

BUDGET REVIEW COMMITTEE

MARCH 21, 2022

A meeting of the Budget Review Committee was held Monday, March 21, 2022, at 6:56 p.m. in the Aldermanic Chamber and via Zoom which meeting link can be found on the agenda.

Alderman Richard A. Dowd, Chairman, presided.

Let's start the meeting by taking a roll call attendance. If you are participating via Zoom, please state your presence, reason for not attending the meeting in person, and whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.

Members of Committee present: Alderman Richard A. Dowd, Chairman
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman John Cathey
Alderman Ernest Jette (arrived at 7:04)
Alderwoman-at-Large Shoshanna Kelly
Alderman John Sullivan
Alderman-at-Large Lori Wilshire

Also in Attendance: Alderman Derek Thibeault
Alderman Tyler Gouveia
Alderman Alex Comeau
Alderman Patricia Klee
Alderman-at-Large Melbourne Moran, Jr.
Alderman-at-Large Ben Clemons
John Griffin, CFO/Treasurer/Tax Collector
Shawn Smith, Director of Plant Operations, NSD

ROLL CALL

PUBLIC COMMENT - None

COMMUNICATIONS

There being no objection, Chairman Dowd suspended the rules to allow for the introduction of a communication that was received after the agenda was prepared.

From: Garth J. McKinney, Ed. D., Superintendent of Schools (interim)
Re: Board of Education unanimously approved Franklin Street School improvement project

There being no objection, Chairman Dowd accepted the communication and placed it on file.

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS

R-22-016

Endorsers: Alderman Richard A. Dowd
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman John Sullivan
Alderman Patricia Klee
Alderman-at-Large Ben Clemons
Alderman Derek Thibeault
Alderwoman-at-Large Gloria Timmons
Alderman-at-Large Lori Wilshire

AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS NOT TO EXCEED THE AMOUNT OF FIVE MILLION DOLLARS (\$5,000,000) FOR FRANKLIN STREET SCHOOL BUILDING IMPROVEMENTS

MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Sullivan

Thank you very much. Now I have several questions about the dollars and cents behind this since we talked about the building. May I address Mr. Griffin with those questions?

Chairman Dowd

Sure.

Alderman Sullivan

Mr. Griffin it was brought up in the beginning that there were rental costs around housing the preschool program and also the Brentwood Program. Do we know what those annual rental costs are?

John Griffin, CFO/Treasurer/Tax Collector

John Griffin, CFO/Treasurer/Tax Collector. As Chairman Dowd indicated, Mr. Donovan who's the Chief Operating Officer of the School District, he would be the best person to have those numbers and he probably has them at his fingertips.

Chairman Dowd

And those savings were offset by the building.

Alderman Sullivan

Follow up? Will he also know the nuts and bolts of how much we bought the building for? Is that all handled under the Board of Ed.?

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman that would all be handled by Mr. Donovan recommending the acquisition strategy to the Board of Education. My recollection, subject to check, is about \$1,875,000 to purchase the building. As Chairman Dowd indicated, there wasn't any bonding needed. Mr. Donovan put together a three-year proposal accepted by the seller to fund that particular acquisition with appropriated money that was available. Most notably the last two years.

Chairman Dowd

Some of the payments that go towards buying the building are coming from savings to their budget because of not having to do the rentals.

Alderman Sullivan

A follow up question.

Chairman Dowd

Sure.

Alderman Sullivan

Thank you. In regards overall to bonding and as we approach budget season will we have, and it was referred to in the public comment, about just a general education on bonding how much the city can borrow, should borrow so we're not in the red just so we have an idea of where we are.

John Griffin, CFO/Treasurer/Tax Collector

We'll definitely have all that information. Over the last several years, we've come up with some pretty simplistic presentation materials. But most importantly, we're governed by State law and local ordinances with regard to how much we can bond both on the city level and the school level. There's a lot of bonding capability on the school level, but you certainly wouldn't want to go to the max on that. We will have all of that. We do need a bonding presentation because these numbers appear to be very large - \$5 million is not - but I wanted to give it that level of affordability as we go through. We've presented it historically at least annually and sometimes twice a year. We're working on that project right now. But any questions you have, it's fairly well laid out in the budget book. But it's by date of issue. So we could probably come up with some other ideas of how we can look at it on a project basis, but it's separated by city, school, highway and special highway fund that funds the paving, enterprise funds, especially wastewater, solid waste, and we will have all that information. I do agree that sometimes on the Finance Committee you're approving these things that are millions and you don't have the scale of what the capitalization is of the wastewater facility and then a million dollars doesn't get you much. So we can do all of that in the presentation.

Chairman Dowd

Since we talked today since we have so many new Aldermen who can give several presentations, one will be on bonding. So if you have a comprehensive idea of how we do the bonding and the fact that we don't bond anywhere near what our limits are, but that'll all come out in that special presentation. We're also going to dress things like the enterprise fund, wastewater fund. They're all intricate parts of the budget and they're all addressed separately. So we're going to have like a meeting - it's early April. I guess a Thursday of the first week of May. We're going to get the budget from the Mayor at the meeting on May 10th. So just before that, we're going to have sort of a general budget meeting so that all the new Aldermen can get a feeling for the various segments of the budget. So when we start going through these things, it's not as alien as it might seem when you get that book.

Alderman Sullivan

Got it. Thank you very much.

Alderman Cathey

Thank you, Mr. Chairman. This might have already been covered but are the escrow funds guaranteed already? Those are those are locked in.

Chairman Dowd

They would have to be because some of the works being done.

Alderman Cathey

Well, then. I didn't know if we had to hope for them and then...

Chairman Dowd

No the State blessed it and we get that.

Alderman O'Brien

Thank you. Just a little housecleaning Mr. Chair. Alderman Jette has joined us at 7:04. Welcome.

Alderman Jette

Thank you.

Alderman Klee

Thank you very much. In the presentation, you'll do the same thing that Mr. Fredette did? Twice a year we get the kind of the update of where the bonds are, and the sales pending, etc. That's always very helpful to give us twice a year that update

Chairman Dowd

That will be part of it.

Alderman Klee

Yeah and as far as – may I continue? As far as the ASUR funds that are the elementary and secondary school emergency relief funds that were part of the third stimulus. So it's part of that COVID. That's why they could use it for HVAC because it gave a better air circulation system and so on.

Chairman Dowd

Before we go too far, unless there's questions on the resolution. The motion on the floor is to recommend final passage to the full Board on R-22-016

MOTION CARRIED

All in favor signify by saying aye. Aye. Post motion carries. Okay. This is going to be on the agenda for tomorrow night. There is a time crunch. In order for all the work to be done to start school next September, we've got to get the drawings done. We've got to get the construction started. I don't think we've mentioned too much about the geotech that we had to dig holes in the ground to make sure the soil was okay to handle the construction. There's a traffic study which is being done and to see if we avoid Franklin Street altogether if there's other things we can do. The Department of Public Works, the City Engineer are all involved. We've had a few meetings on that already. We're thinking making Winter Street one way. DPW is going to pave it because it's pothole mania. They already patched the big piece by the school. They were very nice to do that and parking lots and all of those things. So it's always been a part of this project to make it as absolutely safe as possible because we're talking about little kids.

Okay. The other thing is we're going to be starting with, as I mentioned before, we're gonna get the budget from the Mayor on the 10th. Donna is putting together all the budget meetings. This year we are not going to have night set aside for Cemeteries or the Airport because the Cemeteries just get money from their trust funds to use. So it's not coming out of tax money. We were talking about something else relative to insurance and that stuff. We haven't got there yet. The airport is pretty much self-sufficient. If there are any specific questions when you get the budget book on those three items, feel free to call the Airport Manager or the Cemetery Managers and ask them questions. But they're pretty well set. We usually have them in here and nobody asks any questions.

We will be sending out as soon as we can. We're going to be sending out those meetings. The first thing we do is we send them to the Division Directors to make sure they can be here. We already had one request from the School Department. Donna plays that chess game with the meetings and then once it's locked in, we'll send it out and makes sure that everybody knows when the meetings are.

Alderman Wilshire

I just wanted to follow up with you on the request that I made to have the departments that don't come before us provide us something in writing about what's gone on the past year and what they're looking for, for the coming year. Whether it's not funding, I just like to know that everybody knows why they're not...

Chairman Dowd

A little synopsis. Like Edgewood has just added a whole new section, new graves, and they're already unfortunately building some of them up but we can get that.

NEW BUSINESS – ORDINANCES - NoneTABLED IN COMMITTEE - NoneGENERAL DISCUSSIONAlderman Cathey

Just had a question that didn't relate to the Resolution so I wanted to hold off on it. For the Brentwood Academy, and

maybe I have to cursory have an understanding, but wouldn't that be something that we're less concerned about capacity issues because it's mainly students who are for lack of a better word not in mainstream high school for whatever reason. Sometimes traditional high school learning is not for everyone. But wouldn't you hope for that number not to grow so the capacity would - that's not a thing that we would ever worry about because I believe Trump said that they think it's gonna go up to 35. But in general, don't we think that that's always going to be continually going down as we rehabilitate students and get them back into mainstream or is it something that we're expecting to grow year over year?

Alderman Dowd

One would hope, and I concur, that the fewer students from Nashua that need it the better. When the Board of Education comes in, they can address that in more specifics. I think they're also looking to fill some of the slots with people from surrounding communities that pay a fee which offsets costs.

Alderwoman Kelly

You started to answer my question but my question was around - I think that's one of the later times that we've gotten the budget from the Mayor and I just wanted to make sure that you're comfortable that we'll have enough time to answer all the questions...

Chairman Dowd

It's the exact same date as last year.

Alderwoman Kelly

Really? I feel like we started in like March last year.

Alderman Dowd

Another discussion we had today.

Alderwoman Kelly

Okay.

John Griffin, CEO/Treasurer/Tax Collector

Mr. Chairman I think that's a great question. It does seem late but when I first started in the city, Mayor Lozeau would bring the budget in with a better knowledge of what's happening up in Concord. As you folks know, last year we had to bring it in later than March because we had a lot of uncertainty regarding the proper funding of education. They were going originally we were horrified when they decided to use the ADM metric for headcount and the free and reduced lunch when no one would be signing up for free and reduced lunch when the lunch was free. There was no limited programming on bus reductions and athletic fees. It's not a bad thing to get it late it towards the end and we'll do everything we can to make sure we answer effectively and appropriately through the process.

Alderwoman Kelly

If I could just remind everyone when we have to pass the budget by before things step. Can you just remind everyone when we have to past the budget by?

Chairman Dowd

Ideally by the first of July, which is the new budget year. I've been told several times by Legal it's not absolutely necessary. We'd like to continue on like a continuing resolution if we don't pass it by then. But we'll have plenty of time to discuss it to get it passed, I hope.

Alderman Clemons

Thank you, Mr. Chairman. I just am asking on the record publicly that if you could see to it to put R-22-008 on the agenda for next Monday. That was referred back at the Board of Aldermen. That's the Court Street legislation. I'd appreciate that.

Chairman Dowd

I'll make sure Donna knows.

Alderman Clemons

Thank you so much.

Alderman Jette

Thank you. A couple of things. I know probably no one knows more about the Airport than you do but when you say that they're not asking for any money, I just came from the Capital Improvements Committee and they're asking for money. I don't know how this all works, but they are asking for money. They want to change the location of a runway and they want to build a new taxiway. Most of that money is coming from the federal government and part of it from the State, but part of its going to come from the city. So they are asking for some money.

Chairman Dowd

So Capital Improvements is a separate part of the budget. I'm talking about operating funds, which they don't need.

Alderman Jette

Okay.

Chairman Dowd

Unless that's changed, but I don't think so. So Capital Improvements is a separate part of the budget and we discuss all the items in the capital improvement program. That's 90% federal funds by percent State, by percent local. The last couple of years it's been either 100% federal or the State picked up 10%. I forget which but the city didn't have to put anything on like that new paving they just did. They paved half the world out there. I'm gonna double check on the share but that's a capital improvement program, which all departments participate in. That's a separate type of funding then their department funding.

Alderman Jette

Okay. And the second item is I don't know about the rest of the members of the Committee but I am really confused about where we stand with the spending cap. I know that we had a spending cap and then the courts told us that it was not enforceable because it did not have an override provision. Then the legislature passed legislation for the purpose of making our spending cap okay even though it doesn't have override provision and that passed. Then there was something before the legislature recently to try to fix that and that failed. So I don't know where we stand on the spending - I know that there are provisions in the spending cap for accepting certain things. So I was wondering if it would be possible for you to arrange for Corporation Counsel and maybe the CFO to kind of give us a little lesson and what are we dealing with? Are we constrained by a spending cap? If so, what is it?

Chairman Dowd

I'll talk to Mr. Griffin about when we knew that. It would be the Mayor, Mr. Griffin, and Legal. I wouldn't touch it myself. Okay, no problem.

Alderman Klee

Thank you. Relative to the spending gap, all the things that you said are true. This past week we tried to get the legislation to accept the fact that Nashua needed an override. I will keep my comments as polite as possible. They turned it down. We did have one legislator in the city that also voted against Nashua having an override. As you know, the Supreme Court upheld the lower court level that said that Nashua did not have an override. Regardless of what the person who is suing the city said and that's why it was considered not enforceable. Alderman O'Brien spoke in front of the legislation and tried to explain that to the 350 plus legislators and they didn't care. That's the bottom line. They didn't care. We had enough people from Nashua - residents and so on, who are writing the most heinous - and I will say heinous letters stating that Nashua is trying to pull a fast one where Nashua was not trying to pull a fast one. We do not have an override.

We do, as you said, have exceptions. There is an RSA that states that anyone who has a tax cap or spending cap SHALL not may, SHALL have an override. Nashua is the only community, the only municipality through the entire State that does not have that. As a result, we cannot override anything that are other than the exceptions. Those exceptions are also written into the RSA and in our Charter. So the fact of the matter in the past, we may have not necessarily followed the rules and that's why the Judge said we didn't have an override and because of that shall, but the legislator who is from Nashua as a Senator, he put through legislation last year - SB52. That was very, very much so focused on Nashua and it only applied to Nashua that put back that spending cap regardless of whether or not there was an override. In my opinion, and I will get a lot of hateful message, but it was a hateful thing to do. I think it was a horrible thing to do to the City of Nashua. It hurts us in so many ways. But all people keep thinking about is that's okay because my taxes aren't gonna go up. But it's not just as simple as that. There's a lot more. Any emergency, we can't take care of it. We probably will and then we put ourselves up a lawsuit but we'll have to take what comes through. Where we have so many people who are lawsuit and litigation crazy, that's where we'll end up back in court.

It really was disturbing and it was heartbreaking to see that happen. Alderman O'Brien as State Rep. did an incredible job trying to make that point and I appreciated him doing that. I got it out of committee. I got a bipartisan. I got it out of committee as an ought to pass and it breaks my heart that these people couldn't see it. All they thought about was oh the heck with Nashua. Nashua, Nashua, Nashua. As Alderman O'Brien said, it's kind of a Marsha, Marsha, Marsha. No one wants to hear Nashua. They don't want to hear about Nashua. They don't want to hear about Manchester. We are truly a State divided and it pains me. It really pains me so thank you.

Chairman Dowd

I didn't want to interrupt you but further discussion and ought wait for that meeting that Alderman Jette...

Alderman Klee

I just wanted to give an update as to what had happened.

Alderman Cathey

Oh, you said you wanted to table it. I had a follow up to her question but I didn't want to get too far in the weeds.

Chairman Dowd

But that discussion on that subject ought to go when we have a discussion on the spending cap.

Alderman Cathey

That would be great. I'd love it.

Alderwoman Kelly

I was actually going to ask if 1) we had that discussion or if we had some historical data in terms of financially what the spending cap has looked like, and what projects we've had to put on hold, or anything like that that might give us some more light into what that's looked like in the past.

Chairman Dowd

Okay. Any other?

PUBLIC COMMENT

Laurie Ortolano

Laurie Ortolano, 41 Berkeley Street. As we go into budget season, I've seen, you know, what the Mayor has put out for a request from departments as far as capping it. I really think that this season you should be looking at a 10% reduction across the board. That isn't really being taken seriously. You've got new assessment numbers coming out in six months. I don't think the public has been told what's really going on there. I don't think the last update you had from the administration clarified what was going on with the depreciation factor. Vision gave an update last Thursday stated that you would have properties moving between 45 and 60% higher. The median is going to be a set number and condos and

ranches are going to take a big hit again. Those that didn't have the depreciation set correctly could see increases between 80 and 100%. They're gonna see a big change in their tax bill and I don't think Aldermen are prepared to deal with that within your Wards the way you should when people start calling. They're going to be very upset. So I really feel this budget season needs to be very aggressive at cutting the budget.

I also want to make the request that the Legal budget be substantially cut and you start looking at some level of outsourcing because I look at the millions of dollars spent to lay out battle with me on issues and I think it was ridiculous. They should have been willing to negotiate. They should have been willing to address these issues. My last trip to court on the 28th, they did offer to settle 10 minutes before and I said no because I wanted the Judge to hear what was going on. Two days before my trial, they discovered 500 pages of records I had been asking for 11 ½ months ago. It's just absurd the withholding of information that's going on here. I'm opposed to funding a Legal office that is doing this.

I've also become aware that the Legal office is representing some city employees who are not being truthful to them. I am completely opposed to that. No lawyer would give representation to somebody who's not being truthful. They tell you to take a hike. But we're using tax dollars to represent individuals who are not being truthful to City Counsel. Make them go find and hire their own attorneys to represent them in court. Don't make taxpayers pay for that.

So I'm, you know, and I really believe you got to look at - I would had a meeting with the DRA. They asked me specific questions...

Alderman O'Brien

30 seconds

Laurie Ortolano

...about what was going on with the property record card scanning and bringing that online. I don't have any answers. I specifically asked when that was going to be addressed and done as Jonathan Cathey asked. The answer I got from the Legal office, not the Chief, was to go back and look at the February 8th meeting. Miss Kleiner provided no answer. It was - oh, we're super busy. We don't know. So I would like to get answers to that because records are a big problem and they're causing a lot of issues and you're gonna get new bills out soon. Thank you.

Chairman Dowd

Seeing no public comment.

REMARKS BY THE ALDERMEN

Alderman Thibeault

Thank you Mr. Chairman. I just wanted to say she's not here today but a happy birthday to our own Alderwoman Gloria Timmons. Hopefully she's watching this, right, or out with her family having a great night. So I won't say how many years it is but Happy Birthday.

Chairman Dowd

Yes. Anyone else?

Okay. Just want to relate one thing. When we have our budget meetings on the budget, they are work sessions with Divisions. They are not for public comment and back and forth. The public has the opportunity to ask questions to all the Division Directors and everything during the public hearing on the budget, which is usually held at Nashua High North in the auditorium. But the sessions that we have are meant for interface between us and the divisions presenting their budget. Okay. We're getting a lot more information as we move along on the budget on how it works.

The other thing I just wanted to say is the new school is underway down in south Nashua. Even faster than I thought. There's going to be a minor inconvenience as Alderman Sullivan and I have been discussion the last couple of days. We have to start at the Medallion/Cherrywood intersection because it won't be until this Friday we get the wetlands permit to start the road on Buckmeadow. They'll take perhaps six weeks to build that. The temporary inconvenience to the people on Medallion should be a week or two. The only access will be on the corner of Medallion and Cherrywood. I hand-delivered a letter to all the neighbors today explaining that whole situation. So far, I don't think we've heard from anybody

yet.

Alderman Cathey

Sorry I spaced. I just wanted to thank Mr. Griffin for coming in because that's the first time I've heard about bonding funding schedules, which being a financial guy, I really like to dig into. So I appreciate that you're going to come forward and share a lot of that information with us. I look forward to hearing all about that because even when I talk to constituents who either they don't support me or they do support me, they have a lot of misconceptions about how bonding works, how budgets work, what affects taxes, what doesn't and I have to sometimes disagree with them because they don't really understand some of the process. So I think knowing more about bonding, and how bonding works, and interest rates will help the citizens know where to concentrate their energies if they're really concerned about taxes versus just spending in general. So I think that helps enlighten everyone at the table so we can all have a fair discussion because I think sometimes even people who support me make unfair comments about the spending. I don't think that's helpful.

And the other comment I had was a question. When school buildings are done like Franklin Street will be done at some point, or renovated, or the new school can we contact you to like get tours, or see the buildings, or do we just contact the Principal, or?

Chairman Dowd

If you're going to visit Franklin Street, I suggest contacting Mr. Smith. If you want to go to any other school, you should talk to the Superintendent.

Alderman Cathey

Okay, great.

Chairman Dowd

It's just a courteous. Even members of the Board of Education have to go through the Superintendent.

Alderman Cathey

Right. That makes sense.

Chairman Dowd

Because Principals get really nervous when somebody just shows up. Okay, seeing nothing else. We don't need a non-public.

ADJOURNMENT

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

The meeting was declared closed at 7:28 p.m.

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

Garth McKinney, Ed. D.
Superintendent (Interim)

Anthony Parker, M. Ed., CAES
Assistant Superintendent



NASHUA
SCHOOL DISTRICT
Gateway to Opportunity

Kimberly Sarfde, Ed. D.
Assistant Superintendent

Daniel Donovan
Chief Operating Officer

March 19, 2022

Board of Alderman
229 Main Street
Nashua, NH 03060

Dear Alderman Wilshire,

On March 14, 2022, the Nashua Board of Education unanimously approved the bond request for the Franklin Street School. The motion made by the Nashua BOE is below:

MR. CLAFFEY MOVED, SECONDED BY MS. RAYMOND, TO RECOMMEND THE JSSBC PURSUE A \$5 MILLION BOND TO COVER THE COSTS ASSOCIATED WITH THE FRANKLIN STREET SCHOOL PHASE TWO CONSTRUCTION AND RENOVATION PROJECT.

Thank you for your assistance with the much-needed construction and renovation projects at the Franklin Street School.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth McKinney".

Garth J. McKinney, Ed. D.
Superintendent of Schools *(interim)*