

City of Nashua Budget Summit Presentation

November 10, 2016



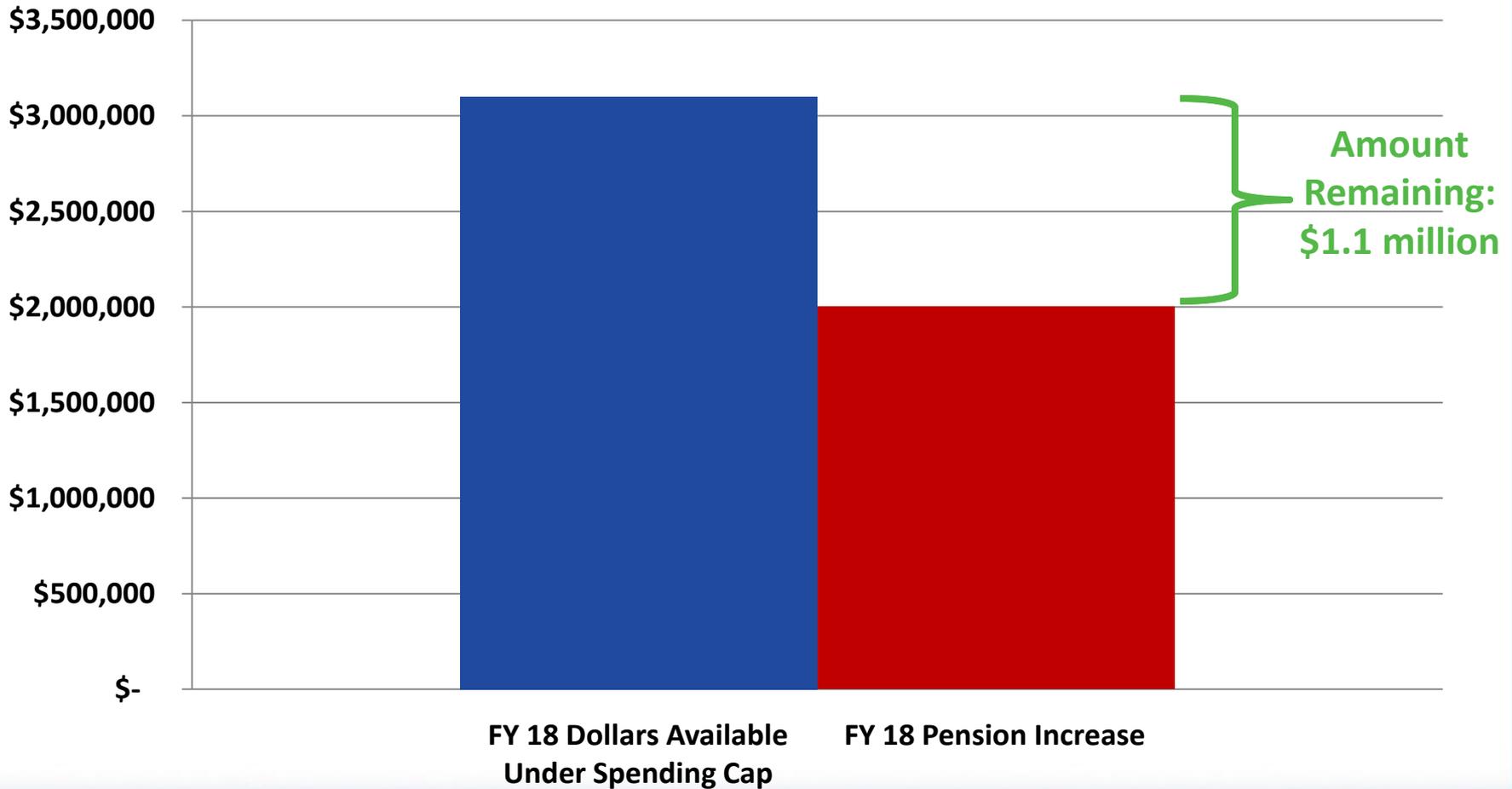
FY 2018 Budget Challenges

- **FY 2018 Budget Issues**

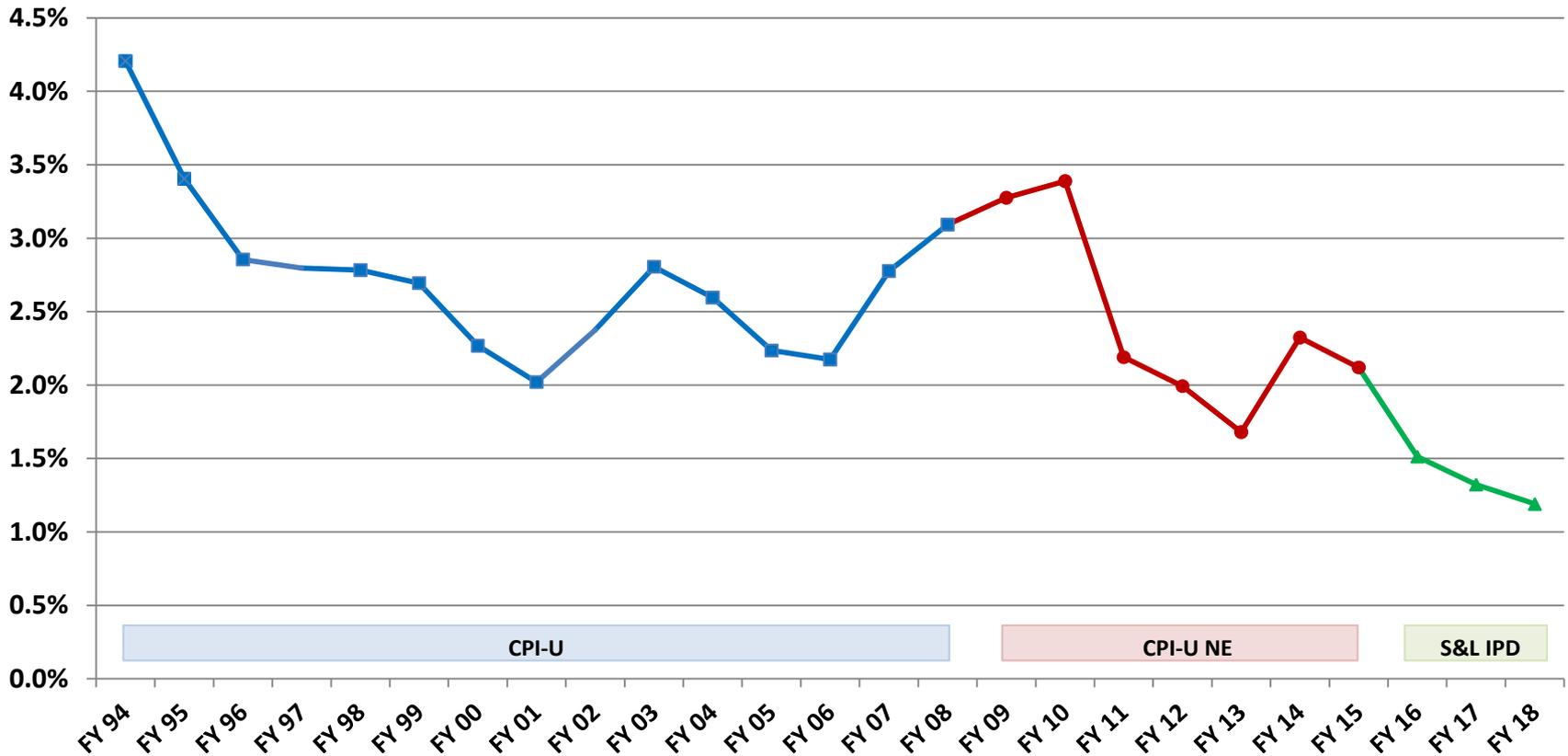
- The Spending Cap tracking 1.2% (*lowest since implemented*)
 - At 1.2% the new allowable spend would be \$3.1 million
 - Continued low cap due to 3-year lagging average
- Potential State Adequacy Aid Education Revenue Loss
 - FY 2017 Loss: \$477K
- NHRS Pension costs are estimated to increase at least \$2 million
- Increases in current negotiated wages exceed the Spending Cap



FY 2018 Budget Challenges



Spending Cap History



➤ FY 00 – FY 06: Spending Cap Overrides

➤ FY 08: Cap clarified – Sewer system Capital costs exempt

➤ FY 15: Paving removed from Cap



Employer Boards Level Service Summary

Departments with Settled Contracts	FY 17 Budget	FY 18 Level Service	FY 18 Level Service Increase	%
Police	\$ 20,318	\$ 20,918	\$ 600	2.95%
Fire	\$ 15,621	\$ 16,085	\$ 464	2.97%

Departments without Settled Contracts				
Education	\$ 104,684	\$ 106,768	\$ 2,084	1.99%
Public Works	\$ 15,753	\$ 15,932	\$ 179	1.14%
Library	\$ 2,432	\$ 2,454	\$ 22	0.90%

\$ in Thousands

Note: Above amounts do not include Pension and Benefits costs.



Nashua Police Department

Line		Budget*	\$ Increase
1	FY 17 Adopted Budget	\$20,317,932	
2	FY 18 Level Service Budget	<u>\$20,917,932</u>	\$600,000
3	FY 18 Level Funded Budget – Reduction	<u>-\$ 600,000</u>	

*Amounts exclude FICA/Medi/Pension/Benefits costs

- Potential actions necessary to achieve level funded budget:
 - Eliminate 5 police officer positions: \$300K
 - Reduce overtime budget: \$300K
- Impact:
 - Reassignment of 7 officers from specialty units to patrol duty to meet minimum staffing
 - 1 Detective from Burglary Unit, 1 additional School Resource Officer, 2 Officers from POP Unit, 1 Sergeant and 2 Officers from the Traffic Unit
 - Possible elimination of units such as the Dive Unit
 - Possible elimination of several civilian positions



Nashua Fire Rescue

Line		Budget*	\$ Increase
1	FY 17 Adopted Budget	\$15,620,756	
2	FY 18 Level Service Budget	<u>\$16,084,973</u>	\$464,217
3	FY 18 Level Funded Budget – Reduction	<u>-\$ 464,217</u>	

*Amounts exclude FICA/Medi/Pension/Benefits costs

Potential actions necessary to achieve level funded budget:

- Eliminate 4 positions: \$314K
 - 1 Fire Marshal Inspector/Investigator, 1 Mechanic, 1 Training/Safety Lieutenant, 1 Fire Alarm Assistant Superintendent
- Eliminate Dive Rescue Team: \$60K
- Increase Protective Clothing replacement cycle, possibly beyond NFPA standard 10 years: \$30K
- Reduce delay equipment purchases/replacements: \$50K
 - Limits ability to perform duties
- Close a Fire Station: \$815K



Nashua School District

Line		Budget*	\$ Increase
1	FY 17 Adopted Budget	\$104,684,156	
2	FY 18 Level Service Budget	<u>\$106,768,204</u>	\$2,084,048
3	FY 18 Level Funded Budget – Reduction	<u>-\$ 2,084,048</u>	

*Amounts exclude FICA/Medi/Pension/Benefits costs

Potential actions necessary to achieve level funded budget:

- Increase Elementary school class sizes to 25 students – potentially eliminate 47 teachers: \$2.35M
- Reduce administration (all elementary assistant principals, 2 high school administrators, central office staffing): \$940K
- Reduce High School electives – potentially eliminate 20 teachers increasing student to teacher ratio: \$900K.
- Investigate closing an Elementary school: savings estimated to be significantly less than \$3M
- Potentially eliminate 30 custodians: \$950K
- Eliminate high school busing: \$600K. Likely to cause increased traffic issues, tardiness, and dropout rates.
- Eliminate Clearway Alternative Education Program: \$600K. 50% of funds dedicated to SPED students who could seek out-of-district services, which would likely eliminate potential savings.



Nashua Public Works

Line		Budget*	\$ Increase
1	FY 17 Adopted Budget	\$15,752,876	
2	FY 18 Level Service Budget	<u>\$15,931,900</u>	\$179,024
3	FY 18 Level Funded Budget – Reduction	<u>-\$ 179,024</u>	

*Amounts exclude FICA/Medi/Pension/Benefits costs

- Potential actions necessary to achieve level funded budget:

- Eliminate 4 FT positions: \$179K
- Increase timeframe for clearing City streets during snow event
- Reduce miles of sidewalk cleared during snow event
- Reduce pool hours
- Reduce curbside bulky item & soft yard waste collections
- Reduce Winter Salt & Sand: \$25K
- Reduce Mill & Fill program: \$70K
- Reduce Striping Program: \$55K
- Eliminate Senior Outing: \$7K



Nashua Public Library

Line		Budget*	\$ Increase
1	FY 17 Adopted Budget	\$2,431,868	
2	FY 18 Level Service Budget	<u>\$2,453,645</u>	\$21,777
3	FY 18 Level Funded Budget – Reduction	<u>-\$ 21,777</u>	

*Amounts exclude FICA/Medi/Pension/Benefits costs

- Potential actions necessary to achieve level funded budget:
 - Close 17 Sundays per year: \$21K
 - Currently open 34 Sundays per year – 17 closures represents a 50% reduction
- Integrated Library System contract bid – could impact FY 18 operating budget by \$30K
- Concern over Capital Improvements funding relative to Library Projects
 - Renovation of HVAC system: \$400K
 - Repointing of brickwork to mitigate water infiltration: \$200K



Collective Bargaining Agreements

Contracts in Effect for FY 18

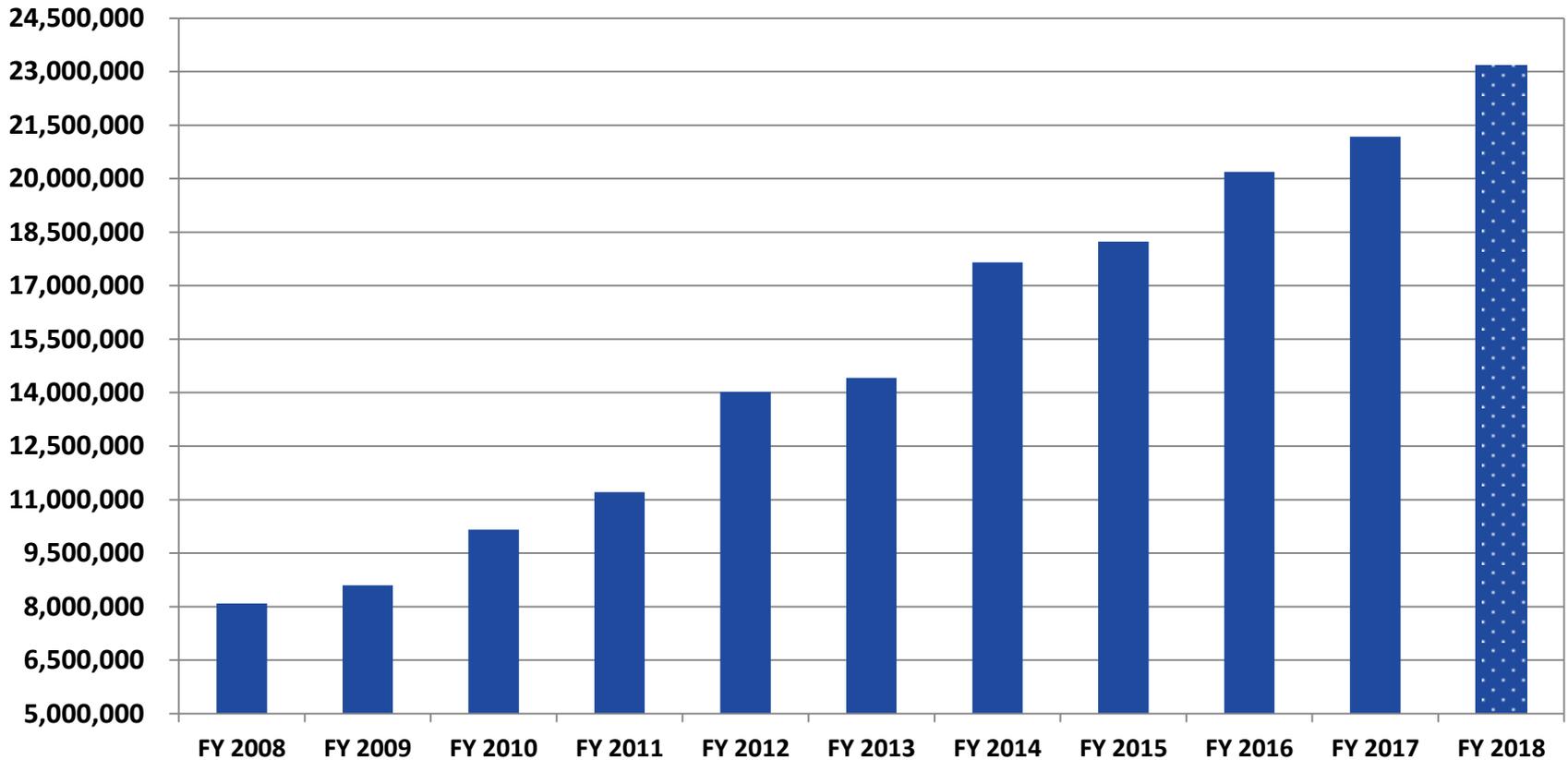
- Police Patrolmen
- Police Supervisors
- Police UAW
- Fire IAFF
- School Principals
- School Food Service
- School Secretaries

Contracts Expiring at FY 17 year end

- UAW Professional & Clerical/Technical
- DPW AFSCME
- Library
- Police Teamsters
- Police Communications
- School AFSCME
- School Paraprofessionals
- School Teachers (8/31/17)



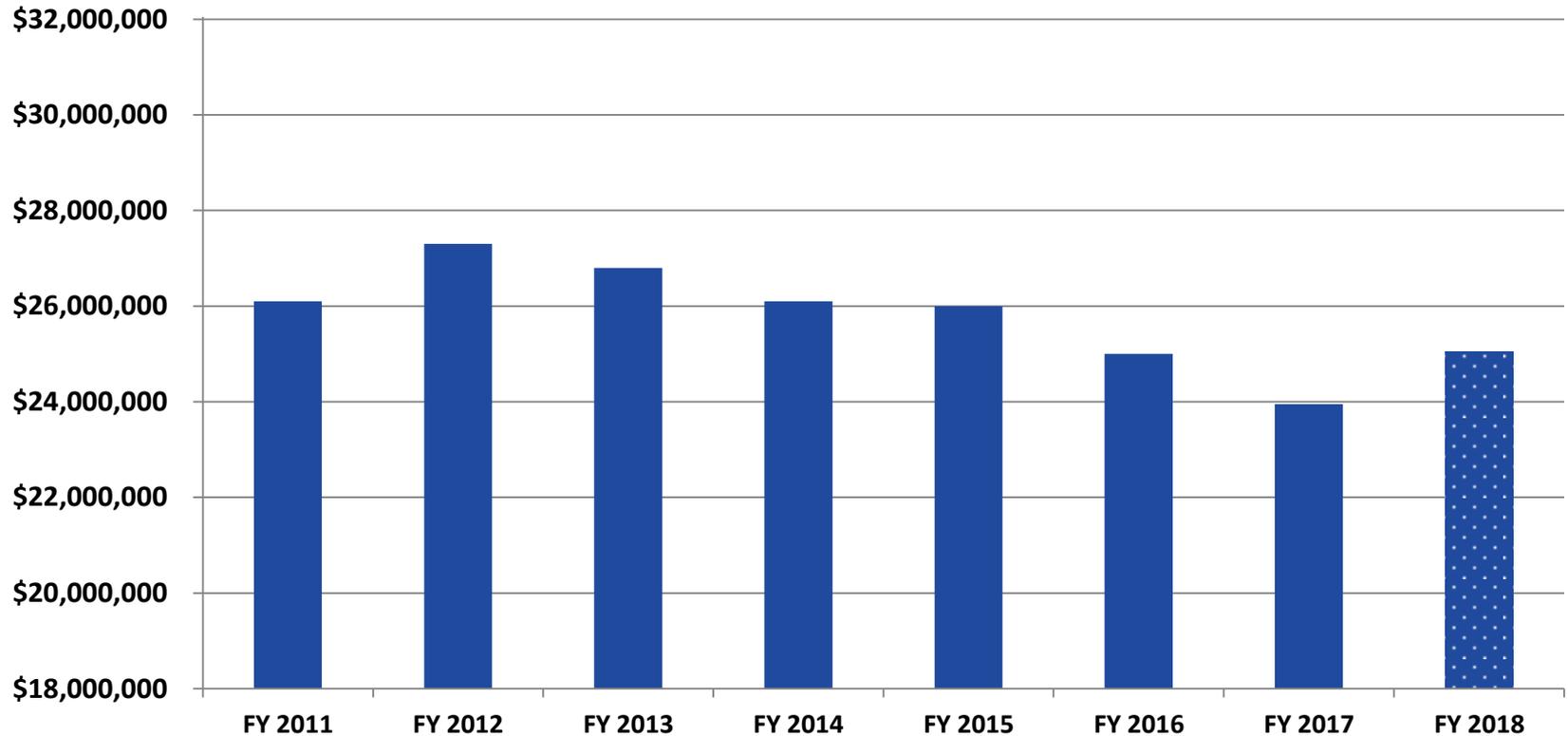
NHRS Pension Appropriations



- **NHRS Pension Expendable Trust Fund established – current balance \$900K**
- **\$4.5 million of Fund Balance Assigned for Unfunded Liabilities – NHRS costs**



Benefits Appropriations



FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
\$26.1	\$27.3	\$26.8	\$26.1	\$26.0	\$25.0	\$23.9	\$25.0

\$ in Millions



Capital Equipment Reserve Fund (CERF)

FY 18 Beginning Balance ^(A)	\$1,136,000
FY 18 Appropriation	\$1,836,700
FY 18 Additional Appropriation Amount	<u>\$ 150,000</u>
Dollars Available for FY 18 Purchases	<u>\$3,122,700</u>
Less: Planned FY 18 Purchases	<u>(\$3,122,700)</u>
FY 18 Ending Balance ^(B)	<u>\$ 0</u>

(A) – beginning balance includes \$716,000 from the FY 2017 Escrow Process

(B) – ending balance of \$0 will require a Pay-As-You-Go Method in Future Fiscal Years



Mine Falls Dam Operations

	FY 18
Revenue	\$ 923,000
Operating & Maintenance Expenses	\$ 262,000*
Debt Service Expenses	<u>\$ 328,000*</u>
Net Revenue	<u>\$ 333,000</u>

***Amounts must be appropriated in FY 18 budget**

– Total: \$590K



Capital Improvements

	FY 17	FY 18	\$ Incr (Decr)	% Incr (Decr)
School Deferred Maintenance	\$ 200	\$ 200	-	-
Fire Deferred Maintenance	\$ 50	\$ 50	-	-
Street Infrastructure	\$ 140	\$ 140	-	-
Capital Improvements TBD	<u>\$ 804</u>	<u>\$ 804</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 1,194</u>	<u>\$ 1,194</u>	<u>-</u>	<u>-</u>

\$ in Thousands

- Capital Improvements TBD represents no increase or decrease in funding at this time



FY 18 Recap

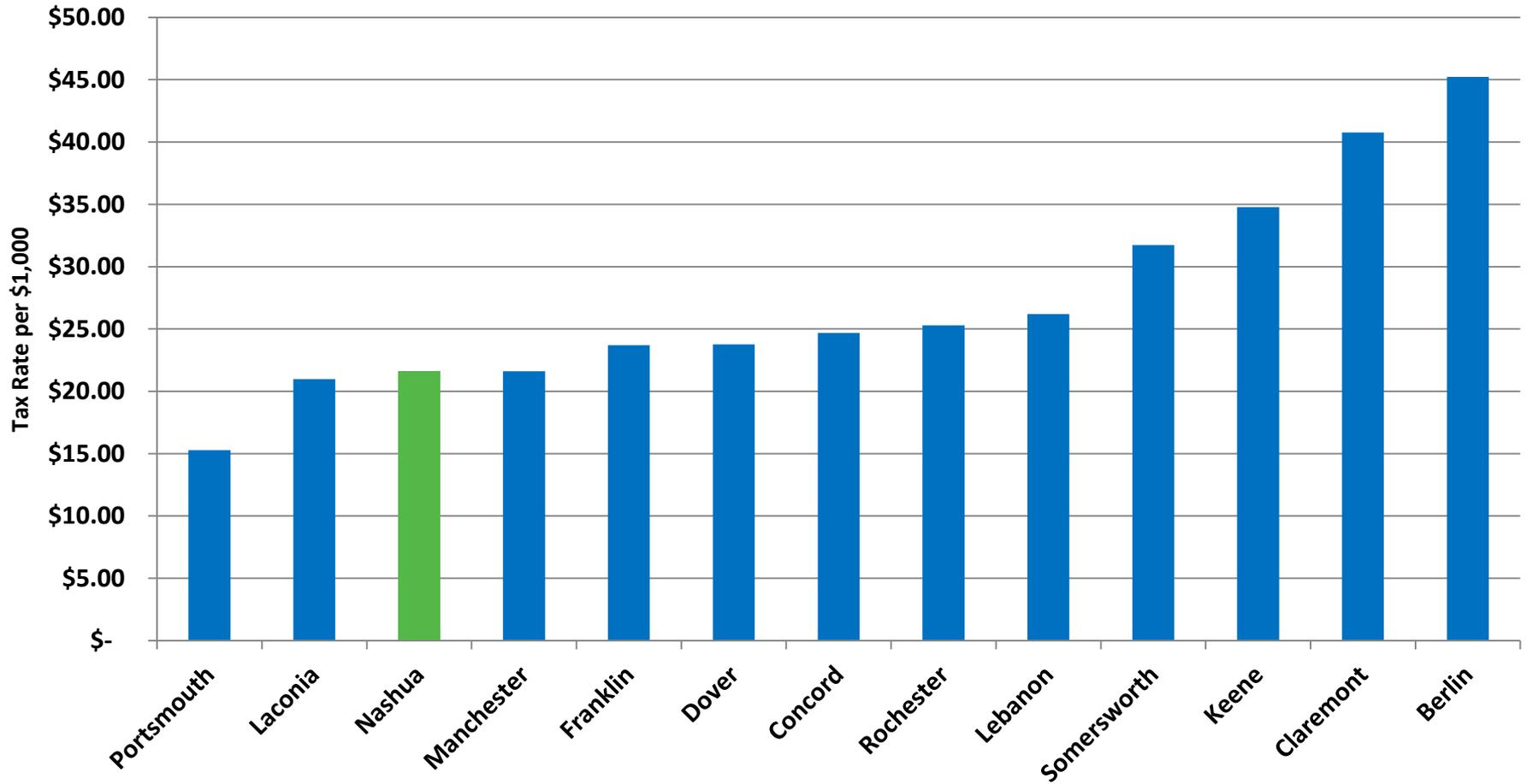
	\$ Increase
FY 18 Employer Boards Level Service	\$ 3,349
FY 18 Pension	\$ 2,000
FY 18 Benefits	\$ 1,100
FY 18 Additional CERF Appropriation above FY2017	\$ 150
FY 18 Hydroelectric Operations related costs	\$ 590
FY 18 Capital Improvements	-
Total	\$ 7,189
FY 18 Cap Amount (@ 1.2%)	<u>\$ 3,100</u>
Difference	<u>\$ 4,089</u>
\$ in Thousands	

➤ **Continued low spending cap for the next few years**



Equalized Tax Rate Comparison

Tax Year 2015



FY 2018 Departmental/Divisional Budget Memos

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Nashua Police Department

Panther Drive; P.O. Box 785
Nashua, NH 03061-0785
Phone (603) 594-3500

Main Fax: (603) 594-3516
Administration Fax: (603) 594-3615
Detective Bureau Fax: (603) 594-3616
Legal Bureau Fax: (603) 594-3571

Andrew J. Lavoie
Chief of Police

October 24, 2016

Mayor James Donchess
City of Nashua
229 Main Street
Nashua, NH 03060

Dear Mayor Donchess,

With the upcoming NHRS pension obligation expected to increase by more than \$2 million, and with the budget cap in place, the city estimates that the FY2018 Police Budget will need to be level funded. It should be noted that approved collective bargaining agreement liabilities alone will increase the NPD budget by approximately \$600,000.

This would mean that we would have to reduce our budget by that amount in order to level fund the budget. Our budget is approximately 94% salaries, which would mean that we would have to cut employees and overtime in order to meet these budget guidelines.

1. Eliminating five police officer positions would equal only approximately **\$300,000**, far short of the \$600,000 estimate. Additional cuts would be required.
2. A change in our budget funding eight years ago left the current NPD overtime budget underfunded by \$500,000. At the time, the budget guidance was to have payroll vacancies fund the overtime deficit. With the additional budget reductions, we have no choice but to reduce the overtime budget by another **\$300,000**.

Even though the overtime budget is reduced, we will still need to provide manpower coverage due to minimum staffing requirements. In order to do this, additional cuts would also be needed from various police specialty assignments in order to redeploy the manpower. These positions would be re-assigned to patrol duty for street coverage.

- 1 Detective from the Burglary Unit
- 1 additional School Resource Officer
- 2 Officers from the POP Unit
- 1 Sergeant from the Traffic unit
- 2 Officers from the Traffic Unit
- In addition, we would possibly need to eliminate units such as the Dive Unit (for training and backfill cost savings)

The effect of the reduction to these units will be a change in how the services are provided to the community. Deeper cuts may be required to include civilian positions.



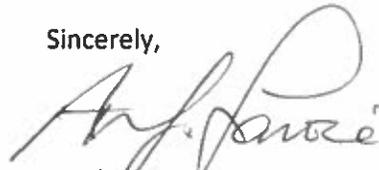
A NATIONALLY ACCREDITED LAW ENFORCEMENT AGENCY

Over the years as positions became vacant, we have eliminated nine (9) positions and are already operating with the bare minimum civilian positions. Duties were eliminated, reassigned or outsourced. Some hours of operation were already reduced. Positions already eliminated in the past are listed below:

- 2 Record Technicians
- 1 Executive Administrative Assistant to the Deputy Chiefs
- 3 Dispatcher positions were eliminated and the division restructured
- 1 Custodian
- 1 Secretary V
- 1 part-time file clerk

All these cuts would be needed in order to present a level-funded budget. These cuts would severely decimate our manpower and our services to the City. We are dealing with a severe drug crisis in addition to the fact that crime cannot be forecasted. A responsibly funded budget is required to combat these issues. A cut of \$600,000 to our FY2018 budget would also cut our base the following year and would take years to recover from; if we will ever be able to recover. The citizens of Nashua should continue to receive the level of service they are accustomed to receiving, and they deserve the peace of mind to know their Police Department is properly staffed and funded.

Sincerely,



Andrew Lavoie
Chief of Police



Nashua Fire Rescue
Administrative Office
70 East Hollis Street, Nashua, NH 03060
www.nashuafire.com

Steven G. Galipeau
Chief of Department
(603) 594-3651
FAX (603) 594-3654
GalipeauS@Nashuanh.gov

To: Kevin Gage / Chairman BFC
From: Steven G. Galipeau
Date: October 21, 2016
Re: Fiscal 18 Budget process

First and foremost I feel compelled to say I am absolutely against anything less than full funding. The City of Nashua chose in the 1890's to have a full time fire department and in 2016 we as a city need to continue to fund it appropriately to maintain the level of service we currently provide. Our services affect the citizens, business owners, industrial and commercial properties daily. I also feel it is important to add, a reduction in service level most likely will have an effect on our ISO rating for the city. If Nashua Fire Rescue receives a deficiency rating changing our Class 2 status, the cost of this will be passed onto our taxpayers through higher insurance premiums to residences and more importantly the industrial and commercial account holders. We can no longer expect our Chief Officers to make life and death decision based on the budgeted numbers, they need to made good solid decisions based on the safety of our citizens and our personnel. We cannot absorb the amount needed to make up the difference in our FY18 budget without service cuts. These service cuts will be felt throughout the City of Nashua, the business community, contractors (plans review and inspections), and most of all neighborhoods with fire station closings.

The listed items are all potential cuts to meet the requested budget number in no particular order.

- 1- Reduce the Fire Marshal's Office by 1 Inspector / Investigator \$79,842
- 2- Reduce the Mechanical Division by 1 mechanic \$71,496
- 3- Reduce the Training / Safety Division by 1 Lieutenant \$81,438
- 4- Reduce the Fire Alarm Division remove the Assistant Superintendent position \$81,438
- 5- Remove from service the Dive Rescue Team \$59,912
- 6- Reduction in replacement of older Protective Clothing (potentially beyond the 10 yr as required by the NFPA Standard). \$30,000
- 7- Reduction in equipment purchases limiting our ability to perform our tasks (ex. Delaying Thermal Imaging camera replacements, not purchasing foam, nozzles, and other fire service tools). \$50,000
- 8- Close a Fire Station \$814,800

Dr. Connie Brown
Interim Superintendent

Michael Fredericksen
Interim Assistant Superintendent



Daniel Donovan
Chief Operating Officer

Roland Boucher
Interim Assistant Superintendent

To: Members of the Nashua Board of Education Budget Committee

From: Connie Brown, Interim Superintendent of Schools *CAB*

Date: October 25, 2016

RE: 2018 Budget Request from Mayor Donchess

In his October 7, 2016 memorandum to President Ziehm and to me, Mayor Donchess requested the following from the Nashua School District:

1. Calculate the Nashua School District's FY 2018 proposed budget to maintain level services
2. Subtract the School District's Adopted FY 2017 budget from the amount calculated in item (1)
3. Lastly, identify what services would need to be cut to achieve a level-funded budget

Question(s) 1 and 2 can be answered in the following way: The amount necessary to level fund the Nashua School District from FY '17 to FY 18 is \$1,108,281.

In my estimation, this number is incomplete. Several units are negotiating or preparing to negotiate Successor Agreements to existing contracts. It is my strong recommendation to the Nashua Board of Education to anticipate increases related to these negotiations. Using current contract language and allowing for step movement would add \$1,768,409 to the \$1,108,281 for a total of \$2,876,690.

It is considerably more difficult to identify what services would need to be cut to achieve a level-funded budget. All of these possible cuts are services that affect students. To be clear, I don't recommend any of the following; however, if the Nashua Board of Education needs to meet the objective(s) as stated by the Mayor, these areas may be considered:

1. Increase elementary class sizes to 25 students per class - reduce forty-seven (47) teachers: savings \$2,350,000*
2. Close an elementary school - Amherst Street: \$3.5 million; Mt. Pleasant, \$3.2 million**
3. Reduce high school electives - twenty (20) teachers: \$900,000
4. Reduce thirty (30) custodians: \$950,000
5. Eliminate Clearway Alternative Education Program: \$600,000
6. Eliminate secondary bus runs: \$600,000
7. Reduce administration (All elementary assistant principals, two (2) high school administrators, central office staffing): \$943,750.

Please know that it is my strongest recommendation that if reductions must be made to the FY 18 budget, the discussion must be broadened to include many more stakeholders, including parents, teachers and students.

* May necessitate moving students between buildings

** Doubtful that savings would total this amount and extensive study needed

141 Ledge Street, Nashua, New Hampshire 03060

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www.nashua.edu/district/



NASHUA BOARD OF EDUCATION

Berard Masse School Administration Building
141 Ledge Street
Nashua, New Hampshire 03060-3071

To: Mayor James Donchess
From: Nashua Board of Education
Subject: Response to Mayor's FY2018 Budget Guidance
Date: October 26, 2016

The Board of Education met on October 25, 2016 to discuss your memorandum asking for guidance on services and/or staffing that would be impacted by a level-funded budget. In FY2017, the City approved a final Board of Education budget of \$104.6M. You asked that we analyze projected and potential increases that may impact the FY2018 budget, calculate the shortfall based on level-funding from FY2017, and then provide guidance on services and/or staffing that might be impacted by that shortfall.

Note that this request is happening very early in the current budget year and, as such, it is challenging to understand the nature of the current budget let alone project that budget into the next fiscal year. See the attached spreadsheet for a detailed breakdown of these numbers. Current increases that the BOE knows are built into the FY2018 budget are negotiated labor contract increases for Clerical, Principals and Teachers in the total amount of \$330,243.

In addition, we have the following non-personnel related obligated increases:

- Transportation: \$278,038
- Out-of-District SPED: \$500,000*

This brings the total minimum increase over the FY2017 budget to \$1,108,281

In addition, the board will be entering into or has already started negotiations with unions for contracts that have expired or will expire prior to the 2017-18 school year. These include the teachers, para-professionals, and custodial unions and the non-affiliated employees whose current base contracts total \$75,059,036. Even an increase at a projected spending cap of 1.3% in FY2018 for these employees would be \$975,767. Note that the Board of Education has already successfully negotiated contracts to date for this current fiscal year for teachers, para-professionals, clerical, and principals and for next fiscal year for

**Increases in these SPED costs are based on the increases in the number of students requiring these services within the district. This is only an estimate based on October 1 student enrollments. New students entering Nashua may cause this number to increase.*

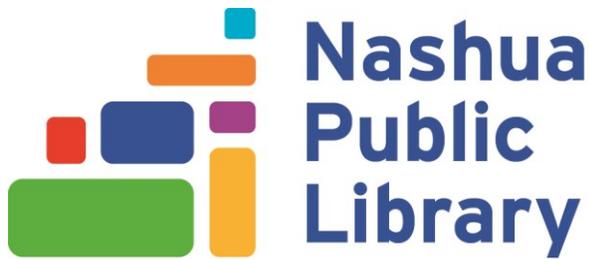
clerical and principals that have increases at or below the cap. Adding these potential increases to the known obligations in FY2018 yields an estimated shortfall from an FY2017 level-funded budget of \$2,084,048.

Currently, we have not identified any significant budget items where we expects savings. Energy contracts and usage have been optimized in previous budgets to account to favorable multi-year contracts and the energy reductions due to recent school renovation projects. Reserve funds for CTE, SPED, energy and severance accounts have also been utilized over the past few years such that they are at nominal levels and should only be utilized in case of an emergency.

To close such a significant \$2M+ gap between potential obligations and a level-funded FY2018 budget, the Board of Education would be forced to look at substantial structural changes that would likely impact the quality and character of Nashua's educational services. The Board of Education did not elect to create a prioritized list of spending reductions, instead we have identified a list of items that might yield enough savings to meet such a mandate.

- Increase elementary class sizes from 17-21 students per teacher to 25. This potentially allows for the reduction of forty-seven (47) teachers. Potential reductions up to \$2,350,000.
- Reduce administration including eliminating all elementary assistant principals, two (2) high school administrators and central office staffing. Potential reductions up to \$940,000.
- Reduce High School electives, resulting in higher student-to-teacher ratios in all other classes but potentially allowing for the reduction of twenty (20) high school teachers. Potential reductions up to \$900,000.
- Reduce thirty (30) custodians, which is only theoretically possible based on the utilizations factors presented by private firms responding to the custodial RFP. It is likely that union contract language would need to be modified in order for this option to take effect completely. But, theoretically this could yield up to \$950,000 in reductions.
- Investigate the closing of an elementary school, the smallest of our schools have operating expenses of \$3.2-\$3.5M and service roughly 300-325 students. Since much of that cost is teaching staff which would still be needed even if the students were re-apportioned to other schools, the savings would be significantly less than \$3M. In addition, further study would be needed to determine if there is truly excess capacity in the remaining schools to absorb the displaced students.
- Eliminate high school busing, this would significantly impact parents as they try to find alternative methods to transport their students, and would create traffic issues on West Hollis and Broad Street due to increased personal vehicle usage. It would likely also increase tardiness and dropout rates. Potential savings \$600,000
- Eliminate Clearway Alternative Education Program. Potential savings \$600,000. However, half of these funds are dedicated to SPED students who could seek out-of-district services that would likely wipe out any potential savings.

The Board of Education does not find any of these alternatives to be in the best interest of students nor the community. Even the process of identifying such drastic measures will cause a great deal of angst and concern among our students, parents and staff. But, given the structural limitations of the spending cap some combination of these strategies, or portions of these items, would need to be employed to meet the stringent budget constraints outlined by the Mayor.



October 28, 2016

To: John Griffin, CFO
From: Jennifer McCormack, Library Director
RE: FY18 budget scenario

FY17 budget: \$2,431, 868

Starting FY17 salary number \$1,881,926: this differs from the appropriation due to the shift of the Hunt Administrator salary. Operating costs: \$549,942

FY18 level services budget: \$2,453,645

Since the library employee contract expires on 6/30/2017, I have included in this amount an estimated 2% salary increase for union staff and regular step increases for our merit employees. Operating costs: \$562,048

Cuts to achieve level funding: \$21,777

I would propose reducing the number of Sundays that we are open in order to meet this cut: Sundays are budgeted at \$1,300 each, this amount represents eliminating 17 Sundays from our usual schedule of 34.

This number would have been much higher, but during FY17 we have made a number of staffing changes that resulted in lower salary costs than were budgeted. At full staffing levels our actual regular salary costs (FT and PT) for FY17 are \$1,851,711: a full \$30,000 below what was appropriated.

Beyond our appropriated budget, I am concerned about the availability of capital funds for some critical building projects. Last year we submitted to the CIC a request for \$400,000 for a renovation of the HVAC system, and this year we will be adding another \$200,000 capital request for repointing brickwork on all of the building alcoves to address the issue of water infiltration throughout the building. Both of these projects are critical to the operation of the library and preservation of the building itself.



City of Nashua
Community Development Division
City Hall, 229 Main Street, PO Box 2019
Nashua, New Hampshire 03061-2019

Community Development 589-3095
Planning and Zoning 589-3090
Building Safety 589-3080
Code Enforcement 589-3100
Urban Programs 589-3085
Transportation Department 880-0100
FAX 589-3119
www.nashuanh.gov

To: Jim Donchess, Mayor

From: Sarah Marchant, Director of Community Development

Date: October 28, 2016

Re: FY2018 Budget Preparation

The Community Development Division has reviewed the proposed budget necessary to maintain level services in FY2018. The Division includes 40 (FT/PT) City personnel, of which 80% belong to either the UAW Clerical & Technical or UAW Professional collective bargaining agreement, which expires prior to July 1, 2017. The rest of the Division is Merit based personnel. For estimating purposes if UAW and Merit included either 1% or 2% raises, the non-grant funded departments in the Division would need to cut approximately \$15,000 to \$30,000, likely through a loss of personnel, to achieve a level funded budget.

The major projects/costs within the Division for FY2018 which would not be accommodated within a level funded budget are as follows by Department:

Non-grant Funded Departments

Planning & Zoning

Maintenance of the Riverwalk outside of the existing TIF area has no funding for maintenance around the completed Riverwalk trails or Cotton Transfer Bridge. The area requires mowing, invasive species removal and limited tree work on an annual basis for maintenance. Funding for maintenance of this area is estimated at \$8,000 and would best be included in DPW Parks & Recreation budget, but could be included as subcontracted work through the Planning Department. If the TIF District is expanded maintenance may be included for the latter half of FY2018.

The City has applied for a LCHIP grant to protect the last remaining working farm in Nashua, in partnership with the Conservation Commission. The project will likely need \$350,000 to \$400,000 from the Conservation Commission Fund to complete this project. While no funds need to be budgeted, the expense of funds from the Conservation Fund may need to be included under the spending cap calculations to be expended.

Waterways

The City has owned and operated Jackson Falls Dam since late December 2014 and will be terminating the existing lease agreement on Mine Falls Dam in the spring of 2017. The City made the decision to terminate the lease with Eagle Creek in 2016.

Resuming ownership and operations of Mine Falls Dam is expected to generate approximately \$660,690 in net revenue to the City on an annual basis. Jackson Falls Dam is expected to generate approximately \$291,740, for total net revenue to the City in FY2018 of \$952,430 from hydroelectric operations.

To bring the new hydroelectric facility on board the budget will need to be increased by \$210,000 to cover operations and maintenance as shown below:

Hydroelectric Operations	FY2017	FY2018
Jackson Falls Dam	\$220,000	\$180,000
Mine Falls Dam	\$0	\$250,000
Total	\$220,000	\$430,000

In addition, the City is aware of significant capital improvements that will need to be made starting the first year of operation to bring the facility into good operating condition per the Turner Report completed in early 2016. Those capital costs are estimated at \$1 million dollars and will need to be bonded in FY2018. The capital improvements will take 3 years to complete. Other Waterways related projects for FY2018 include the following:

- Matching funds for the Land and Water Conservation Fund (LWCF) Grant to improve the Greely Park Boat Ramp. The City has made significant progress with the railroad crossing and is likely to receive \$400,000 in grant funding. The grant requires a City match of \$200,000 to access the funds. The matching funds could be in-kind expenses if the City was willing to construct a new road access and parking lot, however those amount are unknown and would likely need to be included in DPW’s budget.
- Through a partnership mapping exercise with NH DES, the extent of Invasive Species in the Nashua River was mapped in the fall of 2016. The City has made huge progress eradicating Water Chestnuts, but the river is now clogged with both Milfoil and Fanwort. The solution is an herbicide treatment over 140 acres, at a cost of approximately \$80,000. Waterways will have a quote for the full application by the end of November.

Community Development

The Community Development Department has consistently requested through the CIP process funding to begin revising the Master Plan and start the next phase of Riverwalk construction in FY2018. The Department is moving forward with a Waterfront Development Plan in FY2017 and will flow into updating the almost 20 year old Master Plan in FY2018. As requested in the CIP this would be a two year project starting in FY2018 at a cost of \$400,000 or \$200,000 in FY2018 and \$200,000 in FY2019. The Riverwalk project as reflected in the CIP for FY2018 includes complete engineering and permitting for the three cantilevered bridges at an FY2018 cost of \$360,000. With funding scheduled for FY2019 and FY2020 to construct bridges and complete the Riverwalk.

Building Safety and Code Enforcement

No additional costs for FY2018 projected at this time.

Grant Funded Departments

Transportation

The Nashua Transit Systems aged fixed route fleet is under contract to take delivery of 8 new CNG buses in the second quarter of FY2018. The new fleet will have several impacts to the FY2018 budget that have not been fully itemized at this time including:

- Reduction in maintenance costs
- Cost delta between diesel and CNG fuel usage
- Additional maintenance personnel required starting in Q2 to fuel and clean buses overnight.

In addition, they City will enter into contract to replace its paratransit van fleet before the end of FY2017. Delivery of the paratransit fleet is estimated for Q4 of FY2018. This new paratransit fleet is expected to have the following impacts for the end of FY2018:

- Reduction in maintenance costs
- Cost delta between diesel and gas fuel usage

The City's contribution to the NTS system was \$419,411 FY2017, if the City can level fund Transportation in FY2018 we will leverage grant dollars and outside revenue to hopefully cover all of the above costs.

Transportation is investigating costs and private matching fund options, to extend its service from West Side Plaza to Walmart in Amherst for FY2018 based on its newly completed 10 year Plan and significant customer feedback.

Urban Programs

The Urban Programs Department has not historically included any City funds. The program is run through a combination of CDBG, HOME and Lead Grant funding. The federal allocation amounts for CDBG and HOME funds in FY2018 will become available in February of 2017. At this time we are not expecting a significant loss in those funds. The department will be starting its 2nd year of a 3 year Lead grant allocation in December of 2016, and will be reapplying to the highly competitive Lead program for another 3 years of funding in the spring of 2017. If the City is not awarded another Lead grant it will mean the elimination of 3 to 4 positions, including one Code Enforcement Officer, a part-time position in the Public Health Department, and several Lead Program specialists in Urban Programs.

Summary Table – FY 2018 Community Development Division Budget Summary

DEPARTMENT			
	TOTAL	BENEFITS	TOTAL NO BENEFITS
BUILDING INSPECTION	647,291	169,954	477,337
CODE ENFORCEMENT	292,769	85,884	206,885
PARKING	315,455	59,503	255,952
COMMUNITY DEVELOPMENT	397,030	82,289	314,741
PLANNING & ZONING	642,407	166,857	477,942
TRANSIT APPROPRIATION	419,411	-	419,411
HYDROELECTRIC OPERATIONS	220,050	-	220,050
URBAN PROGRAMS	-	-	-
TOTAL DIVISION BUDGET	2,934,413	564,487	2,372,318
LESS PARKING	(315,455)	(59,503)	(255,952)
TOTAL FY2018 TARGET BUDGET	2,618,958	504,984	2,116,366
OTHER FY2018 PROJECTS/ITEMS			
Riverwalk Maintenance	8000		
Hydroelectric Operations	210,000		
LWCF Matching Funds	200,000		
Invasive Herbicide	80,000		
Master Plan	200,000		
Riverwalk Engineering	360,000		
OTHER TOTAL FY2018	958,000		
Conservation Fund Appropriation	350,000 to 400,000		
Hydroelectric Capital Improvements Bond	1,000,000		

CC:
 Kim Kleiner, Special Assistant to the Mayor
 John Griffin, CFO



THE CITY OF NASHUA

Economic Development Division

"The Gate City"

To: J. Donchess, Mayor
 From: Tim Cummings, Economic Development Division Director
 Cc: J. Griffin, CFO, J. Graziano, Financial Manager, K. Kleiner, Special Assistant to the Mayor
 Date: October 28, 2016

Re: FY'18 Budget Preparation

Budget Exercise

183 Economic Development

FY'17	FY'18	Year Over Year Increase	Percentage Increase
\$201,745.	\$201,745.	--	0.00%

*All salaries associated with this department's operational budget are merit based employees

*There are no contractual obligations in this budget that place upward pressure on the total

166 Parking Lots

FY'17	FY'18	Year Over Year Increase	Percentage Increase
\$315,455.	\$316,080.	\$625.00	0.19%

*All salaries associated with this department's operational budget are collective bargaining unit UAW Clerical with a contract expiring June 30th

*There is a modest increase in the FY'18 budget due to a contractually obligated expense relative to a data servicing charge ("Communications-DATA" 55100)

*To provide a level funded budget a reduction in 61299 "Miscellaneous Supplies" of \$625.00 would be proposed, which would bring down the line-item figure to \$1,075

Although, technically "131 Hunt Building" has not moved under Economic Development - I believe it prudent to confirm the following:

131 Hunt Building

FY'17	FY'18	Year Over Year Increase	Percentage Increase
\$24,468.	\$24,468.	--	0.00%

*All salaries associated with this department's operational budget are merit based employees

*It should be noted that this salary is partially funded through the operational property tax base & through a special revenue account dedicated to the Hunt Building



THE CITY OF NASHUA

Division of Public Health and Community Services

"The Gate City"

To: Mayor James Donchess; John Griffin, CFO
From: Bobbie Bagley, Director of DPHCS
Subject: FY18 Budget
Date: October 28, 2016

Thank you for the opportunity to submit information for the Division of Public Health & Community Services FY 18 Department Budgets. There are a few minor changes that either reflect a very small increase in Community Health, small decrease in Environmental Health and a decrease in Welfare Administration. There is no expected change in Community Services.

Please find below the details of the overall FY 18 Budgets for the following Departments of the Division: Community Health, Community Services, Environmental Health and Welfare Administration:

Community Services - FY 18 \$311,332

No expected changes in salaries and wages or other services

Community Health - FY 18 \$511,624*

There is an expected increase in 51100 the Wages Full Time line for a new F/T Public Health Nurse at \$59,452.224 which is \$1,710.656 more than FY 17. * Does not reflect changes in benefits based on the new salary.

Environmental Health - FY 18 \$ 459,457

An expected decrease in 53142 Consulting Services of \$1,000.00

There are two possible FY 18 budgets for Welfare based on staffing.

Welfare Administration - FY 18 \$476,416*

This budget is reflective of new positions for the Senior Case Technician at a new salary of \$49,778 replacing the old salary of \$54,325. With the Intake Worker at \$39,834 possibly replacing the old salary of \$51,629. *Does not reflect changes in benefits for either salary.

***If only the Senior Case Technician salary changes

Welfare Administration - FY 18 \$488,211*

This budget is reflective of new positions for the Senior Case Technician at \$49,778 replacing the old salary of \$54,325. *Does not reflect changes in the benefits for new salary of Senior Case Technician.

Please feel free to contact me if you have any questions.