

BUDGET REVIEW COMMITTEE

JANUARY 27, 2020

A special meeting of the Budget Review Committee was held Monday, January 27, 2020, at 7:12 p.m. in the Aldermanic Chamber.

Alderman Ben Clemons, Vice Chairman, presided.

Members of Committee present: Alderman-at-Large Ben Clemons, Vice Chair  
Alderman-at-Large Michael B. O'Brien  
Alderman Jan Schmidt  
Alderman Ernest Jette  
Alderman-at-Large Lori Wilshire  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderwoman-at-Large Shoshanna Kelly

Also in Attendance Alderman Linda Harriott-Gathright  
Alderman-at-Large David Tencza  
Alderman Patricia Klee  
Alderwoman Elizabeth Lu  
Brian Rhodes, Nashua Fire Chief  
Steve Buxton, Deputy Fire Chief  
Paul Garant, Nashua Fire Commissioner  
David Fredette, City Treasurer

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ELECTION OF CLERK

**MOTION BY ALDERMAN SCHMIDT TO NOMINATE ALDERMAN MICHAEL B. O'BRIEN, SR. TO SERVE AS COMMITTEE CLERK FOR THE 2020-2021 TERM**

**MOTION BY ALDERMAN WILSHIRE TO CLOSE THE NOMINATIONS  
MOTION CARRIED**

**MOTION BY ALDERMAN SCHMIDT CARRIED TO ELECT ALDERMAN MICHAEL B. O'BRIEN AS COMMITTEE CLERK FOR THE 2020-2021 TERM  
MOTION CARRIED**

PUBLIC COMMENT - None

COMMUNICATIONS - None

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

**R-20-004**

Endorsers: Mayor Jim Donchess  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman Patricia Klee  
Alderman Richard A. Dowd  
Alderman-at-Large David C. Tencza  
Alderman Jan Schmidt  
Alderman-at-Large Brandon Michael Laws  
Alderman Linda Harriott-Gathright  
Alderman-at-Large Lori Wilshire

**RELATIVE TO THE SUPPLEMENTAL APPROPRIATION OF \$350,000 OF FY2020 UNANTICIPATED REVENUE FROM DEPARTMENT #152 "FIRE", ACCOUNTING CLASSIFICATION #44 "CHARGES FOR SERVICES" INTO DEPARTMENT #152 "FIRE", ACCOUNTING CLASSIFICATION #51 "SALARIES & WAGES"**

**MOTION BY ALDERMAN WILSHIRE TO RECOMMEND FINAL PASSAGE  
MOTION CARRIED**

**R-20-007**

Endorsers: Mayor Jim Donchess  
Alderman June M. Caron  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman Patricia Klee  
Alderman Richard A. Dowd  
Alderman-at-Large David C. Tencza  
Alderman Linda Harriott-Gathright  
Alderman-at-Large Lori Wilshire

**CHANGING THE PURPOSE OF FUNDS FOR A PARKS & RECREATION CAPITAL IMPROVEMENT PROJECT FROM "CROWN HILL POOL REPAIRS" TO "ROTARY POOL FILTER REPLACEMENT"**

**MOTION BY ALDERMAN WILSHIRE TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Alderman Jette

I'd like to know what it is all about, what the purpose is?

Chairman Clemons

Do we have someone in the audience that can speak to that? No? I mean I think it's pretty self-explanatory, they are basically moving – what they were going to do some repairs over at the Crown Hill Pool to the Rotary Pool. So it is basically moving one pool of resources to the other; the specific reason why I don't have an answer for you. But I would assume that they had money left over from one project. Is there any other discussion on this motion.

Alderman Jette

It all sounds perfectly fine but I think in the future, we ought to send a message to the administration that whenever they are asking us to do something like this, we ought to at least, I mean we are here at the Committee level; the full Board is expecting us to vet these matters. Someone ought to come and explain to us what they are doing and why they need to do it.

I don't see anything objectionable here, but in the future I think it ought to be standard procedure for us to expect an explanation as to what they are asking us to do. I don't want to start any wars or fights or anything; but in the future if people don't come and explain what it is that they want and why they want it, I'm not going to be able to vote for it.

Alderman Klee

Alderman Jette I agree with you on that, I am not a member of this Committee. I think this was Alderman Caron's bill and I think that she was probably the one that was going to be able to answer those questions and with her being ill. I think in lieu of that, that's probably what happened. There's no one that knows this stuff as much as she would considering that she was the one who put this forward. When you look at that analysis of the bill it talks about that it did go through the Capital Improvement Committee. So I think she probably would have been the one that would have been explaining it and not necessarily the Department Head. Just try to keep that in mind with her being ill.

Alderman Wilshire

Thank you. According to the analysis, the pool filter has failed at the Rotary Pool and now is the time they need to get it going so it is open and ready for the season. I mean I agree that Alderman Caron has more information on this than the rest of us do, but I would hate to hold this up and have the kids not have a place to swim in the summer. We want to keep them cool.

Chairman Clemons

Any further discussion; seeing none the Motion is to recommend final passage of 20-007.

**MOTION CARRIED**

**R-20-008**

Endorsers: Alderman-at-Large David C. Tencza  
Alderman Richard A. Dowd  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman Patricia Klee  
Alderman June M. Caron  
Alderman Thomas Lopez  
Alderman Linda Harriott-Gathright  
Alderman-at-Large Lori Wilshire

**AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS NOT TO EXCEED THE AMOUNT OF ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$1,400,000) TO PURCHASE A NEW 2020 PIERCE ARROW XT RED AERIAL LADDER TRUCK FOR THE FIRE DEPARTMENT**

**MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Chairman Clemons

At this point, I will ask the Chief and Mr. Fredette to come forward if you could and just kind of explain the project a little bit more. I think we had some questions.

Brian Rhodes, Fire Chief

For the indulgence of the Chair, I'd like to bring up Deputy Buxton as well, for any technical aspects of it, we will have Commissioner Garant here as well.

Chairman Clemons

Chief I will turn this over to you.

Brian Rhodes, Fire Chief

Good evening, thank you Honorable Aldermen and Committee Members. What we are looking for tonight is approval to proceed with our plan apparatus replacement schedule. We have had the schedule in place for well over 20 years of how we replace our apparatus. We typically hold our fire engines, these smaller vehicles, in front line service for 12 years because they are pretty much the workhorse of the organization and our aerial trucks for 15 years. Four years ago, when it was time to replace our aerial platform which was Tower One at the time, the plan is the aerial to stay in service for 15 years and then it moved into reserve status for another 3 to 5 years so that we can maintain our operational readiness 24/7 of six fire engines and three aerial apparatus.

When we replaced the aerial platform that we had, we couldn't keep that as a spare. So the City sold that, we actually sold it to the small town of Orleans, Vermont. I think that was for about \$30,000.00 for a vehicle like this, that's what you get for it at that length. Subsequently what it did was it kind of threw us a curveball because the aerial truck we are replacing is a 2005 but the vehicle that we will realistically be disposing of is a 1995 because we couldn't replace the tower with a tower, we didn't want to have a tower truck as a spare.

It is not ideal but I guess this happens in this cycle when we get into, we have three aerial apparatus but those are the ones with just a ladder on top of them and we have one with a bucket. So every 15 or 20 years or so we run into this little speed bump but this has all been planned out. We are on the schedule we should be on; it is why we are able to keep our frontline fleet of six fire engines and three aerial apparatus on the road. We really don't like to drop below that; that's not good for us. So that's why we are asking tonight.

Chairman Clemons

OK thank you very much. With that, I am going to open it up to questions from members of the Board.

Alderwoman Lu

Can you just tell me a bit about whether you use capital accounts to plan and budget for these, sir?

Brian Rhodes, Fire Chief

Yes we do, all of our vehicles are on the Capital Improvement Reserve Fund plan. How we pay for those isn't really up to me. Ten years ago the City decided to go down the road of bonding apparatus.

Alderwoman Lu

So you appropriate money annually?

Brian Rhodes, Fire Chief

Correct.

Alderwoman Lu

OK thank you.

Chairman Clemons

Alderman Jette did you have a question?

Alderman Jette

I feel obligated to ask this, it sounds like the Orleans, Vermont got a pretty good deal. Are we not able to get a similar deal? Is there any value to looking at used equipment as opposed to a brand new truck?

Brian Rhodes, Fire Chief

Well how can I put this? Orleans, Vermont does maybe 200 emergency responses a year; and the City of Nashua does over 11,000. For us to have a vehicle of that age, for us to buy someone else's surplus equipment, is not cost effective. I don't have the mechanical budget to maintain an older fleet. One of the benefits of keeping our fleet up-to-date is that we typically leverage the warranty we get and we work the manufacturer for even more. As I said in a previous hearing, we have been a customer of Pierce Manufacturing since 1986. In the New England region, there are three major Pierce organizations, communities; that is Cambridge, Mass., Springfield, Mass., and Nashua, New Hampshire. And we leverage that at every possible chance we get; to get the best dollar, to get the best equipment that we can for the City.

Alderman O'Brien

My goal is to help Alderman Jette, Chief. It's only because I'm more familiar with it. If my memory serves me right, is NFPA 1401, I may have the exact number wrong, I've been out of the biz for a little bit here. But could you explain to this Board, when you come down to aerial devices, they have to be tested and go through strengths and look at the welds and everything. As the vehicles get older, you run the risk of actually having the aerial device not performing. Some of the work that these devices do, putting men into a cantilever position, venting roofs and sometimes impacts and different things can have a shortening of these aerial devices. So if you could just brief us on that, please.

Brian Rhodes, Fire Chief

Certainly, with all due respect that would be NFPA 1901.

Alderman O'Brien

There you go, 14 / 19. One was in there I knew, I was close.

Brian Rhodes, Fire Chief

Yes. People often look at aerial apparatus and say, well we don't have buildings that are 200 feet tall. And you are absolutely correct. We have a lot of buildings that are 20 to 30 feet tall that are set back off the road 50 feet, which means we need vertical reach, which means we need a very strong aerial apparatus because we are doing more vertical instead of horizontal reaches. To Alderman O'Brien's point, every year we have our aerial apparatus tested by a third party to make sure that it is meeting all the parameters as set forth by the NFPA to assure that our members have the most up-to-date, I shouldn't say up-to-date, because it's not up-to-date, but we have the most stringently verified tests that are done on our vehicle every year. And the older the vehicle sometimes they need more work and then there limitations they put on them. Our vehicles have no limitations; and part of that is – I'll take that as a segway.

Every time I get a mic in front of me I can talk about the good things our people do. Our three mechanics are second to none. We have the MV of New England for fire mechanics and our apparatus shows that. They take great pride in our apparatus as well as our fire fighters do. The three people who maintain our apparatus, do an incredible job, we are second to none.

Alderwoman Kelly

Thank you. The job you guys do an incredible job and I appreciate that. I wanted to actually follow-up on the question that Alderwoman Lu asked and just ask Mr. Fredette to talk to why the bonding was done 10 years ago and what the benefit is to the City by bonding.

David Fredette, City Treasurer

Dave Fredette, City Treasurer. The City has a Capital Equipment Reserve Fund, Trust Fund, everybody gets CERF so when you see that you will know what that means. Ten years ago it was revised at the time by the Mayor and the Board then. Most of the items are paid with cash but there are some vehicles in the Fire Department and some in Public Works that was decided that would be bonded only because if we funded the cap at those levels it would just not be affordable at the time. Today's CERF, I've been in my job for 21 years, today's CERF is a lot better than it was years ago. I remember at times the City would fund CERF at \$50,000.00 in one year, that's all the cash they put in there. Currently, we have several million dollars in the CERF account. So a lot of this stuff does get paid by cash. There are a few items that are bonded.

Every year we review the CERF with all the Departments and update it so when the Budget comes to the Board of Aldermen that it has the amounts that people need that year and there is a whole section in the Budget on that. Was that helpful?

Chairman Clemons

Thank you. I might add to that too. When it is big investments like this, they are still depreciating assets. So if something were to happen to this truck and it got totaled and disaster happened, we likely would make out as opposed to putting down all of the \$1.4 million up front. The reason for that is because our rates are so low. If the rates were higher, then that might not make a lot of sense to do. I think it is an influx thing.

Paul Garant, Fire Commissioner

My name is Paul Garant, I am on the Board of Fire Commissioners. Ten years ago we were buying fire apparatus; the Department would have in its budget, for example, \$200,000.00 to be matched by \$200,000.00 from CERF. That would be in one year's budget; the next year we wouldn't have the \$200,000.00. So Fire Department's budgets were going up and down. By going back and trying to get CERF to level out these payments and take the actual cost out of the Department we were able to better manage the Department.

Unfortunately, CERF is not paying for them. The decision was made to take and to bond it. But part of it was a budget issue, of a fluctuating budget due to the high cost of the vehicles. That helps understand why they went to bonding.

Alderwoman Kelly

Thank you. I think the other piece that I had asked about was what the effect is year after year and if I may, and correct me if I am wrong. But we were talking about at Budget that we have about \$300,000.00 for our bonding projects each year and we pay them off equally so it doesn't affect, is that correct?

Mr. Fredette

We try to level the payments as much as we can so it doesn't affect the tax payments.

Alderwoman Kelly

Versus taking a \$1.4 million out, thank you.

Alderman Tencza

Thank you. I have another question Treasurer Fredette on the CERF bonding and then one for the Chief is that's ok. Because this is a CERF project though, does the bond go against the City's general obligation bond funding for, I mean the funding paid out of the CERF account?

Mr. Fredette

No it counts as city debt, yes.

Alderman Tencza

But the debt service on that is paid out of the CERF Account or the General Account?

Mr. Fredette

It is paid out of the General Fund.

Alderman Tencza

Thank you for that clarification. And then if I could ask the Chief a follow up question. Chief at the Finance Committee you talked about a savings if we approve this by the end of January? Could you just reiterate that for folks who may not have seen or heard that Committee and why that is.

Brian Rhodes, Fire Chief

The process of writing specifications for a piece of fire apparatus is mind blowing. What we think would be something, as I've said, we've been with this particular manufacturer since 1986. We have, I never thought I would see it in my day, but we have consistency across our fleet in all of our body styles in all of our cabs which means our employees aren't guessing once they get into a separate vehicle. But with that being said, vehicles change. Our vehicles are pretty much hand made. And Deputy Buxton started this process probably six months ago with the Committee. And it is literally a four inch binder that you have to go over every single line of this specification to make sure it is right because we are dealing with human beings. So we in Nashua say "we want this", the workforce in Appleton, Wisconsin reads this off a plan or something and says, "Oh this is what they want". Interpretation leaves something to be desired there because there have been many trips we have gone out and said, "this is where we want it" and it is not there. So this is a very long and drawn out process.

And I thank you, Alderman Tencza, for bringing this up because I had a conversation in full transparency with Alderman Tencza this weekend. He is our new liaison and at his first meeting we didn't bring this up. There were many other things going on, it was kind of hectic the first meeting he was at. By no means do I want anyone to think, on this Committee, I don't think it is, but I don't want the public to think we are trying to slide something in under the cover of darkness here. That is not the case. This is a long, drawn out, complex process and the way the timing worked out this year, with the City Elections and new Aldermen and new Fire Commission, we are under the control of the manufacturer, who like everyone else in the private sector says, "Oh we are going to have a price increase and this is when it is going to happen". Well this price increase is January 31<sup>st</sup>. And this price increase equates to an additional \$40,000.00. So I just want to make everyone perfectly clear and I explained to Alderman Tencza and I said this will never happen again under my watch. But just the timing on this one just played out to that point and \$40,000.00 is a lot of money. So if there are any questions out there as to why this seems like this is moving very quickly, that is the reason why.

Alderman O'Brien

For the Chief, but this did come before Finance or am I getting confused with another? So it wasn't completely under the table, am I correct in saying that.

Brian Rhodes, Fire Chief

No I think in which the speed that we are working with tonight and tomorrow and the first hearing is rather accelerated and for that again, I apologize. But it is just the timing of how everything came about, but this is no different than how we have done vehicles in my history here in the organization. Nor has the Board of Aldermen done anything differently.

Alderman Wilshire

Thank you. With that being said, I just want everyone here to know that if the Budget Committee passes this, we anticipate this being on the Agenda for tomorrow night. If it goes past January 31<sup>st</sup>, we are going to owe \$40,000.00 more than we need to.

Chairman Clemons

I would assume that you will allow Public Comment on it tomorrow night.

Alderman Wilshire

Absolutely.

Chairman Clemons

Because I know there was some questions about when things come up not in the normal timing at the Board of Aldermen, our past practice is to allow the public to comment on it. So even though we had the Hearing here tonight, if there is somebody out there that wants to come to speak to it tomorrow, they can do so because we anticipate that this will be on the Agenda. Is there any further discussion.

Alderman Jette

Forgive me for this question but we don't operate in vacuums, we have people that ask us questions. So I feel obligated the questions here. So leasing has become a popular way of purchasing motor vehicles. Can anybody speak to whether or not we have ever considered leasing this type of thing? Or is it possible or is it completely out of the question and does it make any sense or not?

Mr. Fredette

We do look at lease options over time and we did have a leasing program here back around 2002 for Public Works. Since rates have just gone way down and, of course, with ours we just sold bonds at 2%, we can beat these lease options all the time. We do look at them though periodically and we will continue to look at them. But right now we are getting very good rates.

Alderman Jette

Thank you.

Chairman Clemons

Any further questions or discussion? Seeing none, the motion is to recommend final passage of 20-008.

**MOTION CARRIED**

NEW BUSINESS – ORDINANCES - None

GENERAL DISCUSSION

Alderman Kelly

Yes thank you, just to talk about this some more, Alderman Caron sent me a message that the pool was unexpended funds so they were just (inaudible) and that was the case, so I just wanted to clarify.

Chairman Clemons

Great thank you for that. Any further general discussion.

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN - None

POSSIBLE NON-PUBLIC SESSION - None

ADJOURNMENT

**MOTION BY ALDERWOMAN KELLY TO ADJOURN  
MOTION CARRIED**

The meeting was declared closed at 7:44 p.m.

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