really referring to is the third one page 187 where we borrowed \$15 million and we are paying \$20,000 in principle in the current year. Some of the others are more traditional in their approach, for example, the one that is sixth down on that page; we are paying \$195,000 on \$6,600,000 and if you go back to page 186 there are some there that are more of the traditional approach. The one I was thinking of was the \$15 million where we are paying \$20,000. There is this period where some of that kicks in and the principle payments go up to a much larger number.

Alderman Schoneman

Reference was made to funding CERF based on a depreciated schedule versus what we are likely to spend in the course of a year. Do we typically buy a new vehicle when the depreciation is complete or do we use it beyond the scheduled depreciation timeframe?

Mr. Griffin

A bit of brief history, from what I understand in the late 2007, 2008 and 2009, there was little to no funding

for CERF so in the past administration, my predecessor, Mr. Gilbar, they undertook what was called a fleet study which basically identified all of the vehicles that were funded by CERF. A couple of things came out of that, one was to abandon the depreciation method and go with the put in the schedule the date that you are going to replace the vehicle so every vehicle had a purchase price and in the out years there would be an identification of when that vehicle would be replaced with an escalator for inflation. What happened from that study was a few things, one, we cleaned up the vehicles. If we weren't going to replace it then it wasn't on the schedule. The other thing that happened that was very obvious was given an initial funding schedule for a half of million that escalated \$250,000 to \$350,000 every year, it became very apparent that things like a pumper or tower for the fire department couldn't be funded given the constraints of the budget and the tax rate so that's where the bonding came in. Mr. Gilbar made that presentation in October of 2010 or maybe earlier. The reality was that if we systematically funded with what we call nominal increases in the spending cap environment we would be able to buy most of the small ticket items with the exception of the fire apparatus and the solid waste packers; those are \$350,000 to \$400,000 each. Even if we had funded some of the items and kept the funding consistent we may not have had the money to buy those with cash. There was never any expectation back prior to my joining that we were going to fund everything with cash. Last year Director Fauteux came to us early on and said I don't have to replace certain vehicles in solid waste so we took the \$2.2 million and reduced it to \$1.3 million. We came under the spending cap initially by \$110,000 and then down to \$55,000. Going forward the proposal that we've done, Treasurer Fredette has done an analysis of how we would get back to the depreciation method and it's not pretty; it's significantly more money but I would have to say that even trying to catch up is not pretty either because of the discussion we just had. A point of clarification on the vehicles that we deferred on the Department of Public Works side, a couple of 3-ton park/rec pick-ups with plows, large mower, excavator, 6-wheel and 10-wheel dump trucks, vacuum sweeper and a couple of F-250's with plows; that's where Director Fauteux said we can move these out by one year. Given the realities of the spending cap I don't see how we catch up. What we need to do is probably have a working session and say this is the replacement schedule and this is the fund we need. We have that data. The last several years we have had these large spreadsheets that we have passed out. We know going out to 2021 and beyond what the needs are. Going back to the fleet assessment there was a critical analysis that was done which said how long was this stuff going to last because when Director Fauteux and she was the solid waste superintendent they had equipment that was border line falling apart and she mentioned that during the budget meeting and she was comfortable that she could move these items forward but we all have to come together and figure out how we are going to fund this going forward because we have the people but we need the equipment. One final point is that we were poised to add \$250,000 and \$350,000 every year and we didn't do that last year, we had \$110,000 under. This time around we didn't have the room for the \$2.5 million request so we backed it down to something that we could manage given the comfort level that we got from Director Fauteux.

Alderman O'Brien

What I am concerned about is that Director Fauteux has done something very good and deferred some of the purchases but I'm concerned that if we keep delaying purchasing some of these trucks, is anyone projecting out in the future? We are digging ourselves into a hole here. Could we get to a point where we have several things that absolutely need to be replaced but we deferred it? Wouldn't it be better to get them at today's rate as to the inflation of paying for it in the future?

Mayor Donchess

Well we are constrained by two things, number one the spending cap and number two, the tax rate. Sure, when we don't buy all new equipment we run some risks but to me it seems like this is a reasonable balance. Sure it would be better to buy everything on the list. Maybe we can get a little bit out of the escrow process and help to make some gains in terms of equipment replacement; the answer to that is maybe.

Alderman O'Brien

I agree with you but the same thing might come up in next years' budget and another division may be asking for something else and it could be a big ticket item.

Alderman Schoneman

I appreciate that the CERF schedule will work for fiscal '17 according to Director Fauteux. If we were to be able to find some money to add to this fund it's not required that we now pull some of those things out of fiscal '18 and buy them in fiscal '17. We could still continue to use them for an extra year and hold some extra funds at the end of the year and then put it into whatever is required for next year. I like the idea of delaying the actual purchase for as long as possible. I wouldn't want to add funds to this years' CERF account with the knowledge that the money that is already there is sufficient for fiscal '17. If we could add funds and put some additional funds in and still delay those purchases I would like that idea.

Alderman Siegel

It seems to me that there is very little we can do at this point but I would also caution everyone that it's not just the CERF going forward it's the \$2 million bullet that's already been fired that is going to hit us in the head next year. It sounds like there are no substantive motions at this point. I would suggest to the committee that we pass the budget as it has been presented.

Alderman Dowd

The motion on the floor is to recommend final passage of the Mayor's budget as presented to the Board of Aldermen to the full Board for the meeting on the 24th of June.

Alderman Schoneman

I agree there's probably not a lot to be found in this budget but I'd like to take a look a page 193; the Labine Park carousel.

MOTION BY ALDERMAN SCHONEMAN TO REDUCE THE LABINE PARK CAROUSEL BY \$60,000.

ON THE QUESTION

Alderman Schoneman

This is the Legacy Playground and it's still lingering. This is the playground that was going to be for free and I don't want to be critical of that group for the effort they put in and the money raised which is \$155,000 but this was not supposed to be a city project, it was supposed to be a gift and to date the city has spent \$90,000 not including the \$60,000 not including the free playground. This will make the Nashua taxpayer the single biggest contributor to this project that was a gift. I also think that to do this is a firm statement to the world that they weren't able to and I don't want to make that statement about his group. If there is space to put this in at a later date it can be added and I would encourage them to continue to try to seek donations for it. If we do it we are essentially saying we know it, it can't happen and for those reasons I make the motion to remove the \$60,000.

Alderman Siegel

I would like to see the carousel in there but I share Alderman Schoneman's sentiments but I would go about it a different way. I would prefer to leave the money in the budget and continue to have the money raised and then if it's not necessary then do whatever is required and not spend it. I would like the placeholder to remain there.

Alderman McCarthy

I agree, I don't see us paying for that as an admission of defeat of the Legacy Greater Nashua and we saw that we could make it more valuable and useful for the community. These people generated a lot of money. The purpose of the Leadership Greater Nashua class is to educate the future leaders of Nashua. I think it's very worthwhile. Even if they can come up with the money and we don't spend it I agree that we should leave it in the budget.

Alderman Wilshire

I appreciate all of the work that the Leadership Greater Nashua has done and that class is done and that project is done. I think the carousel is very pertinent to the population that would be served by it. We have nothing else in the city that is even close to that and I think we owe it to that certain population to have a facility that is decent.

Alderman Siegel

I am sympathetic that the city has spent a lot of money but I would point out that money has gone towards updating the bathroom facilities and not so much the playground. To remove the carousel is a very much non-linear effect on that park. It makes that park almost ineffective to me in comparison to what it will be with that so that would be sad. I would like to see them raise more money so we don't have to pay for it but I would like to leave it in the budget.

Alderman O'Brien

I'd just like to take a step back and say how we are here discussing the Labine Park carousel. One night I got a call to come back for a building fire at that particular location. It was a very cold night, and the fire consumed the building. We had a very empty derelict property.

Alderman McCarthy

We're talking about Labine, not Le Parc Social. This is one by Fairgrounds Junior High.

Alderman O'Brien

I got confused because we had the Labine building. There wasn't a fire there. But I am a graduate of the Leadership of Greater Nashua. They do try to do good work and try to get these projects up. Looking at it we're talking about a park. Parks, particularly in some of our inner city neighborhoods, they are valuable to the community. If you look at what some of these parks are intended to do, it's to keep kids off the street in a positive, safe environment and allow them to enjoy their rights of childhood. If that includes a \$60,000 carousel that's going to make some kid happy, I don't see this as a burdensome to the city. I think it's one of the things that make our city attractable. Thank you to the Leadership of Greater Nashua for at least coming forward and starting this particular project. Maybe there's a way for them to still collect some money, but the point is we got a wonderful park out of this. And with the carousel, I think is very important. I'm going to support the carousel. I'm not going to take a carousel away from kids.

Alderman Schoneman

The money I said the city spent, \$150,000 did not include the CDBG money, which was \$51,000. I believe it was CDBG money that was spent on the bathrooms. No?

Alderman Wilshire

They haven't done that project yet, but that was allocated for the bathrooms.

Alderman Schoneman

The carousel is an integral part. I would think that would have been the first thing that they did, but apparently it's the last thing that they did or they didn't do it. I appreciate the sediment. I'm not going to withdraw the motion. I don't care if it goes down; it doesn't bother me because it's a matter of principal. We're the single biggest contributor to the free playground. That shouldn't be the Leadership lesson that was learned.

Chairman Dowd

The motion on the floor is to reduce the capital line item for the Labine carousel by \$60,000 resulting in a budget of \$263,763,554

MOTION FAILED

Alderman McCarthy

There's a memo on our desk that had gone to the Finance Committee last night, I guess, regarding the IRS Audit. Is the outcome of that have any impact in the 2017 budget that isn't already in the 2017 budget?

Mayor Donchess

No; it doesn't.

Alderman Siegel

I just want to thank my colleague, Alderman Schoneman, for at least making a motion that we voted on so we can say we made a motion and we didn't just accept everything.

Alderman Schoneman

I would have gladly recommended that \$60,000 go into CERF. I think that would have been a better place for it. I would like to talk about paving so I have clarification on the paving budget on page 223. We're planning on paving to the extent of \$2 million. How much is that going to give us? Are we going to be considering bonding paving in the future?

Mayor Donchess

This is the amount that would be budgeted here, but we need to do a lot more and need to catch up on paving that hasn't been done. The Department of Public Works is working with a consultant to come forward with an evaluation of all the streets as well as recommendations as to what to do. The consultant is through and the conclusions are being assembled. The consultant and the engineering department are going to make a presentation to the Board of Public Works in a special workshop in the near future. In the end, they are going to recommend we do bonding on paving every year for a period of years. They may recommend as much as \$10 million per year, but the process of paving is a little complicated because on any street that is paved, public works must contact and work with all the utilities: electric, gas and water to let them know in advance what street we intend to pave because the rule is they cannot open a street for five years after a new paving job is done. They are notified in advanced so if they want to do something in the street, they can do it before the paving takes place. Public works can probably manage between \$6.5 - \$7 million of paving a year. Therefore, I think ultimately we will recommend to you that we bond something

in that neighborhood for a period of some years. Assuming that we do, we have this \$2 million roughly in the budget and can begin to pay the bond payments out of the \$2 million. If we bonded \$7 million in year number one, we would owe 1/20 of that amount, which is \$350,000 plus let's say three percent interest, about \$200,000. We'd owe about \$500,000 in year one. That \$500,000 could come out of this number. Then the rest could be additional paving maybe on side streets or something. We could pay the bond payments out of this budget item as we begin to accumulate a larger amount of debt and as we move from year to year.

Alderman Schoneman

You mentioned earlier there was some number of bonds that were in the works. That doesn't include any paving?

Mayor Donchess

No, that does not include any paving. It is not in our analysis of the principal and interest in the bonded indebtedness budget because the proposal would be that we take the bond payments out of the \$2 million that we typically have budgeted the last several years. Therefore at least for a period of three or four years, we would be able to do considerable paving within this \$2 million a year budget.

Alderman Schoneman

If we did it for three or four years, that's the timeframe you think is necessary?

Mayor Donchess

Well, they are saying more than that.

Alderman Schoneman

How many years are they saying roughly?

Mayor Donchess

It's a big number. In the most extreme case, they may say, and we can moderate this to some degree, it might be a very idealistic, very thorough, maybe overly thoroughly, they are saying maybe \$10 million a year for five years or more. These are very preliminary.

Alderman Schoneman

I'll wait for them to make their presentation. Is there a general feeling that when that five-year period of all those bonds is done, we're not going to bond any more. The \$2 million would continue to pay the debt service and keep everything up-to-date on an annual basis?

Mayor Donchess

No.

Alderman McCarthy

We have 350 miles of road. With a ten-year lifespan, you need to pave 35 miles a year. We've never even been close to that.

Alderman Schoneman

That makes the case. This entire book is a statement of priorities. We pay salaries and we don't do paving. That's how we get into a hole. I know we're not solving it here, but I think there needs to be recognition that somehow the priorities that we are setting aren't working for things like infrastructure and paving. Somehow at some stage going forward, we need to reset those priorities so from year to year this budget book does it as opposed to getting us into a hole that we have to try to bond our way out of that we're never going to bond our way out of because by the time we finish the first five years, we're going to start it all over again. Now I'm looking at you, it's not your responsible. Going forward it is, but not retroactively because you didn't get us to this stage. But we do need to figure out how to re-establish priorities so we do for taxpayers what they want, which is take care of these kinds of things within the Cap. I think it's doable. It's not easy, but it's doable. We need to try to get to that stage. Thanks.

Alderman Siegel

While all that may be very interesting, we just have the budget in front of us. We're not going to solve the long-term CERF or paving problems here. I don't know if it's appropriate at this point, or if there's anything else specific to the budget, so we can kind of wrap it up.

Chairman Dowd

I was just going to point out that the motion on the floor is for final passage of R-16-34.

Alderman Schoneman

I appreciate that talking about paving is not a line item we're making decisions on here, but it is part of the overall. I personally don't like the way the priorities did shape up in here. I'm glad we're under the Cap. I probably will not vote for the budget for that reason.

MOTION CARRIED

Mayor Donchess

I know being on the Budget Committee is a lot of work, having done that myself. The commitment is considerable. You play as a committee a very important role in the city budgeting process. I brought in the budget this year on the same timeframe as we have in the past which is the first meeting in May. My hope, my goal next year is to bring the budget in at least one, two weeks earlier to give the committee more time so the meeting schedule is not as punishing as it can be if you have to meet every night. I just want to tell you that, and tell you I appreciate all the work I know everybody does. My goal next year will be to try to make that job a little bit easier by extending the timeframe for your consideration.

Chairman Dowd

Based on my profession which looks at long-term analysis of spending, life cycle logistics particularly on military systems, when I was on the board of education we started looking at three-year budgets. Only the first one is locked in, but you get an idea of if we pass this budget this year, what happens the next two or three years. I think it would be good if the city started looking at that. Especially in the instance of next year when we have the horrendous hit. How are we going to get through the next two or three years. If we don't start looking at it ahead, we're going to be in a worse position when we get to this point next year and we can't fund many things that are critical. I think if we start looking at long range planning a little closer, we might be better off.

GENERAL DISCUSSION - None

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN

Chairman Dowd

I'd like to thank the Mayor and Mr. Griffin and the Economic Development Director for being here this evening and assisting us in the budget process.

ADJOURNMENT

**MOTION BY ALDERMAN SIEGEL TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 8:35 p.m.

Alderman David Schoneman
Committee Clerk, Pro tem

Jim Donchess
MAYOR • CITY OF NASHUA

TO: Budget Review Committee

FROM: Jim Donchess, Mayor

DATE: June 16, 2016

RE: Proposed FY2017 Budget Amendments

The purpose of this communication is to follow-up on the recommendation that payroll adjustments be made to the Proposed FY2017 Budget for Merit Employees that are no longer on the salary grid. The Personnel Advisory Board has reviewed the Merit Plan and recommends that the salary increase for these employees be 2.9% rather than .9%.

I have attached several items for your review and consideration:

- 1) Letter to Mayor Donchess from the Personnel Advisory Board dated May 30, 2016
- 2) List of Merit Employees Off of the Salary Grid for the FY2017 Budget
- 3) Adjustments to the FY2017 Budget for Salaries, FICA/Medi and Pension Costs
- 4) Amended Combined Annual Municipal Budget Calculation

May 30, 2016

Mayor James Donchess
City of Nashua
229 Main Street,
Nashua, NH
(603) 589-3266

RE: Amendments to Merit Employee Rules and Regulation
Effective July 1, 2016

Dear Mayor Donchess:

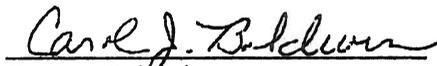
Thank you for this opportunity to serve the City of Nashua. The Personnel Advisory Board has reviewed the proposed changes outlined in Ordinance 0-16-010, the recommendations of Larry Budreau, Human Resources Director, and John Griffin, Chief Financial Officer, as well other documents provided to us by Kim Kleiner.

Attached please find a spreadsheet with our recommendations for each proposed change. With respect to the merit pay system, we believe it is time for a compensation study to be performed so that compensation will be more in line with current best practice and will help to attract and retain a strong workforce for the city. In the interim, we do not believe that employees who have reached the top of their grade should have their salaries frozen but, rather, should receive the same percentage increase, likely 2%, that all merit employees will be receiving.

We have been advised that our presence is expected at the Personnel and Administrative Affairs meeting on Monday, June 6th, at 7:00 p.m.

Please let us know if you need anything further at this time.

Sincerely,
Personnel Advisory Board



Carol J. Baldwin
Sheila J. Kabat
Michelle O'Malley

cc: Kimberly Kleiner
Attch.

**APPENDIX A
RECOMMENDED WAGE INCREASES
FOR MERIT EMPLOYEES OFF GRID IN FY 2017**

LINE	DEPT#	DEPARTMENT	POSITION DESCRIPTION	FTE	FY16 ANNUAL	FY17 BUDGETED SALARY	RECOMMENDED FY17 SALARY	DIFFERENCE NEEDED
					SALARY	(0.9% INCR. OVER FY16)	(2.9% INCR OVER FY16)	OVER FY17 BUDGET
1	103	LEGAL	LEGAL ASSISTANT	1.00	\$ 51,629	\$ 52,094	\$ 53,126	\$ 1,033
2	103	LEGAL	DEPUTY CORPORATION COUNSEL	1.00	107,165	108,129	110,273	2,143
3	122	INFORMATION TECHNOLOGY	INTER INTRA APPL DEV PROJ LDR	1.00	87,073	87,856	89,598	1,741
4	122	INFORMATION TECHNOLOGY	IT DIVISION DIRECTOR	1.00	107,165	108,130	110,273	2,143
5	122	INFORMATION TECHNOLOGY	TECH SUPPORT TEAM LEADER	1.00	81,224	81,955	83,579	1,624
6	122	INFORMATION TECHNOLOGY	IT INFRASTRUCTURE TEAM LEADER	1.00	96,366	97,234	99,161	1,927
7	124	INFORMATION TECHNOLOGY	ECHANNEL ACCESS ADMINISTRATOR	1.00	55,932	56,435	57,554	1,119
8	124	INFORMATION TECHNOLOGY	PEG PROGRAM MANAGER	1.00	62,005	62,563	63,803	1,240
9	126	FINANCIAL SERVICES	FINANCIAL SERVICES COORDINATOR	1.00	51,629	52,094	53,126	1,033
10	126	FINANCIAL SERVICES	TREASURER TAX COLLECTOR	1.00	96,366	97,234	99,161	1,927
11	126	FINANCIAL SERVICES	SUPV VEHICLE REGISTRATION	1.00	56,826	57,337	58,474	1,137
12	126	FINANCIAL SERVICES	DEP TREASURER TAX COLLECTOR	1.00	82,931	83,677	85,336	1,659
13	128	RISK MANAGEMENT	PROPERTY AND CASUALTY ADJUSTER	1.00	53,557	54,039	55,110	1,071
14	128	RISK MANAGEMENT	PROPERTY AND CASUALTY ADJUSTER	1.00	53,557	54,039	55,110	1,071
15	142	WOODLAWN CEMETERY	SUPERINTENDENT CEMETERY I	1.00	55,932	56,435	57,554	1,119
16	144	EDGEWOOD CEMETERY	SUPERINTENDENT CEMETERY II	1.00	60,665	61,211	62,425	1,213
17	150	POLICE	ADMINISTRATIVE PROJECT SPEC	1.00	66,820	67,421	68,757	1,336
18	150	POLICE	NPD BUSINESS MANAGER	1.00	90,324	91,136	92,943	1,806
19	152	FIRE	FIRE CHIEF	1.00	119,226	120,299	122,683	2,385
20	152	FIRE	DEPUTY FIRE CHIEF	1.00	101,872	102,789	104,826	2,037
21	152	FIRE	DEPUTY FIRE CHIEF	1.00	104,122	105,059	107,141	2,082
22	152	FIRE	DEPUTY FIRE CHIEF	1.00	91,218	92,039	93,864	1,824
23	152	FIRE	ASST FIRE CHIEF	1.00	108,473	109,450	111,619	2,169
24	152	FIRE	DEPUTY FIRE CHIEF	1.00	91,218	92,039	93,863	1,824
25	160	PUBLIC WORKS ADMINISTRATION	DIRECTOR PUBLIC WORKS	1.00	113,556	114,578	116,849	2,271
26	160	PUBLIC WORKS ADMINISTRATION	CITY ENGINEER	1.00	107,165	108,129	110,273	2,143
27	160	PUBLIC WORKS ADMINISTRATION	SENIOR FOREMAN	1.00	67,891	68,502	69,860	1,358
28	160	PUBLIC WORKS ADMINISTRATION	STREET CONSTRUCTION ENGINEER	1.00	69,314	69,938	71,324	1,386
29	173	ENVIRONMENTAL HEALTH	ENVIRONMENTAL TECH OFFICE MGR	1.00	52,458	52,930	53,979	1,049
30	177	PARKS & RECREATION	RECREATION PROGRAM MANAGER	1.00	58,020	58,542	59,703	1,160
31	182	PLANNING	MANAGER PLANNING DEPT	1.00	100,646	101,552	103,565	2,013
					\$ 2,502,343	\$ 2,524,864	\$ 2,574,911	\$ 50,047

ADJUSTMENTS TO THE FY 2017 BUDGET

LINE NUMBER	BUDGET BOOK PAGE #	DEPARTMENT DESCRIPTION	DEPARTMENT NUMBER	WAGES		FICA/MEDI		PENSION	
				ACCOUNT #	AMOUNT TO INCREASE	ACCOUNT #	AMOUNT TO INCREASE	ACCOUNT #	AMOUNT TO INCREASE
1	66	LEGAL	103	51100	\$ 3,176	52100	\$ 243	52150	\$ 355
2	90	FINANCIAL SERVICES	126	51100	5,257	52100	376	52150	548
3	92	RISK	128	89650	2,142	89650	164	89650	239
4	106	IT	122	51100	7,437	52100	569	52150	831
5	111	POLICE	150	51100	3,143	52100	240	52150	351
6	117	FIRE	152	51100	12,323	52100	214	52150	3,593
7	134	ENVIRONMENTAL HEALTH	173	51100	1,049	52100	80	52150	117
8	142	PUBLIC WORKS ADMIN/ENGINEERING	160	51100	5,406	52100	64	52150	402
9	147	PARKS & RECREATION	177	51100	1,160	52100	17	52150	106
10	153	WOODLAWN	142	51100	1,119	52100	86	52150	125
11	155	EDGEWOOD	144	51100	1,213	52100	93	52150	136
12	174	PLANNING & ZONING	182	51100	2,013	52100	154	52150	225
13	SUBTOTAL GENERAL FUND					\$ 45,438		\$ 2,299	\$ 7,028
14									
15	197	SOLID WASTE	168	51100	797	52100	4	52150	11
16	207	WASTEWATER	169	51100	1,453	52100	6	52150	23
17	SUBTOTAL ENTERPRISE FUNDS					\$ 2,251		\$ 10	\$ 33
18									
19	218	GOVT & EDUCATION CHANNELS FUND	124	51100	2,359	52100	180	52150	263
20	SUBTOTAL SPECIAL REVENUE FUNDS					\$ 2,359		\$ 180	\$ 263
21									
22	GRAND TOTAL					\$ 50,047		\$ 2,489	\$ 7,325

City of Nashua Combined Budget Analysis to the
 FY17 Proposed Budget
 6/16/2016 Proposed Amendments

Combined Annual Municipal Budget Calculation (per Nashua City Ordinance § 5-145)

Line No.		FY 2016		FY 2017	
		Adopted Budget	% Change	Proposed Budget	% Change
1	General Fund Budget	\$ 244,825,057	1.7%	\$ 247,941,533	1.3%
2	Enterprise Fund Budget - Solid Waste	7,029,433		6,844,380	
3	Enterprise Fund Budget - Wastewater	19,885,939		18,847,602	
4	City Special Revenue Funds	11,536,579		11,854,587	
5	School Special Revenue Funds	6,683,241		6,293,528	
6	TOTAL APPROPRIATIONS	<u>\$ 289,960,249</u>		<u>\$ 291,781,630</u>	
7					
8	LESS: Enterprise Fund - Solid Waste Capital	\$ -		\$ -	
9	Enterprise Fund - Wastewater Capital	(7,026,646)		(4,390,185)	
10	New Wastewater Debt Paid by User Fees ¹	(4,187,166)		(5,362,717)	
11	City Special Revenue Funds	(11,536,579)		(11,854,587)	
12	School Special Revenue Funds	(6,683,241)		(6,293,528)	
13	TOTAL EXEMPTIONS	<u>\$ (29,433,632)</u>		<u>\$ (27,901,017)</u>	
14					
15	Combined Annual Municipal Budget	\$ 260,526,617	1.8%	\$ 263,880,613	1.3%
16					
17	Spending Cap Calculation				
18	Prior Year Combined Annual Municipal Budget	\$ 255,986,003		\$ 260,526,617	
19	Add Prior Year Supplemental Appropriations	740,000		10,000	
20	Prior Year Combined Annual Municipal Budget Including Supplemental Appropriations	<u>\$ 256,726,003</u>		<u>\$ 260,536,617</u>	
21					
22	Last 3-Years Annual Average S&L IPD		1.5%		1.3%
23	Allowable Spending Over Prior Year Combined Annual Municipal Budget	<u>\$ 3,850,890</u>		<u>\$ 3,386,976</u>	
24					
25	Maximum Budget Allowed (Prior Year + Allowable Spending)	\$ 260,576,893		\$ 263,923,593	
26	Combined Annual Municipal Budget - Current Year	260,526,617		263,880,613	
27	Proposed Combined Annual Municipal Budget Under the Spending Cap	<u>\$ 50,276</u>		<u>\$ 42,980</u>	
28					
29	¹ Exempted Accounts - Wastewater Debt				
30	Principal and Interest-Wet Weather Flow Treatment Facility	\$ 2,052,589		\$ 2,014,366	
31	Principal and Interest-Haines Street	47,040		46,172	
32	Principal and Interest-Sludge Digester	494,205		488,716	
33	Principal and Interest-Harbor Ave Sewer Separation	357,402		355,163	
34	Principal and Interest-Storage Tank	450,238		439,871	
35	Principal and Interest-Aeration Blower Upgrade	324,968		317,487	
36	Principal and Interest-Dewatering Equipment	433,544		425,592	
37	Principal and Interest-Net Metering	27,180		26,841	
38	Principal and Interest-Disinfection Facility	-		1,248,509	
39	Exempt-Paid with User Fees	<u>\$ 4,187,166</u>		<u>\$ 5,362,717</u>	