

## BUDGET REVIEW COMMITTEE

APRIL 16, 2020

A meeting of the Budget Review Committee was held Thursday, April 16, 2020, at 7:00 p.m. via teleconference.

### Chairman Dowd

As Chairman of the Budget Review Committee, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are:

***a) Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:***

We are utilizing Zoom WebEx through the City's IT Department for this electronic meeting. All members of the Budget Review Committee have the ability to communicate contemporaneously during this meeting through this platform, and the public has access to contemporaneously listen in to this meeting through dialing the following number 978-990-5298 and using the password 273974. The Public may also view this meeting on Comcast Channel 016.

***b) Providing public notice of the necessary information for accessing the meeting:***

We previously gave notice to the public of the necessary information for accessing the meeting, through public postings. Instructions have also been provided on the City of Nashua's website at [www.nashuanh.gov](http://www.nashuanh.gov) and publicly noticed at City Hall.

***c) Providing a mechanism for the public to alert the public body during the meeting if there are problems with access:***

If anybody has a problem accessing the meeting via phone or Channel 016, please call 603-821-2049 and they will help you connect.

***d) Adjourning the meeting if the public is unable to access the meeting:***

In the event the public is unable to access the meeting via the methods mentioned above, the meeting will be adjourned and rescheduled. Please note that **all votes** that are taken during this meeting shall be done by **roll call vote**.

Let's start the meeting by taking a roll call attendance. **When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.**

Alderman O'Brien called the roll and asked them to state the reason he or she could not attend, confirmed that they could hear the proceedings, and stated who was present with him or her.

The roll call was taken with 6 members of the Budget Review Committee present:

Alderman Richard A. Dowd, Chairman  
Alderman-at-Large Ben Clemons, Vice Chair  
Alderman Jan Schmidt  
Alderman Ernest Jette  
Alderman-at-Large Lori Wilshire  
Alderman-at-Large Michael B. O'Brien, Sr.

Members not in Attendance: Alderwoman-at-Large Shoshanna Kelly

Also in Attendance: Mayor Jim Donchess  
John Griffin, CFO/Comptroller  
David Fredette, Treasurer/Tax Collector  
Alderman Patricia Klee  
Alderman Linda Harriott-Gathright  
Alderman Tom Lopez

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Alderman O'Brien

Alderman-at-Large Michael O'Brien is present. I am alone and I am practicing self-distancing.

Alderwoman Wilshire

I am here, I am at home, I'm alone, I can hear you and I am social distancing.

Alderman Jette

I'm here, I'm alone, I can hear you and I am not at the meeting because I am obeying the order to stay home.

Alderman Jan Schmidt

I am here, I am alone and I am at home because I am following the CDC Guideline.

Alderman Clemons

Yes I am here, I am at home, I am alone and I am following the Governor's Executive Order.

Chairman Dowd

Yes I am here, I am alone, I can hear you, and I am practicing social distancing in accordance with the Governor's Law.

Alderman O'Brien

Also in attendance Mr. Chairman is Alderman Caron and Alderman Klee and John Griffin, CFO, Controller. Is anybody else that I did not call.

Alderman Harriott-Gathright

Harriott.

Chairman Dowd

Did you see the Mayor was in attendance?

David Fredette, City Treasurer

Alderman Dowd, Dave Fredette is also present.

Alderman Lopez

Alderman Lopez is also present.

Alderman O'Brien

Mr. Chairman, you have six voting members present.

Chairman Dowd

Thank you, so everybody is on mute except the Clerk.

COMMUNICATIONS - None

UNFINISHED BUSINESS – None

NEW BUSINESS - RESOLUTIONS

**R-20-016**

Endorsers: Mayor Jim Donchess  
Alderman Linda Harriott-Gathright  
Alderman Thomas Lopez  
Alderman-at-Large Michael B. O'Brien, Sr.

**AMENDING THE PURPOSE OF A FISCAL YEAR 2020 UNLIKE ESCROW FOR THE COMMUNITY DEVELOPMENT DIVISION**

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

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

Yea:	Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire Alderman O'Brien, Alderman Dowd	6
Nay:		0

**MOTION CARRIED**

**R-20-018**

Endorsers: Alderman June M. Caron  
Alderman-at-Large Michael B. O'Brien  
Alderman Patricia Klee  
Alderman Shoshanna Kelly  
Alderman Richard A. Dowd  
Alderman Thomas Lopez  
Alderman-at-Large David C. Tencza  
Alderman Jan Schmidt

Alderswoman Linda Harriott-Gathright  
Alderman-at-Large Lori Wilshire

**RELATIVE TO THE TRANSFER OF \$25,000 FROM DEPARTMENT 194 “CONTINGENCY”,  
ACCOUNT 70100 “GENERAL CONTINGENCY” TO DEPARTMENT 109 “CIVIC & COMMUNITY  
ACTIVITIES”, ACCOUNTING CLASSIFICATION 56 “OUTSIDE AGENCIES” FOR THE PURPOSE OF  
PROVIDING FUNDING TO THE NASHUA ASSOCIATION FOR THE ELDERLY**

**MOTION BY ALDERMAN O’BRIEN TO RECOMMEND FINAL PASSAGE BY ROLL CALL**

ON THE QUESTION

Chairman O’Brien

Alderman Caron, would you like to speak to that at all?

Alderman Caron

Yes I would Mr. Chairman, thank you so much for allowing me to speak. As you know, for the last five years, the Nashua Senior Center has been given \$25,000.00 for its maintenance and upkeep of the Senior Center at 70 Temple Street. We have required, as a Board of Directors, that \$5,000.00 of that goes into the Reserve Emergency Funding, and the rest is used for upkeep of the facility; basically repainting, putting new lighting in. In the last couple of years we have been doing major cleaning, professional cleaning in the bathrooms and our kitchen, at least twice a year now.

With that being said, this year, as you know, because of the Center being closed and because of this pandemic that we have, the Board and I would like to ask that instead of using that \$20,000.00 toward maintenance other than the professional power cleaning of the bathrooms and the kitchen, that we be allowed to use some of that money for operating costs if needed. As always, we appreciate the City’s willingness to give the Senior Center this funding every year. Thank you.

Chairman Dowd

Thank you. Is there any questions or discussion?

Alderman Wilshire

OK I would support the motion and also the use of the funds for operating, if they need it.

Chairman Dowd

Yeah I don’t think there are any restrictions in the Legislation. Mr. Griffin, do you know, I don’t think there is.

John Griffin, CFO

There is none, as Alderman Caron indicated, that’s traditionally how we use the funds, but given the current situation there are no restrictions.

Chairman Dowd

Alderman Clemons, did you want to say something?

Alderman Clemons

No, that was my question, thank you.

Chairman Dowd

Great minds think alike. So the Motion is to recommend final passage to the Full Board of R-200-018. Would the Clerk please call the roll?

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

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire  
Alderman O'Brien, Alderman Dowd 6

Nay: 0

**MOTION CARRIED**

Alderman Caron

Thank you for the support from the Committee, I appreciate it and please all stay well. Thank you.

Chairman Dowd

You too Alderman Caron. Next Resolution?

**R-20-019**

- Endorsers: Mayor Jim Donchess
- Alderman-at-Large Michael B. O'Brien
- Alderman Patricia Klee
- Alderwoman Shoshanna Kelly
- Alderman Richard A. Dowd
- Alderman Thomas Lopez
- Alderman-at-Large David C. Tencza
- Alderman-at-Large Brandon Michael Laws
- Alderman Skip Cleaver
- Alderman-at-Large Lori Wilshire

**AUTHORIZING THE CITY OF NASHUA TO ENTER INTO CONTRACTS WITH NASHUA COMMUNITY COLLEGE, RIVIER UNIVERSITY, TOWN OF HUDSON, TOWN OF MERRIMACK AND THE PLUS COMPANY FOR TRANSIT SERVICES**

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

ON THE QUESTION

Chairman Dowd

OK is there anyone that wants to talk to this? No? I know we have the contracts. Mr. Griffin, because of what is going on, is this – if we approve this, this starts 1 July anyway and runs for a whole year.

John Griffin, CFO

Yeah so Mr. Chairman, it is very similar to past contracts that the Board has approved. It is too early to tell when the opening will take place for some of these services. But I think in the spirit of moving this forward, a favorable recommendation will be in order.

Chairman Dowd

Ben, did you have something?

Alderman Clemons

No.

Chairman Dowd

OK, I thought I heard somebody. So the most important part of this Resolution is that it provides revenue to the City. Is there anyone else that would like to comment? Seeing none, would the Clerk please call the roll?

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

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire  
Alderman O'Brien, Alderman Dowd 6

Nay: 0

**MOTION CARRIED**

**R-20-025**

Endorsers: Mayor Jim Donchess  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman Jan Schmidt  
Alderman Richard A. Dowd  
Alderswoman Linda Harriott-Gathright

**RELATIVE TO THE APPROVAL OF FUNDING FOR THE REBUILD OF THE SOLID WASTE CAT COMPACTOR FROM THE CAPITAL EQUIPMENT RESERVE FUND ("CERF") DURING FY2020 IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000)**

- Board of Public Works 4-8-20 meeting: Favorable Recommendation

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

ON THE QUESTION

Chairman Dowd

Is there anyone that would like to talk to that? Mr. Lafluer?

Jeff Lafleur, Solid Waste Department

This is our 1999 compactor that we had at the landfill. It is no longer operating, the engine seized up on it. It has had multiple electrical problems with it. So we went out to CAT and we asked them what the Certified Rebuild would do. It strips the entire machine down to the frame, makes sure the frame is 100% fine. It puts all brand new parts in it. And it gives us a 4 year warranty on the machine. If we were to purchase a brand new machine right now, it would be a \$1 million dollar machine and you'd only get a 3 year warranty on it. So this is definitely our best bet.

Chairman Dowd

OK thank you very much. Is there anyone else that would like to speak to this Resolution? I don't see anyone. OK the Resolution is R-20-025, relative to the approval of funding for the rebuild of the Solid Waste CAT

Compactor, from the Capital Equipment Reserve Fund, CERF, during FY2020 in the amount not to exceed \$500,000.00. Would the Clerk please call the roll?

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

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire  
Alderman O'Brien, Alderman Dowd 6

Nay: 0

### **MOTION CARRIED**

NEW BUSINESS – ORDINANCES – None

TABLED IN COMMITTEE

### **R-20-023**

Endorser: Mayor Jim Donchess

### **RELATIVE TO THE ADOPTION OF THE FISCAL YEAR 2020 PROPOSED BUDGET FOR THE CITY OF NASHUA GENERAL, ENTERPRISE, AND SPECIAL REVENUE FUNDS**

- Public hearing scheduled for 5/20/2020 at 7:00 p.m. at NHS-North Auditorium

### **MOTION BY ALDERMAN O'BRIEN TO TAKE R-20-023 OFF THE TABLE BY ROLL CALL**

ON THE QUESTION

Chairman O'Brien

Yes but before we do that, there's a very distinct chance that we are going to have to find a different way to do that Public Hearing and we already have guidance for doing Public Hearings remotely like we are doing this meeting. So more to follow on that; so there's a good chance it will not be at Nashua High North Auditorium, but again, as time goes on we will let you know more information. Yes, please take the roll.

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

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire  
Alderman O'Brien, Alderman Dowd 6

Nay: 0

### DEPARTMENTAL REVIEWS OF THE PROPOSED FY21 BUDGET FOR THE CITY OF NASHUA

<u>Dept. #</u>		<u>Revenue</u>	<u>Appropriations</u>
	<b><u>REVENUES</u></b>		
	General Fund, Solid Waste and Wastewater	31, 261, 271	
	<b><u>FINANCIAL SERVICES DIVISION</u></b>		
126	Financial Services		118
	<b><u>CAPITAL IMPROVEMENTS</u></b>		
various	Capital Equipment		254

	<b><u>OTHER PUBLIC SAFETY</u></b>		
128	Hydrant Fees – Fire Protection		150
162	Street Lighting		151
	<b><u>DEBT SERVICE, CONTINGENCY &amp; INTERFUND TRANSFERS</u></b>		
193	Debt Service		247
194	Contingency		251
198	Interfund Transfers		252

Chairman Dowd

OK we are taking R-20-023 from the table. Tonight we are going to be talking pretty much revenues and some of the financial services of the City. And I have formulated a bunch of questions that I had sent out. I sent them ahead to Mr. Griffin and Mr. Fredette and they will do their best to answer those questions. I am going to let them start off and address the revenues as they would like. And then, if we go through different sections and you have questions, please flag me so I can, is that the way you'd rather do it Mr. Griffin and Mr. Fredette?

John Griffin, CFO

Yes.

Chairman Dowd

OK so I'll let whichever one of you wants to start the ball rolling?

John Griffin, CFO

Yeah, maybe Mr. Chairman I can kind of set the table for what we need to accomplish tonight. We are going to talk about revenues, which is a little bit different. Historically with each Department we'd concentrate on revenues. But we felt it proper, in this particular budget for Mr. Fredette and I to go through revenues. If you still have questions, we can always discuss those in Departments. David will start off with the General Fund Revenues and he and I will interject as necessary and answer any questions. Thank you.

David Fredette, City Treasurer

OK Mr. Chairman? Alderman Dowd?

Alderman Schmidt

You are on mute, Alderman Dowd, you are on mute.

Chairman Dowd

Yes go ahead.

David Fredette, Treasurer

You can hear me?

Chairman Dowd

I can hear you.

David Fredette, Treasurer

Yes, this is Dave Fredette. For Revenues, the General Fund Revenues, I am assuming everybody has their budget books with them. At the beginning of the book, on the yellow pages, pages 31 through 48, the total estimated revenue for General Fund this year is about \$69.5 million dollars of which the School Department and Financial Services represent 93% of that revenue. The rest of it is made up of all the other Departments. I don't know if you people have specific questions on any Department, but for Financial Services, on Page 35 there was a question about the Motor Vehicle Permit Fees, you know the registration fees. We do budget that very conservatively, we expect that will probably be about level, this year compared to last year. Normally I really don't know what next year will bring because of what is going on right now. But we budget that very conservatively because in the past, back in the Recession of 2008, '09, '10, that timeframe, we lost quite a bit of revenue in that line item. What happens if budget conservatively we end up with usually a decent a surplus that can then be used to help off-set the tax rate in the new Budget Year.

The other thing I would point out is over the past few years, we have done very well on interest income. Rates, if you remember back in 2010, '11, '12, rates were very, very low and last year they were going up quite a bit. But we were getting somewhere between 1.6, even 2% on some of the investments. Unfortunately, they have go down drastically over the last five weeks, so now where we are back down to .10, .25 a half per cent interest. It has changed drastically so I am going to have to make sure that is budgeted conservatively, because those rates, from everything I have been reading, they will not increase that quickly over the next year.

The other area that has a lot of the revenue is the School Department. I am not sure if you want me to go over any specific line there. But that is found on Page 47 and the biggest amount there of course comes from the State, which is the State Aid and that is projected to increase next year based on information we received this year. And that total if \$44 million.

Chairman Dowd

OK, are we tending to have an issue – the Governor just cancelled school for the rest of the year and thank goodness it is in the last quarter. But do we see any significant reduction in 2020 revenues this year? Or have most of them been collected already?

David Fredette, Treasurer

Most of them, from the State, have been collected already, the big ones are all in. So I don't see a problem with the rest of this Fiscal Year. Next year I am not really sure what is going to happen, because I am sure you have heard the Governor say that the State is going to be hurting and depending on how quickly they get reimbursed by the Federal Government for cost, I really don't know exactly how that is going to play out for the Towns and Cities. Maybe some of the Aldermen have a better idea, we have a lot of State Reps on the Board. I haven't seen or heard anything specifically.

Chairman Dowd

Yeah I can see four of them right now.

Alderman Clemons

Mr. Chairman, I don't know if it is appropriate now but I did have just a general question about the revenues.

Chairman Dowd

OK go ahead.

Alderman Clemons

My question is, because obviously we are facing unknown times. But what I am curious about is what is known. How much of these revenues like what do they go to in particular, how many employees do they fund and are we expecting that if these fall short, how are we going to make them up in the following year. Because I assume that you are a conservative budgeter, Mr. Fredette, but you know I don't think even you could have guessed that this was going to happen. So I am just curious if we are going to be facing a major issue half-way through if we go off what is in this Budget Book?

David Fredette, Treasurer

Can I answer that Alderman Dowd.

Chairman Dowd

Yes go ahead.

David Fredette, Treasurer

To the best of my ability, I can only say that the revenues that I have control of, or the City has control of, I feel pretty confident even what we have estimated for Fiscal Year '21, we should be able to meet. I budget them very conservatively. The unknown is what the State's Revenue, what will happen to us with the State Revenue. We are given a number, those numbers are actually in the Book right now. I don't know if that would change in the fall. As you know, we set the tax rate in October and the State numbers are what they give us. They know the numbers that we are going to get and we have to put that in the calculation for the tax rate. In other words, we have no way to change that.

But I feel pretty confident about the numbers that we have control of for next year. I mean if they left like they are now, I don't think we will have any problems myself.

Alderman Clemons

That is great to hear, I have confidence in what you say, I do. So to hear you say that, makes me at ease, so thank you.

Chairman Dowd

Yeah and I understand that people are getting much better at being able to do things remotely through the City Clerk's Office for revenues and with your office, Treasurer Fredette. In fact I heard that car registrations are up. So I feel pretty good about those revenues. The one revenue and I can't put my hands on which page it was on that I have an issue with, it was \$350,000.00 anticipated in parking violations for 2021.

David Fredette, Treasurer

Alderman Dowd, I could first address, I mean I am sorry, CFO Griffin my answer, but the parking violations \$350,000.00, was always money that was raised, but it used to be off budget and this year it is actually part of the budget, that's why you are seeing it actually on the yellow pages. It used to be a revolving fund where the money stayed in the account and the expenses came out. Now it is more reflected like any kind of Operating Budget that we have for any other Department. If that helps.

Chairman Dowd

OK. Yeah that explains why it was sitting there for 2021 and it didn't show in 2020.

John Griffin, CFO

Right, Mr. Chairman, if I may? John Griffin, CFO.

Chairman Dowd

Go ahead Mr. Griffin.

John Griffin, CFO

As you recall, several months ago we created, with your approval, an Expendable Trust Fund for Parking Initiatives. And as you may recall, any revenues in this particular account, in this area, this Department minus the expenses, in Department 158, will be transferred in the next Budget Year. So it is done on a calendar basis, it will be transferred to that Expendable Trust Fund. It was designed after the amounts of regular parking revenue that go into the downtown improvement.

Chairman Dowd

OK. Go ahead Treasurer Fredette.

David Fredette, Treasurer

Sorry, it is a little tough because I am just on the phone, I am not on the screen so I can't see. I just wanted to say that I am very proud of my staff here at City Hall. Since we have closed, I have had people in here everyday and we are doing everything on-line, by mail, and drop off. And we are able to service everybody as if they came into the building. It takes a little longer, but we are actually doing everything; new cars, transfers, titles, renewals and they've been – the employees have been absolutely excellent coming in. They don't all come in at the same time, but it's a smaller staff each day that is here. And are phones are ringing off the hooks, our e-mails have increased a lot. Just today alone we had the biggest electronic funds come in for renewals. We had almost 900 registrations come on-line today for the month of May. And that's the biggest we've ever had since we started the program. So people are reading the renewal notices they get in the mail that this is how they have to do it, or they can drop off stuff at City Hall or mail it. So I am very pleased about that. And yes, we have noticed our e-mails, a lot of people are buying new cars at this time.

Chairman Dowd

They are doing that because the car dealerships are giving them great deals, they are even making their payments for a few months.

David Fredette, Treasurer

So people are taking advantage of that, that can anyways.

Chairman Dowd

I am going to open it up to questions on the General Revenues in a minute, but I know that we conservatively estimate our General Fund Revenues and I always feel 100% confident that we are going to have more revenues than anticipated. This year I wouldn't want to fool around with that because 2021 is an unknown, we still don't know what is happening. I heard today one college isn't opening up until a year from September which is scary.

But anyway, are there any questions on the General Revenue Fund. I can't see you waving your hand, you'll have to say your name. No questions? Alright, what is the next topic.

John Griffin, CFO

Mr. Chairman, I just want to respond to one of your questions with regard to Fire Departments and Ambulance, so if you look at Page 38, it is titled "Dispatch Services" for \$350,000.00.

Chairman Dowd

Alright, 38 – "Dispatch Services" there we go. Yes?

John Griffin, CFO

So as you recall, we originally wanted to create a revolving fund for those revenues and literally transfer the dispatch cost into that fund? Because of the spending cap not being an issue at this time, we kept all the dispatch loss in the Fire Department Budget and through Legislation approval we put the \$350,000.00 in this line item. So that's why it's, I just want to make sure that everything is going to plan.

Chairman Dowd

And then next year it is 365 hundred.

John Griffin, CFO

Right that's a 3% increase that was negotiated.

Chairman Dowd

And that's offsetting the NFR's dispatchers?

John Griffin, CFO

Yes, I know you are going to be speaking with the Fire Department soon, but it does a lot to fund the dispatch operations I think, Chief Rhodes will indicate that the cost of the dispatchers is more than that but it is very helpful.

Chairman Dowd

OK.

John Griffin, CFO

Thank you.

Chairman Dowd

The other question and I'm not sure where it is going to fill in and it has to do with revenues for, I know Alderman Wilshire and Clemons probably realize this. But in past years, let me backtrack a second, we are spending a lot of money, we are getting promises from the State and the Federal Government that they are going to reimburse. And there's a better than average chance that that money is going to come after July 1<sup>st</sup>. Typically we run into an issue because we can't go back to the 2020 Budget and when we had a spending cap we couldn't bring in to the current year budget because it was, and Mr. Griffin can probably explain it better, it was a problem. And I'm told it is not longer a problem. Mr. Griffin?

John Griffin, CFO

Yes Mr. Chairman, we are well poised to recover as much dollars as we can related to the COVID-19 pandemic. Because of the complexity and the severity of the pandemic, it is likely that those reimbursements may not come in Fiscal '20. That's why you folks, through the Mayor, proposing certain transfers, that's why you are moving money from Point A to Point B, specifically in the loss prevention department. So as we go forward and see Departments that can't overspend their budget, we have areas that we can transfer from approval, monies into those Departments. It's very different than a snowstorm but similarly problematic.

As far as getting any kind of revenue, that has to be appropriated by – it either comes in as General Fund Revenue and it can be appropriated. That may very well happen in Fiscal '21.

Chairman Dowd

Does everybody understand that? So if it comes in in July, go ahead who was speaking?

Alderman Clemons

Ben Clemons.

Chairman Dowd

Go ahead Ben.

Alderman Clemons

No, I just wanted to – this is a great point because this was the fundamental number one problem with the spending cap. The fact that we are no longer held by that, we can reimburse ourselves for everything that is going on and replenish accounts and everything like that. And we can do it uninhibited. So that was a great point to bring up Mr. Chairman. I think that, you know, in year's past when we've had storms and things and they cross over to the Fiscal Year, you get some Aldermen and they say, "Oh well I can't go over the spending cap" and the money just lapses into the General Fund and you know, some of that is just not right. And the fact that we don't have that issue anymore, I think is wonderful news. So that was great, thank you.

Chairman Dowd

Yeah, I wanted to point that out because I would be shocked, quite frankly if the State or the Federal Government money came in before the 1<sup>st</sup> of July. Anyway, so when it comes up, there's several things we can do with it, it will require action of the Board of Aldermen, but we won't be constraint. What would you like to address Mr. Griffin?

John Griffin, CFO

Well if I could, Treasurer Fredette did an excellent job describing the General Fund Revenues. But I did want to point out two items that are very important in this particular proposal. So if we look at Page 35 – and we look at Intergovernmental Revenue, and we look at Line Number 43516, that's the second half of the unrestricted revenue that the Legislation imposed and was approved and came down to us in September and October of last year. It is anticipated revenue this year, unless things change. That's a very important number because that is part of this budget, the \$69.3 million as indicated. It wasn't anticipated last year that's why it was a zero but it is \$1.28 million. So if there are any questions on that I'd be happy to answer them; if there aren't any questions I'll go in the School Area.

Chairman Dowd

Any questions? Alright, Alderman Clemons and then Alderman Jette.

Alderman Clemons

Through you to Mr. Griffin, that money though is what the Mayor said was going to be a one-time funds, to I think part of it was furniture and computers and things like that for the School District. And there was I think something that we are doing with the Library Landscaping, that is all that money, correct?

John Griffin, CFO

Right so previews and coming attractions; the \$1.8 the one-time expenses are in the Capital Budget Section and we will go over that if it's on the Agenda. The School Department, I am going to take you to the Page in a minute but that's, that \$2.9 million that we are hoping to still get, is added to the traditional State Adequacy result in that, I think it's going to be \$8 million, I'm trying to get to that page. We are going to go over the appropriations side. If we go to the Page 47 or 344, and you look up the State Adequacy Aid, you see that number is much larger than 2020, that's where we are working with Mr. Donovan through the office of the School, we are able to provide that number and that's what Mr. Fredette says that the State gives us that number, you know what the number is. So that's the School part, that's the desks, and deferred maintenance and books and things like that. I just wanted to point out that of the increase in revenue, \$4.7 million of the increase is due to these one-time numbers.

Alderman Clemons

Ok, but I guess my question is everything that this one-time revenue, everything in the budget that we are spending this on is a one-time cost?

John Griffin, CFO

Correct, I take that back, as the Mayor indicated last week, he did fund three ELL teachers, \$200,000.00 - \$150,000.00 for the salary and \$50,000.00 (inaudible) I can definitely show you that in the continuance in the budget. That's the only (inaudible).

Alderman Clemons

So the rest of it is, so besides for the three ELL teachers, the rest of it is one-time cost?

John Griffin, CFO

Correct.

Alderman Clemons

So my follow-up question is this; we know we are getting that money in late September, right, usually? Is it possible that and I would hope other than the teachers, is that something we are going to hold off spending until we know we definitely have the money, I would hope?

John Griffin, CFO

I would think so, Treasurer Fredette, he knows more about how the money comes in, but I believe once it is established, Treasurer Fredette, correct me if I am wrong, it comes in in quarterly payments or three payments?

David Fredette, Treasurer

This is Dave Fredette, yes most of the funding by the State will come in either over three times a year or quarterly.

Alderman Clemons

My point is though, is that you know we are either going to know if it is coming or if it isn't and so my point is that because these are one-time or the majority of it is one-time expenses, it's not like we have to, we are not a disadvantage because we can hold off expending it until we know whether we are going to get it, correct?

John Griffin, CFO

I would say that would be the most prudent thing to do.

Chairman Dowd

I would hope so.

Alderman Clemons

OK, thank you.

Chairman Dowd

Alright, I am going to go Alderman Jette first. Alderman Jette?

Alderman Jette

Yes, thank you. I noticed that one of the items, if I can read, this 43514, the Meals & Rooms Tax.

Chairman Dowd

Yeah, I was thinking that too.

Alderman Jette

So can you tell us how much of the – I think the Meals & Room Tax when you go to a restaurant or you get a hotel room, I think the State puts on a tax of – is it 8% or 9%, how much of that comes to the City? And in view of the fact that restaurants and hotels are closed, do you anticipate a shortfall for Fiscal Year 20 depending on how long they remain closed, is the amount that you've budgeted here realistic for Fiscal Year '21?

Chairman Dowd

Well I will let Mr. Griffin answer that but for 2020, we have already, as of the end of January, realized almost \$4.5 million which is against a budget of \$4 million, five hundred and sixteen. So I would hope that we make that this year, 2020 because the State is actually putting people up in hotels and paying for them. And the question would be on the FY 2021 side, and I would say one of the State Reps might be able to better understand that than – what is the State looking at? Anybody want to take a shot at that?

David Fredette, Treasurer

Alderman Dowd? This is Dave Fredette again, yes you are right, Fiscal Year '20, we have collected everything in Rooms & Meals Tax and again, that number is given to us usually in the early fall by the State. But

Alderman Jette is correct, with all the restaurants closed in the State and other things like that, I am sure the revenue is coming in a lot less for the State on that. So that could be a number that is affected in Fiscal Year '21. We just don't know right now, we just don't.

Chairman Dowd

I know that the number is less but when people are doing take-out, but are they still having to collect the tax? I'm seeing many heads bobbing. So there is still some money coming in.

David Fredette, Treasurer

There's money coming in but don't forget, all the bars are closed and that also gets the 9% tax. So I am sure their revenue is down on that. So I don't know how they are going to treat in the Fiscal Year '21 Budget, I have no idea. I haven't heard anything.

Chairman Dowd

Fortunately as mentioned before, they always use a conservative estimate on revenues. Alderman Jette?

Alderman Jette

So of that 9%, how much does the City get?

David Fredette, Treasurer

Well this year we got \$4.4 million, the State collects hundreds of millions of dollars on the Rooms & Meals Tax. We are a donut town when it comes to the Rooms & Meals Tax, like most taxes in the State. We contribute a lot more to the State than we get back from them.

Alderman Jette

So do we get a percentage of that or not?

David Fredette, Treasurer

Alderman Jette, if you saw the formula that has been derived over the years for that tax you wouldn't believe it. It is one of the most complicated formulas I've ever seen. It is not just a simple percentage that comes back to us.

Chairman Dowd

It's very hard to figure out.

Alderman Jette

OK, I have another question. On 48314, Bond Premiums, what is that.

David Fredette, Treasurer

OK yes that was a question. I am going to do my best to explain it; it is not an easy thing to explain.

Alderman Jette

I don't ask easy questions so ....

David Fredette, Treasurer

Yeah I know that, you are known for that Alderman Jette, But anyways, when bonds are in high demand, and our bonds are, we usually get about 9 bids every time we go out to sell, the investors who buy them will offer cash, we have a higher coupon on the bond, because these bonds are 20 year bonds, 25 year bonds. Most of the investors don't keep them; for 20 years they may sell them after 10. And if they can get the coupon rate a little higher by paying cash, they call that premium, they prefer to do it that way. And it helps them out on their Capital Gains Taxes when they sell; it is a very complicated thing and it is very hard to explain within five minutes or something.

But what happens is if we are selling a bond for \$5 million dollars and they pay us \$300,000.00 in premium for that then we actually only have to sell \$4.7 million of principal. So if you take the \$4.7 principal, the \$300,000.00 cash that is given as a premium, that makes up the \$5 million that you need for the project. I know that's a little hard to understand but that's how the premium works. It's when your bonds are in high demand, people will offer that. We've been getting bond premium now for at least 10 years; prior to that, that didn't happen very often. But where rates are so low, they purposely want to raise that coupon rate by giving cash, so when they sell, it is more desirable and it helps again with their Capital Gains Tax. I am not a CPA or an IRS expert, but that's a little bit of how the premium works.

Alderman Jette

Thank you.

Chairman Dowd

To some degree it is unanticipated revenue because it is hard to figure that you'll get that, Treasurer Fredette?

David Fredette, Treasurer

Well what happens is when we get the premium, a lot of the projects, all the projects, if we are going to spend \$5 million dollars on a sewer project and we get \$300 in cash – we only have to get principal of \$4.7 million and that goes to that project. But what happens is you always end up with a little bit more than is needed and that ends up on the page, under Financial Services, the Bond Premium, \$132,000.00 and yes that is actually unanticipated revenue and it ends up as surplus at the end of the year.

Chairman Dowd

OK thank you, very good; any other questions? Mr. Griffin quite an education there.

John Griffin, CFO

So I think the next area we want to discover is the green pages or more particularly Page 261 which is the Solid Waste Enterprise Fund.

Chairman Dowd

Is Jeff still on?

John Griffin, CFO

He might not be here because he was more concentrating on the Caterpillar Rebuild. What I am going to do is explain the revenue (inaudible) will be going through all the appropriations.

Chairman Dowd

Yeah when I sent the questions and this is an area that a lot of people, especially new Aldermen, have trouble understanding. It's a little bit complex so OK Mr. Griffin, take a shot.

John Griffin, CFO

Yeah so the City has two Enterprise Funds; one is Solid Waste and one is Waste Water. The Enterprise Fund traditionally is funded by user fees or charges for services. In the case of the City of Nashua, the revenues I am going to go over in a minute here do not equal the expenses associated with running the Solid Waste Enterprise Fund. So we can call it an Enterprise Fund but one of the main sources of revenue is the General Fund Appropriation that goes into that as a revenue stream.

So if we look at Page 261, and you look at 44514 under "Charges & Services" those are the disposal fees that are collected at the Solid Waste Facility; that makes up most of the revenue as you can see. There is other revenue that we collect but that is the predominant one, \$3.3 million estimated. It is increased slightly from \$3 million, not due to any increases in fees but historical usage with the Finance Manager and the Department of Public Works looked at the numbers and she recommended the \$3.3 million target for revenue for Fiscal '21. If somebody has questions on some of those line items, I can move to where I can clearly articulate the amount of General Fund Revenue that is going to be required to have the revenues equally.

Chairman Dowd

Yeah we can do that in a second. I am looking at Interest Income, Miscellaneous and last year it was budgeted at \$100.00 and this year it is \$80,000.00? That would be on Page 261, Account 45207.

David Fredette, Treasurer

That's a good question and I am not sure why it was budgeted at \$100.00 last year and I think we may have to get back to you with a better understanding of that, what that was about, because that doesn't really make sense to me either.

Chairman Dowd

Yeah and so far we have realized in 2020, well as of January 31<sup>st</sup>, \$25,536.00 so \$100.00 doesn't make any sense.

David Fredette, Treasurer

No. And I'll find out why that was done, it could have been an error, who knows? But I will find out.

Chairman Dowd

OK. The State Aid Reimbursements went down, I don't really question that because any money coming from the State these days can be suspect. The sale of recyclables, \$220,000.00 like it was last year and this year as of the end of January we only looked at \$93,734.00. Are we realizing anything from the sale of recyclables now? Didn't we just allocate money to cover it for the end of the year?

John Griffin, CFO

That would be a question that I would probably wait and Director Fauteux would explain. You are right, the cost of recycles is in appropriations and this is the revenue side and I know she's an expert at that at Solid Waste, so she would be more appropriate to help you with that. We know that question is being asked.

Chairman Dowd

OK. Does anybody have any questions on the revenues on the Solid Waste Side or questions on how the Enterprise Fund works at all? Alderman Jette?

Alderman Jette

Yes on 44288 “Cover Material Revenue”, what is that?

John Griffin, CFO

The short answer is that’s revenue that we take in cover in arguably – it used in (inaudible). Again Director Fauteux would be able to articulate that, but listening to them over the years, that is what cover materials is. People will pay us to have us put that into our landfill as cover.

Chairman Dowd

Yeah as I understand because at one point I had an opportunity for them to get some fill that a developer was trying to get rid of. So they have occasion to get paid for – it’s not a lot of money really – to go and get material and bring it and use it as fill or cover material. But she can explain it more than I can. Any other questions Alderman Jette?

Alderman Jette

Yes, again on 48314, bond premium is that the same - \$990,000.00 in bond premiums, is that the same as what Treasurer Fredette just explained?

David Fredette, Treasurer

Alderman Dowd?

Chairman Dowd

Yes go ahead Treasurer Fredette.

David Fredette, Treasurer

That’s not quite the same, the premium is the same, but the premium that you see in the yellow pages is strictly surplus. This here is actually part of the project cost that was cash given and it will be used for the, it might be more than one project, but it’s part of the project cost, so that is not going to be surplus.

Chairman Dowd

So they factor in that revenue into their project.

David Fredette, Treasurer

Right.

Chairman Dowd

Any other questions?

Alderman Jette

Thank you.

Chairman Dowd

Alright, we will jump into the next one Mr. Griffin?

John Griffin, CFO

Yes so to tie up what I was explaining a new minutes ago if you look at Page 264, you will see that the Solid Waste at the bottom of the Page, you'll see what that Solid Waste Appropriations (inaudible) million and the revenue at \$4.114 million. So the number that results of taking one together is the General Fund contribution to the operations of the Solid Waste Enterprise. So \$5.7 million is used from the General Fund to go into the Solid Waste Enterprise.

Chairman Dowd

Yeah, the revenues in the Solid Waste are a delicate thing, if you try to raise them too high you lose all the revenue. So it's a balancing act that Director Fauteux can give us a lot more detail when we talk to her. But does anybody have any questions relative to that? It's been that way for quite a while. OK, Mr. Griffin?

John Griffin, CFO

Certainly, so if we look at the Solid Waste, the Waste Water Fund.

Chairman Dowd

Just before we go – I have one question. Treasurer Fredette, I noticed on the new debt to be issued, we are using an estimated rate of 3%. We really think it's going to be 3%. I know you always do that conservatively. That's on Page 265. Treasurer Fredette? Did we lose him? Treasurer Fredette, are you on mute?

John Griffin, CFO

Maybe I can just jump in Mr. Chairman, we put this budget together well before the market kind of crashed for bonds and interest rates and everything else. This was a number that Treasurer Fredette would have developed back in November / December. So he does try to be conservative but we are hoping that the number doesn't go over 3%. Too early to tell at this point.

Chairman Dowd

Alright. And when we see Director Fauteux, a lot of questions I have on recycle. So, Waste Water Fund.

John Griffin, CFO

If you look at the revenues on Page 271, you will see (inaudible) that's going from (inaudible) user fees. So this fund unlike the Solid Waste Fund, this fund gets a significant of their revenue from user fee charges to residences and businesses and industrial customers. The last time we had a rate increase was effective January 2016. Carolyn O'Connor the manager (inaudible) are working on or the proposal is what she's using to create the estimated revenue which is a 15% increase in user fees. 15% seems like a lot but on an average basis it's in the dollars and cents, it's not quite like tax increases. Is that you Dave?

David Fredette, Treasurer

Yeah, somehow I got disconnected so I gave a whole answer on that and I don't think anybody heard me, so I'm sorry. But I don't know if John explained to you that we've been having calls with our Financial Advisor on bonds?

Chairman Dowd

No, go ahead.

David Fredette, Treasurer

Well what I said early I guess I got cut off is that 3% normally would be a conservative rate but since this virus started, the problems with that, the bond market has not been very good to sell. The first few weeks they could barely sell anything and the rates did go up in the 3% / 3.5% range. The last two weeks have improved and we are just going to have to wait and see what happens over the next few months. And if things have to change, we'll have to let everybody know but normally that 3% would be a conservative number.

Chairman Dowd

An issue for 2020, right?

David Fredette, Treasurer

You are talking about the deb service ...

Chairman Dowd

The new debts to be issued under the Solid Waste Fund right now?

David Fredette, Treasurer

Yeah that would be items that may be sold in Fiscal Year '21.

Chairman Dowd

Ok, alright, that's all I needed to know. Anybody else have anything else on that? No? Now we are into the Waste Water. Mr. Griffin did you want to continue.

John Griffin, CFO

Yeah, so again significant revenues coming in to service the operations, general operations and capital requirement. That number is scheduled to increase in Fiscal '21 and it is basically an ordinance change for the rates. We would be putting together the necessary back up information to propose such an increase. So those of you that heard last night's Finance Committee Meeting where Mr. Hudson, the Engineer, was talking about the \$5 million dollar project to either dig u p and lay new pipe or use some type of other technology to insert pipe into the current facilities, that's all included in this area here. That's why we are bonding, Treasurer Fredette will have a bond schedule that includes that amount, when we get to that. There's a number of revenues that are all included in the operations of the Wastewater Department.

The only other item I could say (inaudible) is the Town of Hudson actually contributes a certain amount to our capital when we service them, so that's that number and it's expected to go up because our costs have gone up. That's what we have for revenues and as Treasurer Fredette said we are going to do a review of bonding to include general bonding, solid waste bonding and wastewater.

Chairman Dowd

Any questions from anybody for Wastewater? No? Alright. We will go over the actual operating budgets when we talk to the DPW.

John Griffin, CFO

So at this point Mr. Chairman, we will go back up to Page 118, I did want to re-echo the sentiments of Treasurer Fredette. We've got a fantastic staff up and down the line, that's how we maintain our Triple A Rating. That's how we can get debt rates and the team has really pulled together, both at City Hall and we really thank them. (Inaudible) that's where the technology interfaces with the state and Treasurer Fredette has done a fantastic job keeping all that revenue coming in and servicing us our customers to the best of our ability.

And in addition to that we have a bunch of folks working remotely trying to really contribute whatever they can to the financial aspects of this pandemic. I wanted to say that before David takes over the details of the budget. Thank you.

Chairman Dowd

OK. So does that wrap up all the areas that I had given you questions on or do you want to just answer those in writing to us?

John Griffin, CFO

Mr. Chairman, I think that's a great idea. For example you had several questions for the school, especially revenue. And Mr. Donovan pursuant to my request, he did a great job explain each and every one of them. So I think, if you don't mind, I think I could do that for both the City and the School Special Revenue and get that out to you and Committee Members sooner rather than later.

Chairman Dowd

It's just a lot of little things, most of them don't amount to a heck of a lot of money one way or the other. The one thing that I had talked to Mr. Griffin about was the Hunt Building. Well we can get into that later, that's a whole different topic of discussion.

John Griffin, CFO

I would say Mr. Chairman, and the rest of the Committee Members, Special Revenue Funds are created because the fees collected for that purpose meet or exceed the expenses for that. So that's the only way that you could create special revenue funds if it is self-supporting. Now the Hunt Building or other of these special revenue funds that rely on things like camp fees, and daycare services and other things, the hope is that if there isn't any services, there's no cost, so that's what we are looking at.

Chairman Dowd

So the Special Revenue Funds again, I was talking to Mr. Griffin earlier there are a lot of them. And many of them serve a very important purpose, a good example is CTE and School System where other towns pay us fees to send their students over to us and the money gets put in to their Special Revenue Fund so it can be used to replace equipment when it comes due to be expended. So it saves the Board of Ed. But there are some in there that have very little money left in them, and I don't know if we are going to do it as part of this budget process. But at some point we are going to take a look at all the small ones and see if we can just dissolve funds because they've got very, very little money in them and they haven't been touched in a long, long time and nobody is contributing to them. So it may be time to retire them. But does anybody have any

questions about what any of the Special Revenue Funds – the one I stay away from is the School Lunch Program because that's a self-contained Special Revenue Fund. They get money from the Federal Government and they use it to do lunches and it's basically a wash. They even pay their salaries out of it so that one, there's nothing we can do with that one. Alderman Jette, do you have a question?

Alderman Jette

Yes I do. Regarding the Special Revenue Fund for the School Department Athletics Program. It talks about revenues from gate receipts and athletic fees and that's balanced off various expenses that are listed. So that doesn't mean that the gate receipts and athletic fees, I assume are fees that are charged to the students. That doesn't mean that those gate receipts and athletic fees pay for all of the athletic expenses related to the School, does it?

John Griffin, CFO

Mr. Donovan has provided an explanation. Athletic Revenue Fund; this account generates revenues from school athletic fees and gate fees. So it is going to be affected by spring sports and any possible changes to fall sports. Most of the expenses are for new uniforms. So hopefully we can delay our new uniform schedule a bit and keep the fund viable.

Alderman Jette

OK can I follow up. So this balance sheet just shows that whatever revenues are raised from gate receipts to athletic fees, you know, are used up for these various items. But we still spend I am assuming a whole lot more money on you know for coaches and for other equipment and referees and other expenses related to the athletic program. Am I right about that.

John Griffin, CFO

Yes Alderman Jette that's exactly correct and when the School Department comes over for their presentation, CEO Donovan will be able to point you to those types of fees. The Special Revenue Fund was supposed to take the edge off the expenses of the whole program.

Chairman Dowd

The problem has been over the years that at times with former Boards of Aldermen for instance and former Board of Ed, they didn't want to spend any money on athletics, particularly uniforms and it was getting disgraceful. So they made a Special Revenue Fund so that they could get the gate receipts and if they needed the money for uniforms and it wasn't available in the School Budget, which probably hasn't been in the last 10 or 15 years that I am aware of, they can use that account to buy them. The Special Revenue Funds were set aside so those monies could only be allocated to that particular person. Like if somebody donated money to the School Department for "X" and they didn't want the School Department spending it on something else like paving a parking lot or something. So it goes into the Special Revenue Account because you can only spend it in accordance with what it was put in for and only by a vote of the Board of Aldermen.

Alderman Jette

OK thank you.

Chairman Dowd

Just as a side note, the marching bands at the high school, I was involved for quite a few years, the band boosters or the music boosters paid for every single expense for the music at that point in time including instruments that cost anywhere from \$2,500.00 to \$5,000.00. I'm not getting into specifics of which ones those

were, that aren't something that you would expect a student to buy or parents to buy. And so the band boosters paid all that but they insisted, the music boosters, that the School Department buy the uniforms for the band. So that was the major expense out of the School Budget. They don't get replaced that often anyway. OK any other questions, anything on revenues? No? OK so Mr. Griffin and Mr. Fredette, you are going to send us the answers to all those questions most of which you covered tonight, so that we can distribute those to all the Aldermen so they will have this information as well.

John Griffin, CFO

Yes.

Chairman Dowd

OK. Alright. So I would like to have a motion to table ...

Alderman Jette

Oh before you do that....

Chairman Dowd

Alright any other questions on the Budget before we ....

David Fredette, Treasurer

Alderman Dowd? We still have Financial Services Division to go through, Capital Improvements and Public Safety and Debt Service.

Chairman Dowd

OK I just went back to that page and noticed that, yes. OK so that would include the appropriations. Financial Services, that's on Page 118.

David Fredette, Treasurer

Right and that's me again Alderman Dowd. Financial Services Division is made up of my area which is tax treasury which includes motor vehicles. And it includes, it has the Accounting Group, that's head by Rose Evans and includes Accounts Payable also and then of course the CFO area which is John. Our budget was within the guidelines that the Mayor gave us. There really isn't any significant increases expect maybe postage and delivery and what's happened there was when the Fiscal Year '20 Budget was prepared, late in '19 there was a rate increase which I did not catch in time to change that Budget. And we also just had a small increase two months ago in the postage. This is metered postage, it's not necessarily stamps that you buy at the post office.

So that's why you see account 55607 on Page 118 increased from \$66,000.00 to \$73,300.00 is because we actually spent \$71,000.00 last year on postage. There's very little we can do about that because most of the stuff we send out in the mail is by law actually. But besides that, there really isn't a lot of changes within that Operating Budget at all. I did get some questions late this afternoon that was from Alderman Clemons.

His first question was he wanted to know if there were any new positions in the Budget that did not exist last year. No there are no new positions in our Budget. And you wanted to know ....

Chairman Dowd

You mean vacant positions.

David Fredette, Treasurer

Yeah, do we have by July 1<sup>st</sup>, the only one I think we may have is a part-time motor vehicle clerk. And could we go a year without that position, I would say possibly we could. The next one, I haven't really had time to look at that, but he is looking to see if there is any other savings possibly in our budget. If there is, it's not going to be a lot of money but it could be in a few small line items. I'd have to really look at that; I only got this today so I didn't have a chance to really look at the budget in detail for that question.

Chairman Dowd

When I went through that part of your budget there's not a single yellow mark on it. As I know you are pretty frugal at putting your budget together. Does anybody have any questions?

Alderman Clemons

Yes it is Alderman Clemons. Treasurer Fredette thank you very much for answering those questions, I appreciate it. I know you run a tight ship over there. And I really appreciate the effort, you know, to look through there, I know you just got those questions today. But we are in unprecedented times and facing unemployment of possibly 20% so I think we need to do everything that we can. I think, for me, my number one is let's keep everybody that has a job right now with the City employed. And number two, keep the taxes down as much as we can. So thank you so much for going through that and if you could keep us updated on that part-time position that would be great.

David Fredette, Treasurer

I will.

Alderman Clemons

Thank you.

Chairman Dowd

Any other questions for Treasurer Fredette on his group? No? OK, so Capital Improvements.

John Griffin, CFO

Thanks Mr. Chairman, John Griffin here. If you look at Page 255 I can explain. The typical Capital Improvement amounts as proposed by Mayor Donchess, if you look at the top portion that's the additional spend. We generally spend around \$1 million dollars on (inaudible) capital and as you can see from the schedule above, it includes things like airport expansion, we only paid 5% of the cost. Some City Building matters we have to take care of the Court Street roof. We asked to back in the second part of the Master Plan for \$200,000.00; \$40,000.00 for fire deferred maintenance and (inaudible) street infrastructure. The total is a little over a million. (inaudible)

Now as we talked about earlier the schedule below that is the one-time revenues. And Alderman Clemons asked all of these one-time – so if you review them, they are all one-time, I would say that the addition to Capital Reserve Fund is very important to fund that and we'll get into that when we look up the transfers. But that half a million puts us in a better position than without it.

We've got some hydroelectric dam expenses, one-time meaning that goes into the Trust Fund. And then we have other Infrastructure Programs that we use to – it will be a recurring expense. That's where it totals \$1.8 million, which matches the revenue in the revenue set.

Chairman Dowd

Are you ready for questions?

John Griffin, CFO

Yes.

Chairman Dowd

So last year School had deferred maintenance of \$100,000.00 we ended up having to bond a number of things that were things that would last more than 15 years. But deferred maintenance which should be over \$1 million dollars for the schools because of the amount of infrastructure we have in those 18 buildings. It typically ran around \$600,000.00 and then in the last couple years it has been down and down and down. And now it is zero; there is no way I am going to authorize in my mind the deferred maintenance is zero – school deferred maintenance for capital improvements. With a million dollars for a library plaza that could easily be put off for a couple of years. There's two things with that plaza – one) the Library has some money set aside in a special revenue account which they could fork over some money for. Two) we could do it in a phased approach and not have to spend \$1 million dollars this year.

What I would like to see and of course it will be up to the Budget Committee when we start looking at this in more seriousness. But I can't, in my mind envision spending \$1 million dollars on a Library Plaza when School Deferred Maintenance is zero, that's ridiculous.

Alderman Clemons

I agree.

Chairman Dowd

Pay me now or pay me later, that's why we ended up having to tear down the old Nashua High South, because we couldn't maintain it, it's crazy, that's just not practical. So anyways, that's one thing I have an issue with on that. Again, I had talked to you this afternoon on CERF, we are certainly to look at do we really need to buy what is on that list for this year or can it get another year or two out of it? Long-term, CERF as you and I discussed is not funded the way it should be funded. And I don't how we ever recover that and that's a topic for another night. Anybody else have questions on the Capital Improvements Projects. I see Alderman Schmidt.

Alderman Schmidt

Thanks I only wanted to say I want to echo what you just said, Alderman Dowd. Anything that we can put off that won't be damaged by being put off, maybe go on a list for next year or the year after. Anything we can do this year to make sure this budget is a little bit lighter, would be really beneficial. Thank you.

Alderman Clemons

Yes, thank you, I agree with you and with what Alderman Schmidt just said because we have to look at – that Library Project, as much as, you know, to me it's a nice have, it would be a nice thing to have. But I think we can make do without it and I think that million dollars can go towards paying down the tax rate and maybe putting some money into like you said, the school improvements.

My other questions is on the CERF with the interest rates being – with some of those projects, the interest rate being as low as they are and our bond rating being as good as it is, is it possible that some of those might make sense to bond instead? And I'll ask you through you to Treasurer Fredette.

David Fredette, Treasurer

Well CERF is, can you hear me? CERF is on the schedule to talk to about tonight, it's on Page, if you look on Page 340 in the book, those are the items that are planned to be purchased this year out of the CERF Trust Fund. If you look at the bottom, the total amount is \$4.4 million of which \$2.9 million is cash. Already \$1.4 million is bond. So could there be some other items that are bonded here? I would say possibly yes, a couple of them. But we are already bonding like I said \$1.4 million. And to Alderman Dowd's point, CERF as it is today was changed in 2010 and 2011 and it has not been funded properly since then. But it is still better today than it was prior to the old way. Some of you might remember, but prior to having it this way, half the cost of CERF items used to come right out of the Operating Budgets of every Department. So at least this does help them somewhat, where they don't have to budget that in their operating budget. If everything is purchased that is on this list this year and the Mayor's \$500,000.00 is put into the CERF account, we would end Fiscal Year '21 at around \$800,000.00 balance, which is small but it is still a positive balance. I'm not sure if I really answered your question but I think there could be a few items that you want to bond but you'd like to try to get the bigger dollar items, I see a few here for over \$200,000.00 so they may be some that we could bond also.

Alderman Clemons

I have a follow-up. Thank you. Are some of these too things that we can put off, but like in particular you know the Harley Davidsons for the Police Department. I mean that's \$50,000.00 right there. I don't know what shape those bikes are in but they are, you know, again it's like a nice have. It's a great thing that we can do but can we get another couple of years out of those bikes that we have or at least one more. You know, so stuff like that. The cars I understand need to be replaced, they are on a replacement schedule for a reason and I get that. But you know, I guess that's where I would want to ask and maybe we will ask some of these Departments when they come in down the road but you know, yeah I think that there's an opportunity in here to hopefully save some cash.

Chairman Dowd

So yeah it is going to be my suggestion that we go over with each Department, as we talk to them, the things that are in the CERF Plan, so we can get a really good idea of just how drastic, you know, these things are and can they last another year or two or are we spending so much on maintenance it doesn't make sense. But it has to be answered by the different Departments. That's my opinion anyway.

Alderman Clemons

Agreed.

Alderman O'Brien

Yes I do have a question and it's looking at CERF, did we just approve in Finance line 47 just I think last night, the Ford Box van, which has a value of \$62,595. So that's already been approved in this year, am I right or are we talking two separate vehicles.

David Fredette, Treasurer

The School Department has more than one box van. They are different vehicles.

Chairman Dowd

Yeah, they've got a bunch of them.

David Fredette, Treasurer

And I can say the process is, we sit with each Department to figure out what is needed for CERF in the year. Then the Mayor does meet with them and have them go through the list and he does have them defer some of their stuff already. So this list isn't exactly what they wanted to begin with but Alderman Clemons is right, you would really need to ask each Department, especially Public Works, Police and Fire. Those are the big ones, and to go over that list with you the night they are with you to see if there is anything else they could defer.

Chairman Dowd

Because when this list was put together was before the pandemic and before we had an issue with the 2021 budget. So we can address these when each one of those groups comes before us and I feel that if they can push it off, I am pretty sure they will.

David Fredette, Treasurer

But Alderman Dowd, just to make a point, if you do reduce that list that does really nothing for the budget, because what is being funded out of the budget is the half million dollars that the Mayor is going to be putting into CERF. So if that was changed, that would have an effect, but that would be a decision amongst yourselves and the Mayor, of course.

Chairman Dowd

Yes and he and I are going to be talking, we already have a meeting set up. But if push some of these vehicles off, we may be able to take a piece of that \$500,000.00 and use it someplace else, maybe in School Deferred Maintenance is the thought. I know the \$500,000.00 makes the CERF account a little more whole but certainly not whole. But if we defer some of the things that have to be bought in 2021, maybe we can make it a little more whole in 2022. These are types of things that we have to think about as we go forward in our deliberations but we don't have to solve that tonight. Alderman Clemons?

Alderman Clemons

Yeah along the same vein that you just said if we take out and I hate to pick on them, but if take out those two Harleys that's \$50,000.00. Well does that mean now that we can take, instead of the \$500,000.00 that the Mayor is putting in here, we can put \$450,000.00 and then that \$50,000.00 can go somewhere else and so on down the line, we would eventually be able to (no audio). I am going and approaching this but you know it's the budget isn't go to be easy this year and that's for sure. And we are going to have to find money from a lot of different areas, but I think we can do it. My goal would be to get that tax rate down or as close to or at least under 4%. It is my opinion that we can't go to the taxpayers and ask them to pay 4%. We could have if the economy was like it was in January and February, absolutely. And I would have been 100% behind that. But where it is at right now, I can't justify doing that without doing our homework here and trying to reduce this as much as we can. So that's my only point. Thank you.

Alderman O'Brien

Thank you and I understand the point that several Aldermen are making but I've lived through this movie before, my past life on the Division that I worked for. And when you start, just a note of caution, you start deferring things out of CERF that doesn't mean that they vaporize and they go away. When somebody came up with CERF, you've got to realize they put this on a strategic plan of when they were going to replace some of this particular equipment. So what gets deferred and let's say moved to the next Fiscal Budget, there will be

double, you might have another box truck and you might have another motorcycle or fire truck or something like that, that is coming up in that next Fiscal Year. So CERF needs to be delicately looked at when you cut that because, in my opinion, you're not going to have the passes. This could be discussed at a later date when we get more with the Divisions, but I'm sure that the Division Heads will understand the proration why they are requesting the equipment at this particular time.

Chairman Dowd

Yeah, I agree. Anyone else? Alright so that's Capital Improvements. Nothing else on Capital Improvements from anyone? Alright, Other Public Safety.

John Griffin, CFO

Mr. Chairman, John Griffin. There are two items here, hydrant fees, those are regulated fees from Pennichuck and (inaudible) which is pooled by the Public Utility Commission (inaudible). So this is the fees for the myriad of hydrants within the City limits.

Chairman Dowd

Where does that number come from Mr. Griffin for the Budget?

John Griffin, CFO

It is basically Pennichuck provides us with the adds and subtracts of hydrants and then there's a calculation done by the Billing Department at Pennichuck to the extent they have a rate increase projected or something like that, they provide our Accounting Manager, Ms. Evens with the estimates cost to the City within each budget year.

Chairman Dowd

So it has nothing to do with flow, it is strictly the units, we are getting charged for the hydrants.

John Griffin, CFO

In foot calculations, I'm not sure what inch foot means but it is the, I think described this a few years ago. Obviously when you turn on the hydrant you want water to come out of it. And I know Alderman O'Brien has probably done a lot of that in his career. But it is all the hydrants, they get the counts from the Fire Department, they add and subtract as appropriate. And this number has been \$3 million for a long time.

Chairman Dowd

Well it went up \$100,000.00 in this physical F21 if we could get that \$100,000.00 back from them it would be great. But I can talk to them separately.

Alderman O'Brien

Thank you. Mr. Griffin gave a very fair estimation of pretty much what I believe. Hydrants need to be maintained, they are replaced on occasional times. Some areas, some are added. The fact that Mr. Griffin says that this number has stayed stable pretty much for a period of time, think about some of the development that has been approved and hydrants were put in. Yes some of that was done private in nature, but it does not go to GPM or Gallons Per Minute flow that we are taking in a fire. I'm glad it doesn't, sometimes you had a lumber yard fire such as the Chagnon Lumber. I imagine the amount of flow for that particular fire was phenomenal and I would hate to see the City get the bill for that amount of water. But yet it was encumbered and paid for from this hydrant fee. So they don't charge per gallon, but basically just on the upkeep and

maintenance of having the hydrants there. Which kind of we do get a roll back to some degree when you look at the ISO, the Underwriter Insurance, they do measure how far your particular house is from a hydrant and that also takes a look at the quality of training and the newness of the apparatus, the training of the fire crew. So all of that together, there is a roll back, it is hidden but what the property owner pays in insurance fees, they are receiving it by this particularly. One of the things they are receiving is a discount in fire insurance is because of this particular hydrant. Thank you.

#### Chairman Dowd

And I think some time ago and I'd have to check with Director Marchant, when they do a new development, I think the water lines and the hydrants are paid for by the developer now. So we don't get, we end up with more hydrants, but other than painting them, I'm not sure what else – they do go around and test them and every once in awhile they do flow things on them and all that jazz. But you know, just for my own edification I'd like to get to know how many hydrants we have and how that \$3 million dollars get allocated now. If part of that is to replace some of the infrastructure under the ground, I can understand that because I've seen some of the pipes that they have brought up and Oh My God. So I just have a couple questions for them.

#### Alderman O'Brien

If I may Mr. Chairman, my 35 years on the Fire Department I have lovingly shoveled out every single one of these puppies. How many there are, there are quite a few, I have back problems to prove it. But one of the duties and Thank God that we've got them, the strong willed, able bodied people that we do hire, after snowfall they do go out and they shovel these to make some access for an emergency. If the plows come out and wing it back, they have got to go out and shovel them again. So they do their diligence and there's quite a few of them.

#### Chairman Dowd

I do know there are some very helpful citizens of Nashua, that if they have a hydrant near the house, they will shovel it out for them. But they do shovel out a lot of hydrants. Because if your house is burning down, you don't want somebody to have to go out and shovel out 10 feet of snow to find they hydrant. We will discuss that with Pennichuck. If there are no other questions on hydrants, let's move on to street lighting.

#### John Griffin, CFO

Yes Mr. Chairman, John Griffin. This is the poles in the City and as you folks know we converted to LED's a few years ago. This number used to be in the \$800,000.00 to \$900,000.00 range. But because of the investment that we made in the LED's the number has stayed pretty stable at half a million, if not slightly less. Street light maintenance is part of that operation is the City to the extent a light malfunctions. We have to reposition inventory for the individuals that work on the lines can put that fixture back up. It's been a highly successful program.

#### Chairman Dowd

So do a of the lights get maintained by Eversource or does the City have to, because I know up here in this part of town in Ward 2 and a lot of times, I've seen Eversource changing light bulbs and stuff. So where's the break?

#### John Griffin, CFO

Right so here's well Eversource has the personnel that are certified to change light fixtures on their poles. So the \$25,000.00 is to reposition inventory. If a light does go out, a call is made to Eversource to come get the light, we might even have to meet them at the location to give them a light to put up. So that's why Eversource is helping Alderman Dowd.

Chairman Dowd

I assume that includes the detectors for whether it is light or day. We've already had to replace on the Broad Street Parkway which I have issues with but anyway. Alderman Brandon did you have a question? No. Alderman O'Brien did you have a question.

Alderman O'Brien

Yes, thank you Mr. Chairman. I just would like to say is a PSA, if anybody in the City sees that their light is out, their street lamp is out, do call Public Service. As you can see by this line item, we are paying for them and it is a shame when we are paying for them and the light isn't working, so call Public Service so that the arrangement can be made and you are getting your tax dollar and increasing safety in your neighborhood. Thank you.

Chairman O'Brien

At least in Ward 2, I know a lot of them call their local Alderman. My light's out. Alright, so any questions on the street lighting? No? OK next is Debt Service, Contingency and Interfund Transfers on Page 247.

David Fredette, Treasurer

Alderman Dowd? Page 247 in the white pages is the Bonded Debt Services Plan for the General Fund. This year we have seven projects estimated to be sold, again I just want to make sure, those are all estimates, we never sell everything that is in here, we end up selling things we don't even know about right now. But the key to all of this next year is really the Performing Arts Center. If that bond gets sold, it is my understanding it would have to be done fairly quickly because of the New Market Tax Credits and it is probably going to be a taxable bond and there's a lot of things on that that's going to make it a little more complicated than normal bonds, mainly because of the requirements of the New Market Tax Credit.

So I am hoping by mid-summer anyways we will have an idea what is going on with those credits. And as you know, Director Cummnigs is working on that. No, go ahead sorry.

Chairman Dowd

I was just going to point out that this line shows how we keep that Debt Service on bonds to a fairly level line payment and you know, people sometimes think that if we do a \$120 million dollar bond or a \$118 million dollar bond that we are taking those bonds out tomorrow and paying for them the same day. That's not the way it works. And Treasurer Fredette, I've got to applaud you for your ability to keep that line pretty level and we don't bond anywhere near and you can probably expand on this, anywhere near what we would be allowed to bond to. And that's why we have such a great rating with all the services. Go ahead.

David Fredette, Treasurer

Well that is somewhat true, yes. The projects we plan to sell is the Health Department Building. And as you know the Board just approved another bond for that project two months ago which I had no idea was coming. So that's not even in here. The Public Works Building that's being constructed at the Solid Waste Department, the Property Revaluation Bond that was approved not too long ago, the Hydro Dam and, of course, the Performing Arts Center. And we have one in the School Department, but it is a very large one and it's called the Middle School Project. So that would be sold over a period of years like most of the bonds, I do sell over a period of years and trying to keep the budget as controllable as possible. What has helped us over the years too are the rates. So I mean if rates go up that could hurt us too. So on the General Fund side those are the seven projects we are estimating may be sold in Fiscal Year 21.

Chairman Dowd

I know that the pandemic is causing the financial world to go toes up temporarily, but unlike recessions which can take years to come out of, this is because of a pandemic. But if we ended up with a virus tomorrow, the financial part of the world would take off like a rocket. And you know, despite any politicians involvement. So it's hard – you know most of these bonds are going to get paid for over the next 20 or 25 years so once you set a rate, once you get a good rate on a bond then that's the rate going forward, unless we get a better rate and resell it.

David Fredette, Treasurer

Yes when the rates were higher we were able to refinance but there's really nothing right now that could be refinanced.

Chairman Dowd

Anybody have any questions on Debt Service.

Alderman Jette

Yes I do.

Chairman Dowd

All the bonds are listed by the way on 248, 249. Alderman Jette?

Alderman Jette

The bonds that we are planning on selling or could be selling over the next year, as you mentioned, the Performing Arts Center Bond, you've got the estimated rate there 5.5%. Is that because of what you just said about the New Market Tax Credits?

David Fredette, Treasurer

No it is because this bond will probably be a taxable bond because you will have a company, part of it is because you'll have a company in there managing the center that is a for-profit company.

Alderman Jette

Ok and also the amount that you've got here is \$15.5 million which is what has been authorized. But the project itself is dependent on an anticipated additional \$6 million from this New Market Tax Credits. If we don't get that New Market Tax Credits, when that is announced this summer, I guess the Board of Aldermen would have to then look at whether we have to bond the additional \$6 million or more to make up the difference. That's now something you can anticipate in this budget is it?

David Fredette, Treasurer

No but that's my understanding also, so yes you may have to increase the bond if they don't get the Tax Credits, yes.

Alderman Jette

And also on the new Public Works Building at the landfill. That's going to cost around \$9 million dollars. The \$6 million dollar bond that we authorized was in anticipation that we would be getting around \$4 million from

the sale of Burke Street. But at the last Budget Review Hearing we learned that the sale of that Burke Street Property has not gone through. So it's possible that we may have to increase that bond as well. So that could be an additional expense, because that project is going to go pretty quickly as I understand it. I think they are planning on building that within a year. So next year's budget could, that could be additional burden on next year's budget couldn't it?

David Fredette, Treasurer

Yes it could and what you said is my understanding except I've been told that they are still working on and discussing trying to sell that building.

Chairman Dowd

Yeah you ought to talk with, Alderman Jette ought to talk with Director Cummings. They are working diligently to finalize the sale of that building. So I wouldn't discount the fact that we won't have the money yet.

Alderman Jette

Yes I have talked to Director Cummings and yes he very much would like to sell the building, but right now they don't have a deal. So I don't know what is going to happen. And lastly, when we talk about the budget, the amount of bonding, if I, you know, do you have an idea of what the total amount is that we currently have in outstanding bonds, including all the City portion, the School portion, Pennichuck purchase. Do you have an idea of what that is?

David Fredette, Treasurer

I should know that off the top of my head but I don't. But I believe general fund, it is somewhere in the area of \$150 million dollars. And then of course we have bonds for Enterprise and we have bonds for some of the paving which is a special revenue fund and we have the Pennichuck bond. When you add them all together I believe it is in the area of about \$300 million. Pennichuck alone was \$150 million.

Alderman Jette

And somebody said that the amount that we are currently bonding is well below what we would be allowed to be, do you know, what restricts the amount of bonding that we can do? Is there a State Law or part of the Charter or an Ordinance.

David Fredette, Treasurer

It is a State RSA but the City has its own guidelines and our guidelines are stricter than the State. And again, I don't have those numbers exactly but I know our limit, we are bonded about 23% of what our limit really is. I don't think you'd ever go up to the limit anyway, that would probably be unaffordable. But it is based on the assessed value of your property. And there's different percentages for the School versus the City. Our own guidelines are a little stricter than the States. And I can give you those exact number, I just don't have them totally exact but I know it's in the 23%, 25% range.

Alderman Jette

OK thank you very much.

Chairman Dowd

Maybe you can provide those in the written answers if you would.

David Fredette, Treasurer

Yes.

Chairman Dowd

Any questions on the Debt Service? Anybody? No? Alright, Contingency?

John Griffin, CFO

Sure. Mr. Chairman, John Griffin. So starting on Page 251 we basically have four accounts those are our contingency dollars and I can see Account 70100, the reason why it is \$98,000.00 is that we used some of it during the year. But we traditionally put \$250,000.00 in contingency. You will see next the contingency we used the same account we used in the past, education priorities, \$3.9 million. If you look below that's the itemization of the one-time revenues that match up the one-time expenses, appropriations matching up.

We did speak a little bit of the zeroing out of deferred maintenance. The Mayor has proposed to put \$460,000.00 into the deferred maintenance for the School Department. And he has listed all these other items that the School Department had on their list. It is a mention to you when he talked about or answered some of your questions a week ago, a week or so ago. Line Items 9 and 10 have the ELL Teachers which would be more than a one-time revenue, that would probably be added into their operational structure.

Chairman Dowd

Mr. Griffin at what point would that \$460,000.00 deferred maintenance show up over in the other page?

John Griffin, CFO

I think the strategy here is the new folks, the Board of Aldermen, at the right time to appropriate those monies or transfer those monies into the School District. That is very similar to how you handled some of the monies in the past.

Chairman Dowd

As much as I love the Board of Education and have some familiarity with it, on deferred maintenance we might want to somehow keep that in a contingency account and have it so it can only be spent for deferred maintenance. There may be other items on here we want to do the same thing with but because of the situation with the School Budget and the way that the Mayor took a cut in it and we still haven't actually seen the Board of Ed's actual budget yet, you know, we need to look at that closely. If we are going to allocate these things, these expenses, then at least some of them we probably want to make sure they get spent that way. The same way we did with the ELL last year. Just to get my personal opinion.

John Griffin, CFO

Right that was the strategy that you used last year quite effectively.

Chairman Dowd

Any questions on, did you have anything else on contingency?

John Griffin, CFO

I just wanted to make another point, well contingency, Police Grants, that's been an annual grant that Police get that comes into contingency and then we spend it. But the contingency for negotiations, that number is the

amount of money set aside by the City working with the respective employer boards that are in negotiations with the unions. So the reason why the number is \$979,693.00 is because that's the cumulative amount of projected dollars necessary to fund the contracts in Fiscal '21.

So when you are looking at, for you Alderman Dowd and the rest of the Committee, when we pull the money out of the budgets, the optic is not great. It looks like the increase in salaries for the departments is going to be less than the amount of money we put in here. I hope I explained that. But it is something that we've done traditionally, we never keep the amounts in the respective budgets until the Board of Aldermen approves the contract, cost items, coupled with the approval of the transfer of monies into those Departments.

Chairman Dowd

Just a further clarification on that, the anticipated expenditure goes into the contingency but in the FY 2021 budgets they are anticipated the actual contract as presented currently but maybe even approved level of funding which drives their personnel way up in costs. So more on that later.

John Griffin, CFO

Right but I just wanted to make sure that the Budget Review Committee Members knew that this is where we put dollars for contracts that have not been approved by the Board of Aldermen.

Chairman Dowd

And based on the conversation we had earlier, we feel that the contingency account for 2020 should be sufficient at this time to make it to the end of June?

John Griffin, CFO

Yeah, to the extent that the contracts come in with the percentages as we work with those employer boards, we should have enough money, but it's too early to tell.

Chairman Dowd

OK any questions on contingency.

John Griffin, CFO

One more point on that Mr. Chairman, is that to extent that there are dollars left in contingency for negotiation it is traditionally escrowed forward as part of the like for like escrow process approved by the Mayor.

Chairman Dowd

Right, the other thing I was actually referring to General Contingency, the monies left, because we've been having to spend some money out of contingency for some things that we hope to get reimbursed for. But a lot of times whatever is left in General Contingency gets put towards the tax rate, but we have to spend some things that we hadn't anticipated. But we can't run that number to zero or negative.

John Griffin, CFO

Right, fortunately over the last several years we have not had to use appropriations not spent against the tax rate. We've had enough revenue surplus, used revenue surplus. So years ago, when I first came onboard in 2010 we had to use a combination. So we had to use appropriations not spent and revenues and as Treasurer Fredette indicated, the revenue picture back in '09, '10 and '11 were not as good as it was last year or this year.

Chairman Dowd

OK any other questions on contingency. Seeing none, Interfund Transfers, 252.

John Griffin, CFO

Yes Mr. Chairman, there's a lot of transfers here but I can kind of boil it down. The ones that are budgeted would be as Treasurer Fredette indicated CERF, and that's where he indicated the \$900,000.00 shows up. The one above it transferred to the City Retirement Fund, that's a traditional number that we used. What that does is when an individual retires from the City, it is captured and the money that is paid out to that individual is transferred from this fund. (inaudible) trust fund into the department's budget so the money can be paid. So that's a good way of not taxing individual departments and having them estimate what the retiree is, this is a good place to fund retirement within the City.

The transfers to Holman Stadium, Mine Falls Park and David Deane, those are matching revenues. The cell tower revenue gets, so whatever cell tower revenue we get we transfer it into those expendable trust funds, Holman Stadium, Mine Falls and David Deane Skate Park. The Stellos YMCA capital reserve that's an amount that we use for that, there was an agreement made I think it was 2010 or '11 that facility, the City pays that amount to that reserve account.

And then the final two – the first one is Excess Revenue on a calendar basis over expenses in parking. As you may recall, there was a \$728,000.00 (inaudible) goes into this particular Expendable Trust Fund. The Downtown Improvements and the new one we got approved this past year is transferring the excess of violation revenue parking enforcement revenue will a period through July 1<sup>st</sup> 2019 and December 31<sup>st</sup> 2019. That's the amount of revenues that exceeded the expenses.

Chairman Dowd

Anyone have any questions on transfers?

Alderman Clemons

Yes Mr. Chairman?

Chairman Dowd

We have Alderman O'Brien with his hand up first and then Alderman Clemons.

Alderman Clemons

OK thank you.

Alderman O'Brien

Yeah thank you Mr. Chairman. I do have a question on the City Retirement, we are talking about basically the Public Works Retirement System, correct?

John Griffin, CFO

If I may Mr. Chairman, this is literally the cash out to individuals that retire from the City, whether they be Police, Fire, Treasury, Accounting, you know, this has nothing to do with the well-funded Public Works Pension that Mr. Fredette will oversee. This is just putting money into the trust fund that we can use to pay the end of career payouts to a person that retires. It's not like the NHRS and it's not like the one above.

Alderman O'Brien

OK thank you for the explanation. The reason I asked is sitting as the liaison as a member of that particular board, we changed a lot of administration that the City used to do. So the City is getting some of the benefits. I think Mr. Fredette can help explain it. But some of that cost through our provider has come back to the retirement board and looking to recoup some of that money because unfortunately we are paying out to that retirement group and in paying that out we are depleting the retirement fund. So it seems like not good practice to really do that. So looking for a way to try to recoup some of the negativity from actually being efficient and running a retirement system. Thank you.

Chairman Dowd

Any other questions? Alderman Clemons did you have one?

Alderman Clemons

No actually Alderman O'Brien asked my question, so thank you.

Chairman Dowd

OK any other questions, seeing none? Now I would entertain a motion to retable. Alderman Clemons did you have something before that?

Alderman Clemons

Yeah I just wanted to before Treasurer Fredette and CFO Griffin left, I just wanted to thank them for all they do for the City and their staff. I know it has been challenging times and I know that going over a budget book particularly with the revenues, after you formulate this and then everything goes to heck, isn't exactly the funnest thing to sit here and explain. But you guys are I don't know what the City would do without either one of you and we are just really blessed to have you both. I know that no matter what happens, we will get through because we have good financial wizards working at City Hall. So thank you very much.

Chairman Dowd

Thank you Alderman Clemons

**MOTION BY ALDERMAN O'BRIEN TO TABLE R-20-023 BY ROLL CALL**

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

Yea: Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire  
Alderman O'Brien, Alderman Dowd 6

Nay: 0

GENERAL DISCUSSIONChairman Dowd

General Discussion, I guess that's a good place, Monday night the 20<sup>th</sup>, we have our next Budget Meeting and it is with Public Health. I have been in communication with Director Bagley and I did offer her if she wanted to put it off because of the pandemic to later in May but no, she wants to do it on Monday. So we will be addressing the Public Health on Monday. If you have any questions that you would want to ask, I would like you to look at their budget right, and get me the questions ahead so we can not occupy anymore of Director

Bagley's time than is absolutely necessary. Because I'm sure she is spending very, very long days, these days, seven days a week. So if you would do that I would appreciate it. And again, the questions should go to Director Bagley directly and copy myself and Donna and the answers come back through Donna to all the Aldermen. So when we get these answers back they get shared with all the Aldermen, not just the Budget Committee. So Remarks by Aldermen? Alderman Wilshire and then Alderman Jette.

#### REMARKS BY THE ALDERMEN

##### Alderman Wilshire

I just wanted to echo Alderman Clemons' remarks about the good staff, the good people we have working; Mr. Griffin, Mr. Fredette, the City Clerk's Office, thank you all for showing up, we appreciate it.

##### David Fredette, Treasurer

You're welcome.

##### John Griffin, CFO

Thank you.

##### Chairman Dowd

Alderman Jette and then Alderman Schmidt.

##### Alderman Jette

So I apologize in advance for saying this, but when we dealt with R-20-016 the first Resolution that we dealt with, I confess that I was prepared to discuss the Budget, I worked on going through what we were going to talk about and I really forgot all about what was on the agenda and that Ordinance came up and it caught me by surprise, especially after hearing fellow Committee Members talk about, you yourself Mr. Chairman talking about the Library Project and how we are spending money on various things. I just feel that we just recommended final passage of this Resolution without really discussing it. And I don't know if there is anyone here tonight that can talk to us about this. We are having another meeting Monday night, whether my fellow committee members would support a motion to reconsider our recommendation just for the purpose of having someone come and explain this to us. What it does, you know, it allocated \$40,000.00 for Downtown Art's Mural Project and I am just wondering whether we shouldn't have a discussion about it before we recommend final passage to the rest of the Board.

##### Chairman Dowd

Well I would say on Monday, you could bring up a motion for reconsideration and in the interim if we could do some research, if you could do research on what this is exactly going to cover and why, I had thoughts about it myself, is the right time to spend that kind of money and we are spending it out of the 2020 Budget. So you know, everybody can think about it and then make a motion on Monday and see where it goes for reconsideration. And it will also give an opportunity to the people that put that motion forward to give you feedback on why they think it's important.

##### Alderman Jette

And is it possible to have somebody from the Community Development Division come and explain to us you know what the project is all about and why they are recommending it?

Chairman Dowd

Yeah I think that may have been why Alderman Lopez was on the line earlier. But we can have somebody that will explain that. We will make sure we have somebody here for the Monday Meeting. I wouldn't want to spend too much on it again, because we are going to be with Director Bagley and I don't want to occupy too much of her time. I know there was a question earlier on the spending and the bonding money for the Public Health Building. I had talked to her about - Hey we get caught short and I know maybe 2021 is going to have issues and maybe 2021 definitely isn't the time to make things whole but I've also had conversations with Justin Kates about the Gilson Street supply of emergency medical gear which was woefully inadequate. So a lot of that will come later. But anyway, so yeah, we will have somebody here to explain it.

Alderman Jette

Good, thank you very much.

Alderman Schmidt

Thank you. I just wanted to expound on what Alderman Wilshire said. She said, "Thank you for showing up" and it appears, I have received a couple of e-mails from people saying, you know, these people who are working from home, they are not working very hard, they shouldn't get paid. In any case, showing up in our City Government means something different than just showing up out in the wide world. Showing up here means you work 24/7 when you have to. It means you produce what we need for this City to be one of the best cities in the country. Part of it is because of the people that we've got here today and we are extremely grateful for them. So thank you very much. And that's all I needed to say.

Alderman Clemons

Here, here.

Chairman Dowd

I concur, I had an e-mail from somebody that said that everybody in City Hall ought to be taking 50% of their salary because they are not having to go to work. I counted to 20 and didn't respond because my initial thoughts were not for publication. So you know, the people I've talked to in City Hall are working day and night. I get calls from Director Cummings at 9:30, 10:00 at night or 8:00 in the morning and Director Marchant is trying to wear like four different hats in her position, working from home. It's no easier for them being outside City Hall trying to do their job and it is critically important to the City to continue running. So that's my two cents. Any other remarks by Aldermen? Alright, we don't have need for non-public.

POSSIBLE NON-PUBLIC SESSION - None

ADJOURNMENT**MOTION BY ALDERMAN O'BRIEN TO ADJOURN BY ROLL CALL**

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

Yea:	Alderman Clemons, Alderman Schmidt, Alderman Jette, Alderman Wilshire Alderman O'Brien, Alderman Dowd	6
Nay:		0

**MOTION CARRIED**

The meeting was declared closed at 9:26 p.m.

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