

## **PUBLIC HEARING**

**MAY 16, 2019**

A Public Hearing was conducted by the Board of Aldermen on Thursday, May 16, 2019, at 7:00 p.m. at the Nashua High School North Auditorium, 8 Titan Way, Nashua, New Hampshire.

President Lori Wilshire presided; City Clerk Patricia D. Piecuch recorded.

The prayer was offered by City Clerk Piecuch; Pledge of Allegiance was led by David C. Tencza.

The roll call was taken with 11 members of the Board of Aldermen present; Alderman Gidge, Alderman Laws, Alderman Jette and Alderman Clemons were recorded absent. Alderman Linda Harriott-Gathright arrived after roll call at 7:08 p.m.

His Honor Mayor James W. Donchess was also in attendance.

President Wilshire turned the public hearing over the Alderman Richard A. Dowd, Chairman of the Budget Review Committee.

## **PUBLIC HEARING**

**R-19-123**

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

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#### Chairman Dowd

Tonight we will have the public hearing on the FY2020 budget. Before we get started, the process is we're going to go through each division and each department. When I call that department, you may come up to the microphone in the front and make a brief statement. I prefer no speeches. Then you can ask your questions. You can ask two questions and then I would ask that you wait until everybody else has had a chance and if you have additional questions, you can come back.

Before we start, I have a memorandum from Scott LeClair, the Chief Chair of the Planning Board and all the Board Members to myself as Chair of the Budget and Members of the Budget Committee. The subject is "Request to fund Master Plan update in Proposed FY 2020 City Budget". "At its Work Session meeting on May 9<sup>th</sup> the Planning Board voted unanimously to send a favorable recommendation to the Budget Committee to fund the City Master Plan. It has been nearly 20 years since the current adopted Master Plan commenced. State Law recommends Master Plans be updated every 10 years. The Planning Board also rated the Master Plan update an "A-2" project in the Capital Improvement Program. The Planning Board cannot attend the Budget Committee's May 16<sup>th</sup> Public Hearing on the Proposed FY20 Budget since it conflicts with our regular meeting. Please enter this memorandum and consider our above favorable recommendation at the Public Hearing. Thank you!!!"

**MOTION BY ALDERMAN O'BRIEN TO TAKE FROM THE TABLE R-19-123  
MOTION CARRIED**

Chairman Dowd

Also, if a question comes up and it can't be answered from the Mayor or Chief Financial Officer, we have people from every Division here to answer the question. So the first area to be discussed is General Government.

Mayor Donchess

Mr. Chair I do have this presentation here, an overview of the Budget which I was going to do. Welcome everybody to Nashua North and our Fiscal 2020 Public Hearing on the proposed budget. So here are the strategies and some of the things we wanted to accomplish in the FY2020 budget and they are listed here. First, a lot of paving, 30 miles of paving will be done this year along with 31 miles crack sealing; crack sealing a very cost effective way to maintain the condition of a street this is in relatively good shape but could deteriorate for a period of 3, 4, 5, 6 years at a very limited cost. This has been implemented a bit by Public Works in prior years, but this year that program is being expanded considerably. These 31 miles of streets will cost about \$143,000.00 I think the number is; while the 30 miles of paving will be more like \$11 million. So the crack sealing is a very cost effective way to at least maintain condition.

Another strategy we employed this year is to limit the proposed tax increase to the lowest we could possibly keep it given some of the challenges that you will see on another slide. That increase I am saying should be no more than 3%. Another strategy, we want to maintain or improve the quality of services that we offer and while I'm on this bullet I would like to thank all of the 2,800 City employees in our schools, in our Public Works, our Wastewater Treatment Plant, at City Hall, who work very hard every day to provide services to our City's residents. And I wanted to take this opportunity to thank each one of them for everything you do for our citizens every day because we do provide a very cost effective set of services for our citizens.

A new thing is that the budget funds an Energy Manager that will help us reduce energy costs and cut the emission of greenhouse gases. This is as I mentioned the first time and we think that this position over time can more than pay for itself. I've asked the Board of Aldermen, we wanted to include this in the budget but somehow it was left out, but we've asked the Board of Aldermen to amend the budget to include half the cost of a grant writer, the other half being in the School Department. And here, again, we think that by working together with the schools with a professional grant writer, we can bring in far more money than it costs to pay the grant writer. These would be grants that might be directed to education but also other areas of City services, other areas of the City and we think this is a very cost effective way to bring more revenue to Nashua.

Another effect of the budget would be to increase the ELL teachers in the School District by 4. What we've done is we have placed \$200,000.00 in the contingency account for that purpose over and above the recommended School District School Board Budget. The point there is that when the School Department asks for the money or if the Board of Aldermen wishes to make a change to the budget to make an immediate transfer that would be provided to the School Department for the purpose of hiring ELL teachers. Now ELL for anyone listening that doesn't know what that refers to that is English Language Learner Teachers. We have a very increasing number, a big increase in the number of students who come to our schools who do not speak English as a primary language and we have many languages spoken by the families who kids come to the schools in Nashua from all the continents of the world. So that we think will at least help to improve English learning by our students.

Next slide – We want to start Imagine Nashua 2040 which is the first citywide master plan that has been done in 20 years. The budget funds the first half of that; this would be a two-year project so we'd need to include money next year as well. The Planning & Economic Development Committee will obviously and the Planning Board will of course be very involved. We may seek to get citizens involved as well but the idea is to visualize what our community, to imagine what our community can be in the next 20 years and incorporate those ideas into the city master plan, which as being 20 years old is out of date.

Another issue that we address here though an increase in revenue, a contribution from our ambulance provider is to increase the fire dispatchers. Right now there are only two fire dispatchers on duty at any one time. That number has been constant for decades. The number of calls that the Fire Department receives on an annual basis has increased from several thousand way back when this number of dispatchers was first established to over 11,000 calls in the course of a year. And it may go higher than that, so obviously they are very busy and we rely very greatly on fire dispatch. They respond to many, many calls not only fires but all medical emergencies, opioid overdoses and everything else that goes on in the City. So this will take some pressure off and help us to deliver quality response, emergency response with respect to these 11,000 or 12,000 or more calls a year.

Here is an overview of some of the things in the budget. The budget as proposed is a total of, the operating budget, of \$270,300,000.00. That's a \$4.2 million dollar increase in the budget without the health care issue, which I will discuss in a minute. The rest of the budget is only up 1.6% but we have a \$3.3 million dollar increase in healthcare costs. As you know, we are self-insured here which saves the City a lot of money, much cheaper than actually buying insurance, but health care costs are going up and we are seeing an 11% increase this year which will increase that area of the budget by \$3 million dollars. That is the reason we are trying to be as tight as possible with respect to everything else, to meet that cost as well as maintain, and in some cases, improve the quality of services. So we are seeing \$7.5 million dollar increase in the budget, which is 2.86%. And the \$4.2 million dollar increase I mentioned is the increase but for healthcare, on the base of about \$260 some million dollars.

In terms of revenue we are continuing to budget revenue conservatively, David Fredette who is the City Treasurer of course is responsible for automobile registrations and some other revenues is very instrumental in helping us project revenues along with the CFO John Griffin. We believe that the revenue from our vehicle registrations will be stable or maybe up slightly from last year, but it is a pretty healthy source of revenue. We are in a continuing low interest rate environment, that means that the income coming in from the City's investments is quite low. There was a time when interest rates were higher and that revenue item was actually quite significant because if we have tens of millions of dollars in the bank and we are getting actual interest on that, that can result in quite a bit of revenue. But in the current environment, it is very limited.

We also face at least the potential reduction in State Aid Funds, specifically the Stabilization Grant in the field of education. Now we are hopeful that in the legislature we will see a change in that trend. The House Budget that passed would make a considerable improvement, help the City very much and we have a number of members of our Board of Aldermen who serve in that legislative delegation. So we really appreciate their help there. We do need to try to get the House Budget now through the Senate, but if it does pass in the form, and it is not vetoed, it gets very involved; but if it were to pass in the form passed by the House we would definitely see increases in revenue, particularly in education which we very much need.

Now in terms of the overall challenges, I mentioned already the cost of providing healthcare to employees is increasing by 11%. \$3.3 million dollars of the operating budget which will really drive the potential tax increase to at or near 3%. If it weren't for this particular item, the increase would be closer to 1% or 1.5% in the tax rate. We, therefore, because of that significant cost, asked the Police, Schools, DPW, and Fire Departments to limit their increase to 2.25% and all other divisions 1.75%. There have been a few variations from that but we've tried to hold increases to that amount to help keep the tax rate at a reasonable level given the other budget challenge that I already mentioned.

So looking forward in terms of just the kind of things we will be working on, I know the Board of Aldermen is very on board with all of this. We want to continue to make infrastructure, street and sidewalk improvements, not only this year but in succeeding years. One project that we have is that we got a grant to Lock and Whitney Street sidewalks which will be about \$1 million dollars. That is in design, one of the infrastructure improvements that we want to make in the near future. We will be implementing our Riverfront Master Plan to bring forth the river walks, lighting along the river walks and cantilevered walkways near the Main Street Bridge. We all believe that the riverfront is a major asset, a very beautiful asset for the City and that if we make the right investments we can really bring the river more to life and introduce more of our residents to that area of the City bring people downtown and just increase the quality of life for everyone.

We are working on the Rail Yard District, which I mentioned in the State of the City address near Corriveau Routhier and at Henry Hanger to see additional downtown housing located in on those parcels and in that area of the City where the railyard used to be. We are looking to try to add additional downtown housing in addition to the railyard district. We can, as time goes on, I think we will see additional details concerning that. Bringing housing downtown of course adds to the tax base, increases residents downtown, increases customers for our businesses, strengthens the downtown business community and just adds a dimension to the community which will attract various millennial and empty nester residents to downtown. I just in the last few weeks have met a group of people who have located into the Lofts 34 housing conversion is definitely bringing people in that were not downtown before. I think all of the housing projects that we are working on will do. We know that affordable housing is certainly an issue and the project on Marshall and East Hollis Street, we hope will help to address that; that's 150 units of so-called workforce housing. That is targeted to families who are working and make up to \$50,000.00 some thousand dollars a year and offer rents that are less than market.

In conjunction with the Joint Special School Building Committee and our School Board will be looking to upgrade our Middle Schools in coming years, including either renovating or replacing the Elm Street Middle School and upgrading the facilities at the other middle schools at the same time. Dr. Mosley is very committed and the School Board very committed to this middle school project. Alderman Dowd is Chair of the Joint Special and will be pushing this project forward over the next few years.

Now kind of a fun thing, some of the accolades that Nashua has gotten in recent, in the last couple of years, you can see them here. This is due to the efforts of all of our residents, our Board of Aldermen, our City Government, our business community, our non-profits; everybody is working together to make Nashua the best place we possibly can. But it has been named one of the safest places to retire in the country, this is just in 2018. Nashua is named one of the best run cities, I think 9<sup>th</sup> in the country. Nashua is named the best place for millennials to live in Hillsborough County. Nashua is named the most diverse community in New Hampshire and the most inclusive I might add. Nashua has some of the lowest crime for a mid-sized city, those were all in 2018.

In 2017 Nashua and Manchester were named one of the happiest places in the country, everybody is smiling so I know that's true. In 2017 one of the safest cities in the country and in 2017 one of the best cities to live in in America, that was, again, Money Magazine.

So we are very proud of our community but as a City Government and as a partner with all of our residents, we try to do our part to provide quality services and make the City the best place to live as we possibly can. So thank you Mr. Chair, that's an overview of what I see in the budget and therefore we are now prepared to proceed with any questions or comments that residents may have.

Chairman Dowd

Thank you. So once again I am going to be through each Division and each Department. As I call that Department, if there are any comments you would like to make, brief comments about the Department or any questions that you might have, please come up to the microphone. And if the questions can't be answered by the Mayor or the Chief Financial Officer, we have people from every one of the Departments here. So with that the first area is General Government and the first one is the Mayor's Office and appropriations are on Page 62 of the budget books. By the way there's extra copies of the budget books for anybody that would like one, right up front.

GENERAL GOVERNMENT

- 101    **MAYOR'S OFFICE** – None
- 102    **BOARD OF ALDERMEN**– None
- 103    **LEGAL DEPARTMENT**– None
- 107    **CITY CLERK'S OFFICE**– None
- 109    **CIVIC AND COMMUNITY ACTIVITIES** – None
- 111    **HUMAN RESOURCES** – None
- 113    **BENEFITS** – None
- 115    **CITYWIDE PENSIONS** – None
- 118    **OTHER GENERAL GOVERNMENT** – None
- 131    **HUNT BUILDING** – None
- 156    **EMERGENCY MANAGEMENT** – None
- 157    **CITYWIDE COMMUNICATIONS** – None
- 166    **PARKING OPERATIONS** – None
- 183    **ECONOMIC DEVELOPMENT** – None

FINANCIAL SERVICES

- 126 FINANCIAL SERVICES – None
- 128 RISK MANAGEMENT – None
- 129 CITY BUILDINGS – None
- 130 PURCHASING DEPARTMENT – None
- 132 ASSESSING – None
- 134 GIS – None

INFORMATION TECHNOLOGY (IT)

- 120 TELECOMMUNICATIONS – None
- 122 INFORMATION TECHNOLOGY – None

POLICE

- 150 POLICE DEPARTMENT – None

FIRE

- 152 FIRE DEPARTMENT – None

EMERGENCY PREPAREDNESS

- 156 EMERGENCY MANAGEMENT – None
- 157 CITYWIDE COMMUNICATIONS – None

OTHER PUBLIC SAFETY

- 159 HYDRANT FEES – FIRE PROTECTION – None
- 162 STREET LIGHTING – None

PUBLIC HEALTH & COMMUNITY SERVICES

- 171 COMMUNITY SERVICES – None
- 172 COMMUNITY HEALTH – None
- 173 ENVIRONMENTAL HEALTH – None
- 174 WELFARE ADMINISTRATION – None
- 175 WELFARE ASSISTANCE – None

PUBLIC WORKS AND ENGINEERING

160 PUBLIC WORKS AND ENGINEERING – None

161 STREET DEPARTMENT – None

177 PARKS AND RECREATION – None

PUBLIC SERVICES

140 PINWOOD CEMETERY – None

142 WOODLAWN CEMETERY – None

144 EDGEWOOD & SUBURBAN CEMETERIES – None

PUBLIC LIBRARY

179 PUBLIC LIBRARY – None

COMMUNITY DEVELOPMENT

153 BUILDING INSPECTION – None

155 CODE ENFORCEMENT – None

170 HYDROELECTRIC OPERATIONS – None

181 COMMUNITY DEVELOPMENT – None

182 PLANNING & ZONING – None

184 URBAN PROGRAMS – None

186 TRANSPORTATION – None

EDUCATION

191 SCHOOL DEPARTMENT – None

DEBT SERVICE, CONTINGENCY & INTERFUND TRANSFERS

193 DEBT SERVICE – None

194 CONTINGENCY – None

198 INTERFUND TRANSFERS – None

CAPITAL IMPROVEMENTS

ENTERPRISE FUND

**6000 SOLID WASTE DISPOSAL SYSTEM FUND** – None

**6200 WASTEWATER USER FUND** – None

SPECIAL REVENUE FUNDS

City Special Revenue Funds

**2501 PUBLIC HEALTH CLIENT FEES FUND** – None

**2502 POLICE LAW ENFORCEMENT TRAINING FUND** – None

**2503 PARKS & RECREATION PROGRAMS FUND** – None

**2504 HOLMAN STADIUM EVENTS FUND** – None

**2505 PEG ACCESS CHANNELS FUND** – None

**2506 HUNT BUILDING FACILITY RENTAL FUND** – None

**2507 FIRE TRAINING FACILITY RENTAL FUND** – None

**2508 SPECIAL ROAD & HIGHWAY FUND** – None

**2510 PENNICHUCK ACQUISITION BOND FUND** – None

School Special Revenue Funds

**2100 FOOD SERVICES** – None

**2120 SUMMER FEEDING PROGRAM** – None

**2201 DRIVER' EDUCATION** – None

**2204 SUMMER SCHOOL** – None

**2207 ADULT CONTINUING EDUCATION** – None

**2212 ATHLETIC REVENUE FUND** – None

**2217 SCHOOL FACILITIES RENTAL** – None

**2222 AFTER SCHOOL PROGRAM** – None

**2227 NORTH STUDENT SHOP** – None

**2232 SOUTH STUDENT SHOP** – None

**2247 CULINARY ARTS** – None

**2252 DAY CARE** – None

**2257 SPECIAL EDUCATION - LOCAL TUITION** – None

**2258 SCHOOL CTE TUITION FUND** – None

**SUPPLEMENTAL INFORMATION**

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Appropriated Expendable Trust & Reserve Funds – None

Capital Equipment Reserve Fund (CERF) Planned Replacements – None

Nashua Airport Authority – None

General Government – None

Police – None

Fire – None

Public Health & Community Services – None

Public Works – None

Public Services – None

Public Library – None

Community Development – None

School Department – None

Solid Waste – None

**Chairman Dowd**

Is there anyone that has any questions or concerns about any part of the budget? Seeing none, Alderman O'Brien I need a motion.

**ADJOURNMENT**

**MOTION BY ALDERMAN O'BRIEN THAT THE MAY 16, 2019, SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED  
MOTION CARRIED**

The public hearing was declared adjourned at 7:39 p.m.

Attest:

Patricia D. Piecuch, City Clerk

# City of Nashua FY 2020 Proposed Budget Presentation

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May 16, 2019



# FY 2020 Strategy

- 30 miles of paving and 31 miles of cracked sealing to improve the city infrastructure
- Limit proposed tax increase
- Maintain quality services
- Fund an Energy Manager to Reduce Energy Costs
- Fund a Grant Writer to Increase Grant Revenues
- Increase ELL Teachers in the School District – placement of \$200,000 in Contingency Account



# FY 2020 Strategy

- **Start Imagine Nashua 2040, first citywide master plan in 20 years**
- **Increase of fire dispatchers offset by revenue in the ambulance contract – budget neutral**



# Proposed FY 2020 Budget

- **Proposed Operating Budget - \$270.3 Million**
  - **Increase Over FY 2019 Budget**
    - \$4.2 increase w/o Healthcare Cost increase – 1.60%
    - \$3.3 Healthcare Cost increase
    - Total increase - \$7.5 million - 2.86%
  - **Revenues:**
    - Revenues continue to be budgeted conservatively
    - Stable revenue from motor vehicle registrations
    - Continued low interest rate environment
    - Potential reduction in State aid funds



# FY 2020 Budget Challenges

- **Cost of City Provided Healthcare**
  - **11% Increase - \$3.3 million to Operating Budget**
  - **Resulting in a tax increase at or near 3%**
- **Police, Fire, DPW, School – 2.25% Target Increase**
  - **All other Divisions - 1.75%**



# Looking Forward

## Continued Street and Sidewalks Improvements

- Lock and Whitney sidewalks and bike lanes

## Riverfront Master Plan Implementation

- Lighting, riverwalks, cantilevered walkways

## Rail Yard District and additional downtown housing

## Middle School Upgrade Project



# Recent Accolades

**2018- Nashua Named one of the Safest Places to Retire in the Country**

**2018- Nashua Named one of the Best Run Cities in the Country**

**2018- Nashua Named the Best Place for Millennials in Hillsborough County**

**2018- Nashua Named the Most Diverse Place to live in NH**

**2018- Nashua has some of the Least Amount of Crime in Mid-Sized Cities**

**2017- Nashua- Manchester Area Named one of the Happiest Places in the Country**

**2017- Nashua Named Safest City in the Country**

**2017- Nashua Named one of the Best Cities to Live in America**





**City of Nashua**  
**Planning Department**  
229 Main Street  
Nashua, New Hampshire 03061-2019

Planning & Zoning 603 589-3090  
Fax 603 589-3119  
WEB [www.nashuanh.gov](http://www.nashuanh.gov)

**MEMORANDUM**

Date: May 13, 2019

To: Ald. Dowd, Chair and Members of Budget Committee

From: Scott LeClair, Chair of Planning Board and Board Members

RE: Support Request to Fund Master Plan Update in Proposed  
FY 2020 City Budget

At its Work Session meeting on May 9<sup>th</sup> the Planning Board voted unanimously to send a favorable recommendation to the Budget Committee to fund the City Master Plan. It has been nearly 20 years since the current adopted Master Plan commenced. State Law recommends Master Plans be updated every 10 years. The Planning Board also rated the Master Plan update an "A-2" project in the Capital Improvements Program.

The Planning Board cannot attend the Budget Committee's May 16th Public Hearing on the proposed FY20 Budget since it conflicts with our regular meeting. Please enter this memorandum and consider our above favorable comments at the Public Hearing.

Thank you!!!

cc: Mayor Jim Donchess  
Ald. Wilshire, President Board of Aldermen  
Ald. Melizzi-Golja, Chair PEDC  
Susan Lovering, Aldermanic Legislative Manager  
Patricia Piecuch, City Clerk  
Sarah Marchant, Community Development Division Director