

PUBLIC HEARING

MAY 20, 2020

A Public Hearing was conducted by the Board of Aldermen on Wednesday, May 20, 2020, at 7:00 p.m. via teleconference

President Lori Wilshire presided; City Clerk Susan Lovering recorded.

Prayer was offered by City Clerk Susan Lovering; Alderman Thomas Lopez led in the Pledge to the Flag.

President Wilshire

As President of the Board of Aldermen, 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 Webex and telephone, with additional access possibilities by video or other electronic means:

To access Webex:

<https://nashuanh.webex.com/nashuanh/j.php?MTID=m239af1f13c596d20d21a4bbb6b6711aa>

Meeting number/access code: 714 331 218 – Password: fHZfWwzK362

To join by phone: 1-(408)-418-9388 - Meeting number/access code: 714 331 218

If for some reason you cannot connect to Webex, please contact us at (603) 821-2049 and they will help you with connectivity. The public may also view the meeting via Channel 16.

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 and publicly noticed at City Hall, Public Health Department, and the Nashua Telegraph.

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 16, 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

Alderman O'Brien is present, I can hear the proceedings and I am alone.

Alderman Klee

Yes am here, I can hear the meeting. I am currently alone but as I always say my husband and my 2 greyhounds are in the house with me and could make an appearance at any time.

Alderman Dowd

Yes, I can hear everyone, I am here alone, following the Governor's Orders for distancing and good to go.

Alderman Lopez

Yes, I am here, I am social distancing so I don't get all of you sick, I can hear you all and I am alone.

Alderman Tencza

I am present, I am alone and I can hear everybody.

Alderwoman Lu

Present and I am alone.

Alderman Jette

I am here, I am alone and I can hear you.

Alderman Schmidt

I am here (inaudible) and the only one here with me is my parrot.

Alderman Cleaver

I am here, social distancing and I can hear everybody.

Alderman Harriott-Gathright

I am here, I am in a room alone and practicing social distancing.

President Wilshire

I am here, I am alone and I am practicing social distancing.

Susan Lovering, City Clerk

You have 11 in attendance.

President Wilshire

I would like to ask Bruce or whoever is monitoring this meeting, if the call-ins, like I have Clemons and Caron that typically call in and I haven't heard that they wouldn't be here this evening, so is there a way to check on that?

Unidentified Speaker

I'll unmute all the call-ins so they can talk.

Alderman Caron

Hello? Can you hear me now?

President Wilshire

I can hear you now Alderman Caron.

Alderman Caron

OK, alright, I am here and I am alone and I can hear you.

President Wilshire

Thank you, Alderman Caron. Alderman Clemons? Ok so I am going to assume that he's not on. Do we have the Mayor present as well?

Alderman Dowd

Yes.

Mayor Donchess

Yes, Madam President.

President Wilshire

Thank you, Mayor. As customary I am going to turn the public hearing on the 2021 Budget over to the Chairman of the Budget Committee, Alderman Rick Dowd.

The roll call was taken with 12 members of the Board of Aldermen present: Alderman Michael B. O'Brien, Sr., Alderman Patricia Klee, Alderman Richard A. Dowd, Alderman June M. Caron, Alderman Lopez, Alderman David C. Tencza, Alderwoman Elizabeth Lu, Alderman Ernest Jette, Alderman Jan Schmidt, Alderman Skip Cleaver, Alderman Linda Harriott-Gathright, Alderman Wilshire.

Alderwoman Shoshanna Kelly, Alderman Ben Clemons and Alderman Brandon Michael Laws were recorded absent.

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-20-023****RELATIVE TO THE ADOPTION OF THE FISCAL YEAR 2021 PROPOSED BUDGET FOR
THE CITY OF NASHUA GENERAL, ENTERPRISE, AND SPECIAL REVENUE FUNDS**

Chairman Dowd

OK everyone should be on mute and I am going to read the procedure that we will be following this evening. So first of all, good evening. This is the first on-line Public Hearing of the Nashua City Budget and we hope it runs very smoothly but it may have minor problems as we try to get through it together. I am going to outline the process and procedures we are going to follow and we need to keep as close to these as possible to be successful. I would like to just take a minute to explain how the Public Hearing will be conducted. I will be opening the Public Hearing on the Budget by recognizing Mayor Jim Donchess and Chief Financial Officer for the City, John Griffin, who will be proving a short PowerPoint discussion on Nashua's FY2021 Budget.

When they are through, I will then be going through each Budget Division by Department. When a member of the public speaks, they must first state their name and address clearly for the record. If I see that a member of the public has a question or a comment, I will allow them to ask one question or give one comment for a period of five minutes for that question or comment. I will notify you when you have one-minute left and then when five minutes has expired. Please do not speak until you are recognized by me for your turn and finish up by mentioning that the five minutes has expired.

I will direct your questions to the responsible Division Director and they may defer it to one of their staff. Time limits are imposed because we have no idea how many people might log on to the meeting and we may have 30 to 50 City Employees on the line so bandwidth may become an issue. I am going to ask everyone to turn off their video unless they can a question and want to speak, then turn on your video so I can recognize you. This will help the bandwidth issue some may have. If you have called in, please say your name once so I can recognize you. Again when I recognize you, please state your name and address for the record.

When your five minutes has expired, I will move on to other members of the public who have questions on that Department and so on until I see no more questions are to be asked on a Department. I will then ask if anyone has additional questions for that Department and, if so, they may have an additional five minutes. If I see no one with a question, I will immediately go to the next Department and follow that procedure until that Division is complete. I will only accept questions on the Department being discussed and no others. At the end of all Divisions and Departments being covered, I will ask if there are any additional questions on the Budget and will recognize any person that has additional questions.

The procedures for asking questions is very simple. Each member of the public has five minutes per question or comment including any statement that is made. Also, no signs will be allowed to be displayed and if they are, the City IT Department will block their access to this meeting. If you run over the time limit, I will remind you to wrap up your question and if you continue to speak, you will be reminded one more time and if you don't follow procedures you will be muted by IT. We want everyone to be heard on the Budget and we have to allow all members of the public to be able to participate and we cannot let any one individual go outside our normal procedures.

If you have general budget questions, you may ask those when the Mayor's Office is up for discussion so that they may be answered by the Mayor or Mr. Griffin. When we have concluded the review of all sections on the Budget Book, I will ask for a Motion from Alderman O'Brien to adjourn the Public Hearing.

At this time, I am going to turn the meeting over to Mayor Donchess and John Griffin and ask that everyone else please turn off your video and everyone is mute except the Mayor and John Griffin so they can do their presentation. Thank you.

President Wilshire

Mr. Chairman, I didn't hear Alderwoman Kelly on roll call because she is on the meeting, she was on the meeting, I don't know why we didn't hear her. I just wanted to note that for the record. Thank you. Alderman Lu, unless you have a procedural question the Aldermen are here just to listen this evening.

Alderwoman Lu

I do, would it be a good idea to inform the public how they can indicate how they have a question?

Chairman Dowd

I covered that. They either have to wave their hand, turn their video on so I can see them. If they don't do that, I can't see them. And if they are on a phone, they need to say their name, there may be several people saying their name, whoever I can hear I will call and we will go through until no one else has a question.

Alderwoman Lu

Thank you, I'm sorry I may not have been here when you said that. That's all.

Chairman Dowd

Alderwoman Kelly did you have something? No? Alright. I will see people on video outside of the Mayor and Mr. Griffin, please turn off your videos until you are called upon and that includes members of the City Staff; unless we are asking for you to answer a question, please keep your video off. The bandwidth will be terrible if we don't do that. Mayor?

101 MAYOR'S OFFICE

Mayor Donchess

Thank you, Mr. Chairman and Good Evening everyone. Of course we are following a very unusual procedure tonight for a Public Hearing we hold every year. Every year we hold a Public Hearing on the Budget and take public input. Normally we are at Nashua South and this is all done live but because of the COVID-19 Crisis and all that we have experienced together over the last two months, we are doing this remotely. I want to thank the City IT Department and everybody else who has been involved in making this possible.

Now what I have here is a set of slides that we are going to go through that gives you an overview of the Budget. Then, as the Chairman mentioned, at the end or when it is appropriate during the Public Hearing, of course we can answer general questions about the Budget. Or if you have specific questions about any Department, when that Department comes up, please ask your question then and one of the leaders of the Department will respond to your question or your comment.

So the cover, of course, just tells you that we are proposing the FY21, we are discussing the FY21, that's Fiscal year '21. We are on a fiscal year which means we run from July 1 to June 30 so the current fiscal year, which is Fiscal Year '20 ends on June 30, coming up next month. Why don't we go to the next slide? Now one thing I wanted to make clear before we get into the details is that the Budget that we are discussing was proposed before we were hit with the COVID-19 Crisis.

This was proposed back in early February in order to give the Board of Aldermen time to consider the many aspects of it, in a way that they can deliberate about it with enough time to be able to discuss and understand everything.

The fact that we are now in COVID-19 may, and I am saying “should” affect the way, change the way that we consider the Budget that we need to enact for the next Fiscal Year. But to reiterate, the Budget was proposed before COVID-19. Why don't we go to the next slide? COVID-19 has changed the City and it has changed the way we are operating now and we will operate City Government in the future. The non-essential employees are now working remotely but we are designing changes for City Hall that will enable people to work remotely, some people, a longer term and will rebuild some of the internal rooms and departments of City Hall where there is a lot of public contact. All this will be done in a way that protects members of the public and protects employees.

So we know that life, not only City Government, but life will be different for some time. Of course it is difficult for all of us; I've had trouble adjusting to some of these changes like these remote meetings. But we are getting through this together and life will be changed including the way City Government performs its responsibilities in some ways that are probably going to be permanent. But as we look to this coming Fiscal Year and the Fiscal Years beyond, we must work smart, we must be disciplined and we must be unified. So far, the community has done very, very well with that. If we do those things, we will come out of this on the other side stronger than we were before. Why don't we go to the next slide?

Looking at this Budget with COVID-19 in mind and with the circumstances that we are faced with in mind, here are some of the main objectives. We want to continue to maintain quality services. You know what those are; Police, Fire, Schools, where we educate over 11,000 children; our Public Works, picking up the garbage, plowing the streets and all of the other services that we offer. We want to do those in a safe way that protects, again, members of the public and the employees that work for the City to contain and prevent the spread of the COVID-19 Virus.

Certainly, a major objective now, it always was an objective but now let's underline this, we need to keep the tax rate increase as low as we possibly can. Some of the economic circumstances we are facing, I will discuss those as we get into the slides. But we really need to keep our eye on the tax rate more than ever this year. The next bullet suggests that one of our strategies is the strategic use of one-time State Aid. So there is State Aid that we are getting that is only going to last for this one year. We will get into some of those details as we see further slides, but we want to make sure that we are smart in the way we use this one-time money.

And finally, we want to have an effective COVID-19 Cost Strategy to maximize the use of Federal Funds. What we mean there is we are using now City money, which is being used to clean buildings, extra overtime, extra IT, Software that's Information Technology. The Board of Aldermen has already appropriated \$200,000.00 for those purposes. Also there will be other expenses definitely incurred, rebuilding parts of City Hall, as I mentioned to change the flow of traffic. Also, overtime in various Departments and working with Justin Kates, the Emergency Management Director and all of our visions, we want to make sure that we recover as much of these additional costs as we possibly can. We have received assurances about this from the Governor, from FEMA that's the Federal Emergency Agency. But we want to keep that always in mind so that we recover as many local tax dollars as we possibly can. Let's go to the next slide.

Now the Budget, as proposed, includes an increase in health care costs of \$3 million dollars or 8.6%. This is a major, major increase in a large line item. A \$3 million dollar increase in one line item is a difficult financial challenge to handle. But this is something we have to do because we have the legal obligation, of course, to provide healthcare to our employees as our 17 Union Contracts require.

Now the Budget expenses for Health Care include what you see on the screen, not only medical but dental, administrative fees, there's something called Stop Loss Insurance, Wellness Activities. The total expenditures that we project for Fiscal '21 are around \$51 million dollars. Now much of that is paid by the employees but the City's share of the healthcare cost is going up as we mentioned \$3 million dollars or 8.6%.

One problem or challenge that we have, of course, is that last year, healthcare also went up by a very significant amount. When I say "last year" I mean the Budget we passed a year ago for the current Fiscal year right now. Fiscal Year '20, that's the current Budget that we are operating with today, increased healthcare costs by 11%. That was \$3.3 million. So if you add last years increase when I say the increase for Fiscal '20 with the increase for Fiscal '21, we are dealing with more than a \$6 million dollar increase in a single line item. Just so you get a perspective on the impact this is having on us, the City, the taxpayers, the community, \$6 million dollars on one line item translates alone to a 3% tax increase. Now the taxes went up 2.6% last year, the vast majority of that was caused by the \$3 million dollar increase in healthcare costs and taxes will go up again, this year we project, we want to limit that as much as we possibly can. Again, most of that will be driven by the increase in healthcare costs.

Still on the subject of healthcare, this just shows you the escalating cost for healthcare between Fiscal '14 and Fiscal '21, this is in a graph form of course. But you can see healthcare costs going up very steadily and significantly every year. Let's go to the next slide. Now I want you to know that we are working hard to use the term using around COVID-19, bend the curve on these rising healthcare costs. We have taken aggressive actions to limit future increases. The most significant change is we have come up with a new plan design, meaning a change in the deductibles and the co-pays paid by City Employees. If applied to all employee groups in the City, will have a very significant effect in holding healthcare costs down. So far, we have asked one group of employees, the so-called unaffiliated or non-union employees to accept this. The Board of Aldermen passed it for that group of employees. There are certain reasons why it is actually better for employees and the City. We can get into the details of that, but tonight let's just touch on the healthcare. We need to make sure that this new plan design is incorporated in all Collective Bargaining Agreements as they come to the Board of Aldermen for consideration so that over a period of several years, we can greatly reduce increases in healthcare costs.

Now let's look to the second budget, the reason that the new plan design, even though it includes higher deductibles for hospital stays and higher co-pays may help employees, is that it also reduces the amount they pay on a weekly basis. But another alternative we are offering is we are encouraging enrollment in a high deductible plan which enables an employee to save money towards future years. We can discuss the details and we have discussed them with the Board of Aldermen, but tonight we are focused on the Budget and we want your comments. But the high deductible plan is something we are encouraging and many employees are moving to that.

We have the use of Smart Shopper, which is a way that employees can shop for routine medical procedures such as testing and things like that. If they use the same quality but a less expensive provider, they get a bonus and they share in the savings that the City realized. We have a healthcare consultant which is referred to here as WBS; they are educating all employees, they are reaching out to Divisions and Employees across the City to educate them regarding healthcare cost, regarding the higher deductible plan and regarding and a lot of other information that they can use in terms of managing their own healthcare. We are offering now Wellness Alternatives, TeleHealth and Sydney which is an App. It enables you to shop for healthcare. We are also going to undertake and audit to confirm that all dependents of employees who are being carried by the City on the City's healthcare. We are doing this audit to confirm that all dependents are actually eligible. There could be a divorce or something like that, someone might still be on the plan who shouldn't be so we are going to make sure that all people whose healthcare we are providing are actually eligible for City Insurance.

Let's go to the next slide. This tells us that Proposed Operating Budget is \$284 million dollars. Now this is an increase from the current Fiscal Year of \$8.9 million dollars. If you break that increase down, without that one healthcare line that I've discussed, the Budget is only up 2.1%, it is around the cost of living, all the other line items put together. The one line item of insurance as we have already discussed is \$3 million dollars. So of the \$8.9 million, \$3 million of that is the one line item. If it were not for that, the Budget would be up 2%. Instead, in total it is up a little over 3%. Now in terms of the revenues that are projecting that we will receive in Fiscal '21, we are budgeting those conservatively, we don't want to overestimate revenue, especially with the economic climate we are facing. We will continue to be in a low interest rate environment; this means that the City will not be earning a lot of money on the accounts and reserves that we hold so there will be some, a little bit of income this way but not a great deal. We need to think about the potential of a reduction in State Aid as a result of the State being hit also with the financial and fiscal impacts of COVID-19. That could play out in subsequent years, not just in the year to come. We hope that will not happen; we have to at least keep it in mind as a possibility.

Now I want to go to the Fiscal '21 Budget Challenges and we will get into more of the details here as we go on from here. As we have mentioned, we face potential reductions in State Aid and also in local revenue; automobile registrations and other sources of revenue that the City gets beyond property taxes. As we have already discussed, the second big bullet, the cost of City-provided healthcare were last year and this a major challenge again. And as a result of these challenges, the proposed budget requires that the School Department, the Police and Fire Departments and the Department of Public Works all live with a 2.25% increase in the Budget. And of all the Departments that have submitted budgets higher than this, I have reduced those budgets to 2.25. Now just to be clear, the Financial Team and I issued guidelines to these Departments back in January saying that no proposed Budget should be over 2.25%. However we have various Departments who are independently managed and they submitted higher budgets but I reduced them to 2.25%, our target, which I am very glad that I did now that COVID-19 has hit because we need to be more cautious than ever as a result of COVID-19. All other Divisions, other than the major ones that you see, were held to a 2%, plus or minus, increase.

Now let's go to the next slide. I have touched generally on State Aid, I just wanted to show you what this, what the major components of the State Aid will be in Fiscal '21. First of all, there is a portion of the Rooms & Meals Tax that is collected by the State of New Hampshire that goes to cities and towns. Nashua's share of that money is \$4.5 million. Now there's a weekly call with the Governor that the Mayors across the State have and I have asked the question – Well obviously Rooms & Meals revenue are down for the State, is this number safe? Now the Governor's response has been, "yes, it is, because by Statute the amount being distributed to cities and towns is a given amount and is not tied to revenue". But that law could be changed, so I think for the short-term we should consider this relatively safe but be aware that who knows, we don't know what is going to happen.

There is a highway block grant of about \$1.6 million dollars, now we direct this totally into paving. That is funded by gas tax, that probably is safe but we are not sure. We are not sure if the whole thing will come through. Then we go to the most significant paid and that is the State Adequacy Grant for our Schools. Now that is shown at \$35 million dollars, it gives a bit of a misimpression because most of this money we collect on our property tax bills. If you look at the tax bill it says "State Education" or something like that; most of that we collect right here in Nashua and is never sent to the State but it's treated as though it is State Aid. But in any event, a portion of this does come as a direct check sort to speak and you have to ask the question, could that be affected? And again, we don't know for sure, we are projecting and thinking maybe not, but we don't know for sure.

And finally you see one-time revenue, now this is the one-time revenue I have referred to before. This is one-time State Aid that we are going to get this year and definitely not again. This is potentially \$2.9 million for schools and \$1.8 million for the City; again one-time revenue which we should be very careful about expending, because we should not add this to Operating Budgets because the money will not be replaced and in the end if anyone did that, we would be creating budgets which are not sustainable in the future.

We will go the next slide. Here is a slide that looks at how will our tax base be affected if COVID-19 creates a weaker economy in the mid or long-term. Of course, we are going to do everything we can and I will discuss some of the steps, the action that the City is taking to try to assist our local businesses with recovery, when the economy and as it opens. But the National Economists say there could be a recession. We know that many businesses have revenue that is off very significantly, especially in certain industries like hospitality, restaurants, other things like that, airlines. So the question is, will it erode our tax base and cause property in the City to be worth less especially commercial property like malls, like strip malls, the regional malls and other office buildings. The first bullet says, to be transparent and frank with you, we don't for sure what is going to happen. We don't know if this will reduce commercial values or not. But the second bullet tells you what the impact of lower commercial property values would be. It would mean that you would collect less money from the commercial sector. The Malls, the Offices, the Strip Malls, the Restaurants. We would collect less money from them which would push more tax burden on to the homeowner.

We haven't seen a huge, huge recession that impacted commercial properties heavily since the early 1990's but I was there, I was Mayor then. In a major recession, commercial values can do down much more quickly than the value of single-family homes and condominiums for example. So you see the impact on the commercial sector much more quickly if there is a recession, the decline in values if it comes is steeper for commercial properties than for single family homes. We know that the economy will recover, but we don't know when and that's the truth of it. That's the kind of hard reality, we are hoping, we are praying that things will come back pretty quickly and within a short time, we will be back to where we were before. But we don't know that for sure, there could be a recession. Nashua's economy has always been strong, Nashua people work very hard, work well together so I have full confidence that we will come back by sticking together, but we don't how long that might take.

Now let's go to some of the immediate effects we must consider or take into account when we are thinking about the Budget. First of all, we know that right now many Nashuans are hurting. No question about it. We know from the State's statistics that more than 8,200 people from Nashua have applied for unemployment benefits since March; this is just since March, middle of March, over 8,000 people. That is a lot of people. Now those people may return to their jobs as the economy opens, but right now, 8,200 people and more are unemployed. And I say "and more" because this only includes the people from Nashua who applied for unemployment because they work for a New Hampshire company. It does not include our Nashua residents who work in Massachusetts and have been laid off or furloughed down there. We don't have a firm figure on how many Nashuans have been affected down in Massachusetts but we do know that 30% of the people who are employed here in the City, commute into Massachusetts. So we know that more than it could be 10, 11, we don't know, but we know that significantly more than 8,000 people are currently unemployed.

The State is saying that the COVID-19 unemployment is 15.8%. So these are difficult economic circumstances. Many of our fellow Nashuans are suffering from this. The Federal Government has provided a supplement to unemployment benefits which is great, but that's not going to last forever. Now, again, I have full confidence that we can recover, but we can't look at these statistics and all of this information, we can't listen to people who are out of work and how worried they and their families are, I certainly have talked to a number, without taking into consideration that recovery may not be immediate. We may have to work hard over a period of time to make sure we come back strong. So here we are going to the next slide, please. The slide has frozen, I don't know what's happened.

John Griffin, CFO

I am having trouble with it.

Mayor Donchess

That's Mr. Griffin. I can address it without, so we will leave that up and I will talk through the next information and we will get it up on the screen if we can. I am recommending and I have discussed this with some of the Aldermen that the one-time State Aid that is projected to be spent on various one-time items, that that expenditure be reduced by \$1.9 million dollars and that \$1.9 million dollars of this one-time State Aid be directed to tax relief and that would be split between the School side and the City side. I am recommending that under the circumstances that we have outlined, that there should be no increases in the Proposed Operating Budget above the 2.25% for Schools, Police, Fire and DPW. With 8,000 people unemployed, with downtown – at the least the downtown economy largely shut down for 2 months – my opinion my recommendation is we hold the line on any increases, and we apply an extra \$1.9 million to tax relief.

In addition, we need to make sure that the new plan design is included in all Collective Bargaining Agreements. We cannot approve, in my opinion, Collective Bargaining Agreements that enable health insurance costs to continue to escalate the way they have now. We need these new deductible features and the new co-pays, you know, all the healthcare so that we can bend the curve so that we can limit increases and possibly, possibly even reduce the overall cost for the City and for our employees in the weekly contributions that they make.

I, as Mayor, have instituted a hiring freeze for all non-essential personnel. Again, I want to reiterate that we don't know what is going to be happening over the next few months. We are working our hardest to think it out and to project what could happen but we want to save as much money as we possibly can right now. So any positions that are currently open and are non-essential, I have ordered a hiring freeze and for the time being we will not proceed with those non-essential hiring and we will save the money to see how things progress through the remainder of the calendar year.

Now I wanted to go to a little more of good news, again, I know how difficult this period is. I know how difficult COVID-19 has been to deal with. Closing down our lives has been very hard, but we are doing something very important together. We are helping to save our community members; we are working to contain the spread of the virus. So far 10 people in Nashua have died and that's tragic. But I know by taking the steps we have taken together, we have saved a lot of lives and as we look back on all of this, down the road, we will be proud of what we accomplished in terms of attacking this virus with a totally unified action. All of our City Employees and our Residents working together.

Some of the things that have occurred over the last couple of years, I wanted to remind you of because we have a great City. And I am very proud to be the Mayor of it. In 2019 we were the 8th Safest City in the United States. We were awarded Best Suburb in New Hampshire, suburb of Boston that refers to. In 2019 we are rated the 13th Best Run City in the United States. In 2018 we were named one of the Safest Places to Retire in the Country. In 2018 we were also named one of the Best Run Cities in the Country, I think we were actually 8th that year. In 2018 it was said that we were the best place for millennials in Hillsboro County. We are the most inclusive place to live in New Hampshire. We have a triple AAA Bond Rating which is something we do not want to put at risk by doing anything unwise financially. We have a triple AAA Bond Rating from both S&P, Standard & Poor's, and Fitch, two ratings agencies. When I came into office, we had one triple AAA, now we have two and Nashua 2018 has among the lowest crime among mid-sized cities in the United States.

We have a great City, we are facing a few difficulties, challenges that I know we can come through. We are unified, we are determined and we are going to come out stronger on the other end. But I am urging, no question about it, caution when it comes to considering this years Budget. And that is my conclusion, Mr. Chairman. Of course, I am available for any questions.

Chairman Dowd

Ok, thank you Mayor, if we could put the presentation down. OK. Now for those who may have logged on late, this is the first time we are doing the Budget Presentation in this format, so be patient and everyone will have an opportunity to speak. You will have 5 minutes; I have a timer here. When you get to 4 minutes, I'll tell you, you have one-minute left. If you want to make a comment or if you have a question for the Division that we are talking about and the Department, you may ask it at that time. We can't go back until the end. All questions this evening must be solely on the FY2021 Budget, no other subjects should be brought up. Please stay on mute and no video until I call on you.

We are going to start with the Mayor's Office and if you want to be recognized please go video or state your name and I will call on you. Give your name and address for the record, please.

Laurie Ortolano

Hello?

Chairman Dowd

Yes? Laurie Ortolano?

Ms. Ortolano 41 Berkeley Street.

Chairman Dowd

You have 5 minutes.

Ms. Ortolano

The Mayor spoke about essential and non-essential positions and that we were holding off on non-essential positions in the Budget. Did I understand correctly that they are in the Budget and is there a list available of the essential and non-essential positions so that a resident can know how many positions are there and essentially what kind of growth that put (audio cuts out) into the budget?

Chairman Dowd

Mayor, do you want to address that?

Mayor Donchess

Yes, let me unmute myself, I'm sorry. So I think I used essential and non-essential in two different ways. Certainly in terms of who is working remotely, we have developed a list of non-essential and essential positions that have been done by Emergency Management and a team of people, Justin Kates, and a team of people. And what we mean there is that non-essential positions don't have to be on the job, they can work remotely. For example, some IT functions can be performed, even though we need those functions, they can be performed remotely and therefore don't encounter any COVID-19 risk. On the other hand, we have First Responders, we have Public Works, other people who have to be on the job that cannot work remotely. Those are the essential positions that cannot work remotely. So that's the way those terms, at least I have used them and the City has used them in the context of redesigning City operations to (audio cuts out) safely with COVID-19.

In terms of the open positions, open positions, the hiring freezes, there are some positions open and we really look at those on a case-by-case basis to ask the question, OK there's an open position, do we need to fill that right now? At some point we might need to but do we need to do it right now. If the answer is No, we can defer it, the hiring freeze would defer those positions, we save some money while we are waiting and in the delay that results from the hiring freeze. That does not mean that someday we won't fill those positions but right now we don't think they are necessary to today to fill the job.

Ms. Ortolano So can a citizen get a list of what those positions are within the Budget that you looked at? I mean you explained essential and non-essential from Emergency Management and I understand that but I am really talking about the Budget. Is that something that is available or not, I just don't know.

Mayor Donchess

The ones we are looking at are the open positions, meaning people have resigned or retired or whatever. There would be a list of the open positions that currently exist, yes. That is somewhere.

Ms. Ortolano OK.

Chairman Dowd

You have a couple minutes left.

Ms. Ortolano Just one other quick one then. Healthcare – I was curious, I am glad you addressed the high deductible plan that you brought forward. It was my understanding and I might be wrong, that the sign-up period for that might have happened. And if it did, can you tell us how was the response for switching into that plan and what is the cost savings associated with that?

Mayor Donchess

I think that we should turn the question over to the Administrative Services Director, Kim Kleiner, who can give more detail. But in general, the high deductible plan because it encourages, it incentives shopping and the determination – Well if I can get a service for \$500.00 over here and it's the same qualify for \$200.00 over here, I'll take the \$200.00. They are incentives, but I'll let Director Kleiner, who I assume is on the call, talk about the details of how that plays out with respect to individual employees.

Chairman Dowd

Director Kleiner?

Kim Kleiner, Director of Administrative Services

Alderman Dowd, yes. So right now the Board of Aldermen has approved the high deductible plan and the health design changes for the unaffiliated employees. We are currently in the middle of Open Enrollment. It was extended until this Friday the 22nd so we are projected to have some data available next week on how many employees have switched over to the high deductible plan. Originally, it was thought that we would have this information as of last Friday. We extended Open Enrollment due to Open Enrollment now going virtually and some hardship that we incurred getting that process up and running. So that data would be available, hopefully, by the end of next week.

Chairman Dowd

OK time has expired. So if we get through other questions, we could come back. Is there anyone else that has a question relative to the or in general or the City Budget or the Mayor's Office.

Beth Scaer I do.

Chairman Dowd

Your name?

Beth Scaer 111 East Hobart Street.

Chairman Dowd

OK, go ahead.

Ms. Scaer Why hasn't the City cut any positions and reduced staffing with this, you know, pandemic hanging over our heads.

Mayor Donchess

Well if anything the pandemic has increased the amount of work. We've got people working 7 days a week on many things. First of all we've got our Public Health Response, I could get into the details of what Public Health is doing but they are working 7 days a week to limit the spread of the virus. Our First Responders are, of course, still working and are just as necessary as possible, just as necessary as always, actually more necessary as a result of the virus and the crisis. Our teachers are teaching remotely. Now that's easier said than done. My neighbor across the street who has a few kids, commented, I thought teaching was easy but given that I'm now in charge of making sure my child does their homework; easier said than done. So our teachers are teaching remotely and those are the major employee groups.

We have a number of people in the City who are working remotely and doing their normal duties. Certainly, there are some employees who will, in the short term, at the library, there are some employees who are likely to be furloughed. I think they've been informed of that by now. So there are certain changes that have been made and, of course, we have the hiring freezes that has been in place so we are holding certain positions open.

Ms. Scaer Ok, thank you.

102 BOARD OF ALDERMEN

103 LEGAL DEPARTMENT

Chairman Dowd

Anyone? If not – does anyone have an additional question for the Mayor's Office or the General Budget? Seeing none, we are going to move on to the Board of Aldermen and that is part of General Government. Any questions on the Board of Aldermen's portion of the budget? I am seeing none. So I am going to move on to the Legal Department, any questions relative to the Legal Department? Hearing and seeing none we will move on to the City Clerk's Office.

Ms. Ortolano Hello?

Chairman Dowd

Yes?

Ms. Ortolano Can we just jump back to the Legal Department really quick. Ok can you say who you are?

Laurie Ortolano I'm sorry I hadn't turned my video on, I'm getting the buttons going. Laurie Ortolano, 41 Berkley Street.

Chairman Dowd

OK.

Ms. Ortolano Does the Legal Department include all of the consultants that are used on various projects or litigation? For example, if they bring in a consultant to address abatements, is that in the Legal Budget or is that put somewhere else?

Chairman Dows

Attorney Bolton, you are on mute.

Steve Bolton, Corporation Counsel

It is not in the Legal Department's Budget.

Ms. Ortolano Can you tell me where it is?

Attorney Bolton

In the example that you offered, that would be in what we call the "overlay".

Ms. Ortolano OK I am familiar with that. And what about for consultants we hire, to do like Attorney Broth who came in and did his investigation. Where does he come out of?

Attorney Bolton

I don't necessarily know, it would be whatever Department was using Attorney Broth or some other attorney, it would either be their budget or some appropriation from contingency or elsewhere to pay those expenses. But that would not be in my budget.

Ms. Ortolano Ok, and then one last quick question. Are there are other legal services, I mean I'll just speak candidly, I was certainly somebody who the City viewed as having a big impact on the legal costs and raising the Budget \$100,000.00. Where does that get logged?

Attorney Bolton

I would say that's a complete exaggeration; we got an additional appropriation to provide for some overtime in order to respond to some of the Right to Know requests that you generated; others as well but yours were included. But that was much, much less than \$100,000.00 in the Legal Department.

Ms. Ortolano OK I think I am going off an article that possibly the Mayor had given a quote to the paper that I had run up the cost about \$100,000.00 grand and I am only going off of that because that was a number thrown out. Now I don't care – I think, I recall at some point \$50,000.00 was added but is that in your Budget or was that in somebody else's?

Attorney Bolton

There was no \$50,000.00 added to the Legal Department's Budget.

Ms. Ortolano So it's just overtime that I would see in the Budget that would account for whatever Right to Know Requests were taken up.

Attorney Bolton

In the 2020 year, this doesn't even talk about the projected budget of 2021, but last year, in the Fiscal Year that we are currently in there was an addition made of \$10,000.00 to pay for some overtime and that was mainly the increase of Right to Know Requests (inaudible).

Ms. Ortolano Thank you, I did not mean to misrepresent that, I was just going off what had been in the paper but thank you.

Attorney Bolton

You're Welcome.

- 107 CITY CLERK'S OFFICE**
- 108 ENERGY MANAGEMENT**
- 109 CIVIC AND COMMUNITY ACTIVITIES**
- 131 HUNT BUILDING**
- 158 PARKING ENFORCEMENT**
- 166 PARKING OPERATIONS**
- 183 ECONOMIC DEVELOPMENT**

ADMINISTRATIVE SERVICES DIVISION

- 106 ADMINISTRATIVE SERVICES**

Chairman Dowd

Alright the people that are on call in on their phones, please put them on mute. We are hearing paper shuffling in the background and until you want to ask a question, please keep your phone on mute. I can see several that are not on mute and if we get a lot of background noise, we will have to cut the person off. Alright, now we are at the City Clerk's Office. Are there any questions relative to the City Clerk's Budget for FY2021? Hearing and seeing none – Energy Management? Any questions on the Energy Management portion of the Budget? Seeing and hearing none – Civic & Community Activities? Seeing and hearing no one, I will move on to the Hunt Building. Any questions relative to the Hunt Building? Seeing none, going on to Parking Enforcement, are there any questions or comments on the Parking Enforcement Budget?

Hearing and seeing none – Parking Operations? Any questions or comments on Parking Operations as part of the Budget? Hearing and seeing none we will move on to Economic Development, are there any questions relative to Economic Development Budget? Seeing and hearing none I am going to move on to Administrative Services Division. And the Administrative Services portion of that Division. Any questions on Administrative Services.

Ms. Ortolano Yes, I have a question.

Chairman Dowd

OK?

Ms. Ortolano Hang on I am turning on my video, so when you read a title, just so I know, I thought you were going to go through each one. When there's a big subtitle that's all lumped together and all of those topics can be addressed, is that correct?

Chairman Dowd

No I go through every single Department within those major titles. So Administrative Services Division is the Division, then I go through each one of the Departments. So if you have a question on a particular Department, you should bring it up when I read that Department. If you have a general question on Administrative Services in general, you can ask it now.

Ms. Ortolano Ok so I am just going to make a comment on this one and then I have one down in Assessing I will wait for, OK I understand. OK I am just going to say that from a position standpoint, I am a big believer that the position that was needed in the City was a Chief of Assessing and that I find this to be a non-essential position that got added to the Budget that we are paying a lot for when what we really needed was a Chief. And that's all I am going to say to that, I object to this position and the Department being funded and the way it was done last year and I think it put an awful lot of expense on the back of the taxpayer when what we needed was something else. But that's all I am going to say.

Chairman Dowd

Alright, thank you.

Ms. Ortolano Yeah.

110 ARLINGTON STREET COMMUNITY CENTER

Chairman Dowd

Alright, next is the Arlington Street Community Center, any questions on the Arlington Street Community Center?

Beth Scaer Yes, it is Beth Scaer.

Chairman Dowd

OK.

Ms. Scaer How much are we budgeting for that.

Chairman Dowd

Director Kleiner?

Ms. Kleiner

The Fiscal 2021 Budget has a total of \$82,939.00.

Ms. Scaer And what does that go towards, is that like buildings, salaries?

Ms. Kleiner

It consists of the salary for the Director who runs the Center, the associated benefit cost, small telephone cost to the building and office supplies. It does not include building; the building supplies are in the City Building Budget.

Ms. Scaer OK thank you.

Chairman Dowd

All set?

Ms. Scaer Mm-hmm.

111 HUMAN RESOURCES

113 BENEFITS

120 TELECOMMUNICATIONS

122 INFORMATION TECHNOLOGY

Chairman Dowd

Thank you. Any other questions on the Arlington Street? Seeing and hearing none, Human Resources? Any questions on the Human Resource portion of the Budget? Seeing and hearing none, Benefits? Any questions on the Benefits section of the Budget? Seeing and hearing none, Telecommunications? Any questions on Telecommunications portion of the Budget. Seeing and hearing none, Information Technology, the IT Department. Any questions on the IT Budget?

Ms. Ortolano Yes just a quick question. I had spoken to the Board about working and putting more information out digitally and I was pushed off on that months ago but was told it was something you were going to look into. And I want to know if anything has been put into the Budget to look at digitally scanning records and reducing the amount of people, we have in going to uploaded records that the public has access to?

Ms. Kleiner

Alderman Dowd, so Director Codagnone and I, in fact, did meet with a firm today. We are gathering quotes for that very project. I am not going to say at this time that it would result in any reduction of personnel. I would think that it's too – it's not wise to say that at this point, we need to explore that more. But we are gathering quotes for digital records.

Chairman Dowd

Ok, follow up?

Ms. Ortolano Just a follow up quickly. You know I was a proponent for allowing citizens or members of the community to be involved with this and that was shot down and I want to voice my objection to that. I think that citizens should be a part of sharing information about what we are looking for, for digital records. And I think the City operates in a closed capacity and continues to look for ways to shut people out. And I am disappointed in them. It's nice to hear that they looked at it today but I've been waiting what? Three or four months? So terrific, but I don't know if they really know what I'm looking for Rick. And I have a funny feeling that Assessing Office doesn't. Thank you.

128 RISK MANAGEMENT

129 CITY BUILDINGS

Chairman Dowd

Alright. Anybody else on IT? Seeing and hearing no one, Risk Management? Any questions or comments on Risk Management? Seeing and hearing none, City Buildings?

Ms. Ortolano

Yes, I have a question.

Chairman Dowd

OK.

Ms. Ortolano It was a question that I asked at your Budget or e-mailed over to you at one of the Budget Meetings and I didn't get an answer, but if we are looking at selling 141 Bourke Street and it seems to be something that is happening, are we still carrying that building with the costs in the 2021 Budget? And is that typically what we would do?

Chairman Dowd

That question is better reserved for when we get into Community Development or DPW. It is not a – the building thing we are talking about here is maintenance of buildings.

Ms. Ortolano Well that Building was moved into that Budget and accounted for on maintenance for 2021 and I don't think it is DPW because it was moved out of the DPW Budget. We are paying for it for the whole year, so my question is do we budget all the money typically to pay an entire year on a building that we look like we are going to sell this year?

Chairman Dowd

Who would like to address that question? Director Kleiner or Director Cummings?

Director Kleiner

So Alderman Dowd, that building was moved to the City Buildings portion of the Budget for us to cover the utilities and the upkeep costs until the building is sold. So it is common that it would stay in the Budget until the building is taken off of the City book.

Chairman Dowd

OK.

Ms. Ortolano Thank you.

130 PURCHASING DEPARTMENT

132 ASSESSING

Chairman Dowd

All set? Thank you. Alright, Purchasing, any questions or comments relative to the Purchasing Budget? Seeing and Hearing none – Assessing?

Ms. Ortolano Yes. Laurie Ortolano, 41 Berkeley Street.

Chairman Dowd

Mm-hmm?

Ms. Ortolano This is an area that I obviously have looked at closely and I believe that there are positions in here that unlike what the Mayor said that everyone is working 70 hours a week, that's not the case in this Department. I would challenge anyone who says it is also being handled at 40 hours a week. So number one, I don't understand why we didn't reduce hours or furlough in this Department. Number two, when we hired Vision Appraisal and I went to the March 2nd meeting with the DRA and Vision, they explained that by April 1st, after the annual inventory date, that Vision would be taking over the MLS Sales Verification, the Sales Data and also capturing permits.

A major part of our Assessors' job description is sales verification and permit capture. And when I heard this, I have wondered what are our Assessors going to do because their job descriptions involve a good bit of this work and why were we turning all of this over to Vision and then keeping our staff at the level we were? Frankly, I honestly thought that the City was making a move to outsource the Department and phase out the assessors, but they are not actually phasing them out. And I thought that because when you assign the work like they say they are assigning to an outside contractor that we are paying \$1.3 million, then I wonder why we are paying all these assessors' salaries and their job descriptions don't match what they are doing any longer. I think the job description should match. And it's not something that I say to put a smile on your face Ms. Kleiner, I really say it because I don't understand it and I have wondered and nobody will answer this kind of question.

Chairman Dowd

Director Kleiner?

Director Kleiner

Yes, so I'll start with the first. The staff who are in the Assessing Department they are all working 40 plus hours since we closed City Hall Building March 15. So that the public knows, they are working, we hold staff meetings virtually, they have worked extremely hard to pick up building permit information to look at new construction, to process exemptions and credits and to get everything ready for the July tax bills. That staff has continued to work very hard remotely. So I will start with that.

The other, going into the full measure and list revaluation, it is very common when any municipality enters into a full measure and list, you would not lay off your staff. City Assessors will continue to work hard, they will evaluate property, they will inspect property and they will work with the staff from Vision day in and day out. They continue to do that now. So it is not when you enter into a full measure and list common to lay off all of your City Staff even though, yes, Ms. Ortolano is correct, the contract with Vision states Vision is required to inspect building permits after April 1st.

Chairman Dowd

OK thank you.

Ms. Ortolano Chairman Dowd?

Chairman Dowd

Yes.

Ms. Ortolano Just one quick follow up. You know, I do take exception to the you know “how hard they work with exemptions and credits”. That is a position that is assigned to one of the clerical members who primarily handles that. And this is a busy season because this is the exemption credit season. But I read the last Director’s Report that was given at the Board of Assessor’s Meeting and I talked about how the Assessors or the Assessing Staff had been very busy, they had 90 e-mails that month and responded to around 170 calls. I mean I do the math; 90 e-mails among 8 people for a month is an e-mail every other day. I don’t consider that a heavy load.

Chairman Dowd

Ok less than one minute.

Ms. Ortolano The phone calls I also – 170 among 8 people. I don’t consider that a heavy load and I am just going to tell you I find some of this discussion simply not credible. And that’s all I am going to say. Thank you.

134 GIS

FINANCIAL SERVICES DIVISION

126 FINANCIAL SERVICES

POLICE

150 POLICE DEPARTMENT

FIRE

152 FIRE DEPARTMENT

EMERGENCY PREPAREDNESS

156 EMERGENCY MANAGEMENT

157 CITYWIDE COMMUNICATIONS

OTHER PUBLIC SAFETY**159 HYDRANT FEES – FIRE PROTECTION****162 STREET LIGHTING**PUBLIC HEALTH & COMMUNITY SERVICES DIVISION**171 COMMUNITY SERVICES****172 COMMUNITY HEALTH****173 ENVIRONMENTAL HEALTH****174 WELFARE ADMINISTRATION****175 WELFARE ASSISTANCE**PUBLIC WORKS DIVISION**160 PUBLIC WORKS ADMINISTRATION AND ENGINEERING**Chairman Dowd

OK. Any other questions on Assessing? Seeing and hearing none – GIS, any questions, or comments on the GIS portion of the Budget? Seeing and hearing none. We are going to move on to the Financial Services Division, Financial Services – any questions or comments on the Financial Services portion of the Budget? Seeing and hearing none, we will go to the Police Department. Any questions or comments on the Police Department Budget? Seeing and hearing none, we will now move on to the Fire Department – any questions or comments on the Fire Department Budget? Seeing and hearing none, we will go on to Emergency Management, Emergency Preparedness Division, Emergency Management Department. Any questions or comments on that Budget? Seeing and hearing none, we will go to Citywide Communications? Any comments or questions on Citywide Communications? Seeing and hearing none, Other Public Safety, Hydrant Fees, Fire Protection – any questions on that portion of the Budget.

Seeing and hearing none – Street Lighting, any questions, or comments on the Street Lighting portion of the Budget? Seeing and hearing none – Public Health and Community Services Division, Community Services? Any questions or comments on the Community Services Budget? Hearing and seeing none, Community Health? Any questions or comments on the Community Health Budget? Seeing and hearing none, Environmental Health? Any questions or concerns on the Environmental Health portion of the Budget. Seeing and hearing none – Welfare Administration, any questions, or comments on the Welfare Administration portion of the Budget? Hearing and seeing none, Public Works Division? Public Works Administration and Engineering, any questions or concerns about that portion of the budget?

Ms. Ortolano Yeah just a quick question and I don't know if it is in this line item or not. The work that is being done which will continue into this 2021 Budget for the building of the new facility. Is that part of Administration & Engineering, am I in the right line item area?

Chairman Dowd

Director Fauteux, do you want to answer that question?

Director Fauteux

No, that would not be in Administration & Engineering.

Ms. Ortolano Ok where would that be?

Director Fauteux

In fact you would not find that anywhere in our Operating Budget. That would be separate, that would be a bond that would eventually be sold, which it has not been at this point.

Ms. Ortolano Ok so yes, the bond hasn't been sold yet, it's appropriated, you are working on it, but it just doesn't get carried any more is that correct, it's not carried any more at this point?

Director Fauteux

You know I would let I think John Griffin speak to that. He's more of an expert on bonding than I am. I just know it is not in our Operating Budget.

Ms. Ortolano Ok.

Chairman Dowd

Mr. Griffin?

Mr. Griffin

Yes, the question, can you hear me?

Chairman Dowd

Yes, I can hear you.

Mr. Griffin

The question was is any part of the construction of the DPW Building appear in the Operating Budget and the answer is "no". What we do is when Budgets are approved, we set up a project fund, so all the costs associated with the project fund would be captured in that area.

Ms. Ortolano Ok thank you.

Mr. Griffin

You are welcome.

161 STREET DEPARTMENT

177 PARKS AND RECREATION

PUBLIC SERVICES DIVISION

140 PINWOOD CEMETERY

142 WOODLAWN CEMETERY

144 EDGEWOOD & SUBURBAN CEMETERIES

PUBLIC LIBRARY

179 PUBLIC LIBRARY

COMMUNITY DEVELOPMENT DIVISION

153 BUILDING INSPECTION

155 CODE ENFORCEMENT

170 WATERWAYS/HYDROELECTRIC OPERATIONS

181 COMMUNITY DEVELOPMENT

182 PLANNING & ZONING

184 URBAN PROGRAMS

Chairman Dowd

All set? OK. Any other questions on the Public Works Administration & Engineering portion of the Public Works Division? Seeing and hearing none – Street Department? Any questions or concerns on the Street Department portion of the Budget? Seeing and hearing none – Parks & Recreation, any questions, concerns or comments on Parks & Recreation? Seeing and hearing none, we will go to the Public Services Division – Pinewood Cemetery, any questions or concerns on Pinewood Cemetery? Seeing and hearing none – Woodlawn Cemetery, any questions or concerns on Woodlawn Cemetery?

Moving along, Edgewood & Suburban Cemeteries, any questions or concerns on Edgewood & Suburban Cemeteries. Seeing and hearing none – Public Library, any questions, or comments on the Public Library Budget? Seeing and hearing none, Building Inspection out of the Community Development Division? Any questions or concerns on the Building Inspection portion of the Budget? Seeing and hearing none – Code Enforcement – any questions or concerns on Code enforcement? Seeing and hearing none, we are going to Waterways, Hydroelectric Operations. Any questions on that portion of the Budget? Seeing and hearing none – Community Development, any questions or concerns on the Community Development portion of the Budget? Seeing and hearing none, Planning & Zoning – any questions on Planning & Zoning portion of the Budget. Seeing and Hearing none – Urban Programs. Any questions or concerns on Urban Programs portion of the Budget?

Ms. Scaer, this is Beth Scaer. What is that? What are those programs? And how much is the Budget?

Chairman Dowd

Director Fauteux? Oh no that's not Director Fauteux, Community Development, is that Director Marchant?

Sarah Marchant, Community Development Director

Yes, can you hear me?

Chairman Dowd

Yes.

Director Marchant

Yes, happy to answer the question. Urban Programs is a 100% Federally Funded Department, there are no City dollars that go into this Division. It includes funding from HUD in large part. It includes the CDBG allocation and nationally competitive lead grants and the HOME funding.

Ms. Scaer Ok thank you.

Director Marchant

You're welcome.

186 TRANSPORTATION

EDUCATION

191 SCHOOL DEPARTMENT

DEBT SERVICE, CONTINGENCY & INTERFUND TRANSFERS

193 DEBT SERVICE

194 CONTINGENCY

198 INTERFUND TRANSFERS

CAPITAL IMPROVEMENTS

Various CAPITAL IMPROVEMENTS

ENTERPRISE FUNDS-REVENUE & APPROPRIATIONS

6000 SOLID WASTE FUND ESTIMATED REVENUES

6000 SOLID WASTE FUND APPROPRIATIONS

WASTEWATER

6200 WASTEWATER FUND ESTIMATED REVENUES

6200 WASTEWATER FUND APPROPRIATIONS

Chairman Dowd

Ok let's see – moving on – Transportation, any questions or concerns regarding the Transportation portion of the Budget? Hearing and seeing none, Education – the School Department. Any questions or concerns relative to the School Department Budget? Seeing and hearing none, we go to Debt Service Contingency and Interfund Transfers – Debt Service Portion of the Budget? Any questions or concerns? Seeing and hearing none, we are going to move to Contingency. Any questions or concerns regarding Contingency? Seeing and hearing none we will go to Interfund Transfers, any questions or concerns on Interfund

Transfers? Seeing and hearing none, we will go to Capital Improvements, Capital Equipment. Any questions or concerns on Capital Equipment? Seeing and hearing none we are going to go to the Enterprise Funds, Revenue & Appropriations. The first is a Solid Waste Fund Estimated Revenues, any questions on Solid Waste Fund Estimated Revenues? Seeing and hearing none, Solid Waste Fund Appropriations, any questions, or concern on that portion of the Budget? Seeing and hearing none we are going to Wastewater, Wastewater Fund Estimated Revenues. Any question on Wastewater Fund Estimated Revenues? Whoever that is, please go on mute. And on Wastewater, Wastewater Fund appropriations, any questions or concerns on Wastewater Appropriations? Somebody's phone is on and you need to go on mute.

SPECIAL REVENUE FUNDS-REVENUE & APPROPRIATIONS

City Special Revenue Funds

Chairman Dowd

Special Revenue Funds, Revenue and Appropriations, City Special Revenue Funds? That's the Public Health Client Fees Fund, any questions or concerns on that portion of the Budget? Special Revenues Funds by the way are funds that are earmarked particularly for a certain item, monies are put into it and expended out of it by Legislation. I don't know who – it's call in Number 5. Whoever you are, please go on mute.

- 2502 LAW ENFORCEMENT TRAINING FUND**
- 2503 PARKS & RECREATION PROGRAMS FUND**
- 2504 HOLMAN STADIUM EVENTS FUND**
- 2505 PEG ACCESS CHANNEL FUND**
- 2506 HUNT BUILDING FACILITY RENTAL FUND**
- 2507 FIRE TRAINING FACILITY RENTAL FUND**
- 2508 SPECIAL ROAD & HIGHWAY FUND**
- 2510 PENNICHUCK ACQUISITION BOND FUND**
- 2511 201 MAIN STREET RENTAL FUND**

School Special Revenue Funds

- 2100 FOOD SERVICES**
- 2120 SUMMER FEEDING PROGRAM**
- 2201 DRIVER'S EDUCATION**
- 2204 SUMMER SCHOOL**
- 2207 ADULT CONTINUING EDUCATION**
- 2212 ATHLETIC REVENUE FUND**

- 2217 SCHOOL FACILITIES RENTAL**
- 2222 AFTER SCHOOL PROGRAM**
- 2227 NORTH STUDENT SHOP**
- 2232 SOUTH STUDENT SHOP**
- 2247 CULINARY ARTS**
- 2252 DAY CARE**
- 2257 SPECIAL EDUCATION - LOCAL TUITION**
- 2258 SCHOOL CTE TUITION FUND**

SUPPLEMENTAL INFORMATION

Nashua Airport Authority

Capital Equipment Reserve (CERF) Planned Replacements

Expendable Trust & Reserve Funds-Funded by Appropriations

Expandable Trust Funds-Funded by Contributions

Chairman Dowd

Law Enforcement Training Fund? Any questions or concerns on that portion of the Budget? Seeing and hearing none – Parks & Recreation Program Funds. Any questions or concerns on that portion of the Budget. Seeing and hearing none – Holman Stadium Events Fund. Any questions or concerns on that portion of the Budget. Seeing and hearing none, The Hunt Building Facility Rental Fund, any questions or concerns on that portion of the Budget. Seeing none, Fire Training Facility Rental Fund, any questions, or concern on that special revenue fund? Seeing and hearing none, Special Road & Highway Fund, any questions, or concern on that portion of the Budget? Pennichuck Acquisition Bond Fund, any questions or concerns on that special revenue account? 201 Main Street Rental Fund, any questions or concerns relative to that special revenue fund? Hearing and seeing none we will go to the School Special Revenue Funds, first is Food Services, any questions or concern on Food Services Special Revenue Fund. Seeing and hearing none – Summer Feeding Program. Any questions or concerns on the Summer Feeding Program? Seeing and hearing none – Driver's Education, any questions on the Driver's Education Special Revenue Fund? Next is Summer School – any questions on the Summer School Special Revenue Fund? Seeing and hearing none – the next is the Adult Continuing Education Special Revenue Fund? Any questions or concerns on that portion of the special revenue? Seeing and hearing none – Athletic Revenue Fund, any questions or concerns on that special revenue fund? Seeing and hearing none – School Facilities Rental? Any questions or concerns on that special revenue fund – seeing and hearing none, After School Program? Any questions or concern on the After-School Program Special Revenue fund. Seeing and hearing no one – North Student Shop Special Revenue Fund – any questions on that School Special Revenue?

And then the South Student Shop? Any questions or concerns on that special revenue fund? Seeing none – Culinary Arts – that special revenue fund, any questions or concerns? Daycare? Any questions on the Daycare Special Revenue Fund? Seeing and hearing none, Special Education Local Tuition – that special revenue fund. Seeing and hearing none, School CD Tuition Fund? Any questions or concerns on that special revenue fund? Seeing and hearing none – next is the Supplemental Information on the Budget – the

Nashua Airport Authority? Any questions or concerns on the Nashua Airport Authority? Seeing and hearing none? Capital Equipment Reserve – CERF Planned Replacements? Is there any question or concerns on the CERF portion of the Budget Seeing and hearing none – Expendable Trust and Reserve Funds Funded by Appropriations. Are there any questions on that account? And the last is the Expandable Trust Funds funded by contributions, any questions on that? Seeing none – I will now ask if there are any other Budget related questions that anyone has that they would like to ask at this time? Seeing and hearing none – Alderman O'Brien, are you ready for a motion?

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 O'Brien, Alderman Klee, Alderman Dowd, Alderman Caron, Alderman Lopez, Alderman Tencza, Alderwoman Lu, Alderman Jette, Alderman Schmidt, Alderman Cleaver, Alderman Harriott-Gathright, Alderman Wilshire	12
Nay:	0

MOTION CARRIED

Chairman Dowd

Thank you. So the R-20-023 is re-tabled until the next meeting we will have will be the first wrap up on June 2nd. Alderman O'Brien, another motion?

ADJOURNMENT

MOTION BY ALDERMAN O'BRIEN THAT THE MAY 20, 2020, SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED BY ROLL CALL

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

Yea: Alderman O'Brien, Alderman Klee, , Alderwoman Kelly, Alderman Dowd, Alderman Caron, , Alderman Lopez, Alderman Tencza, Alderwoman Lu, Alderman Jette, Alderman Schmidt, Alderman Cleaver, Alderman, Alderman Wilshire	12
Nay:	0

MOTION CARRIED

The meeting was declared adjourned at 8:42 p.m.

Attest:
Susan Lovering, City Clerk

City of Nashua FY 2021 Proposed Budget Presentation

May 20, 2020



The FY2021 Budget was Proposed Before COVID-19



- **COVID-19 HAS CHANGED OUR CITY AND THE WAY WE WILL OPERATE CITY GOVERNMENT.**
- **LIFE WILL BE DIFFERENT FOR SOME TIME – AND IN SOME WAYS THAT ARE PERMANENT.**
- **WE MUST WORK SMART, BE DISCIPLINED, AND BE UNIFIED – AND COME BACK STRONGER.**



Post COVID-19 Budget Objectives

- **Maintain quality services in a safe way**
- **Keep tax rate increase as low as possible**
- **Strategic use of one-time state aid**
- **Execute an effective COVID-19 cost strategy to maximize use of Federal Funds**

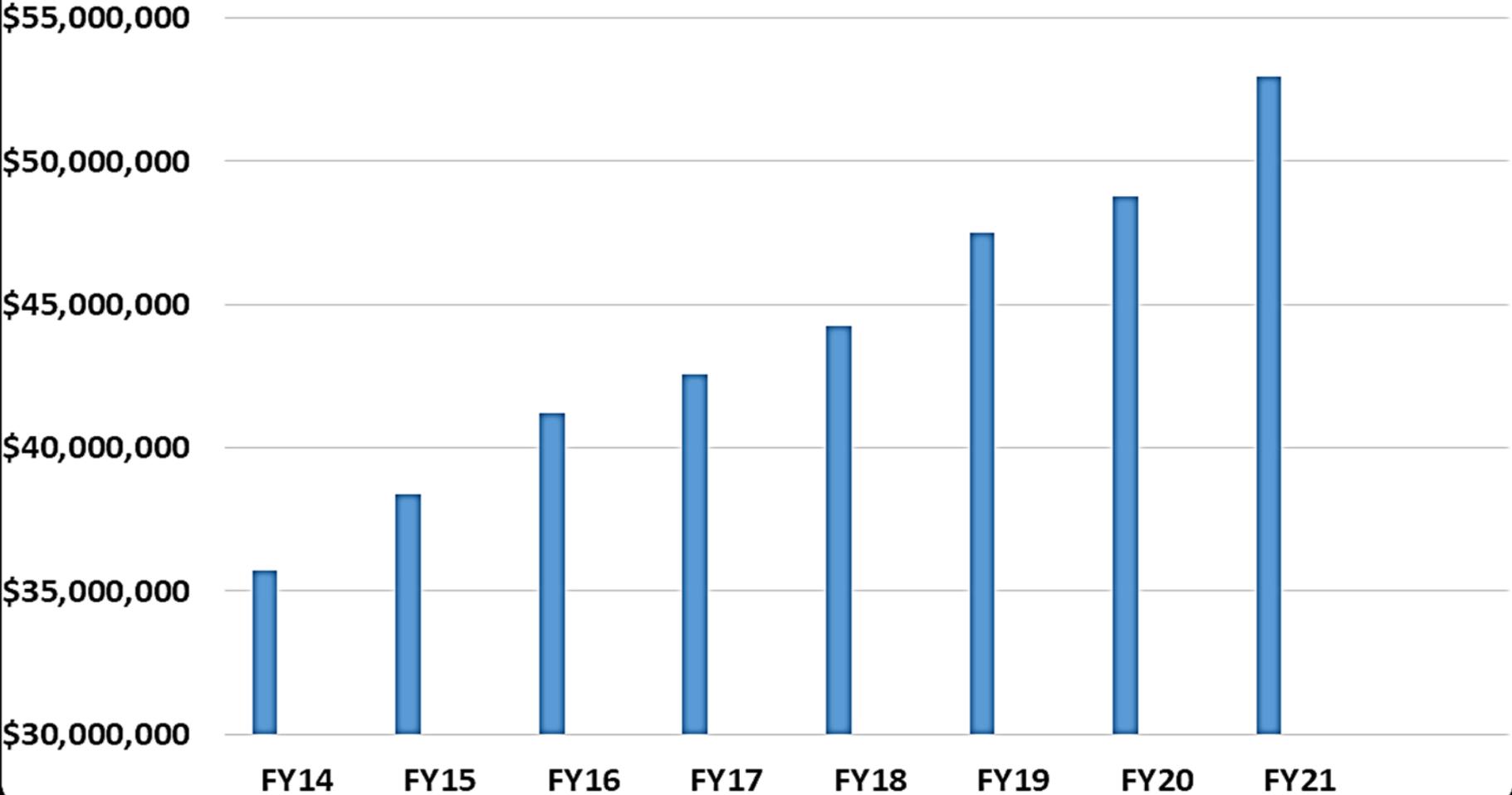


Healthcare

- **FY2021 proposed budget health care costs are up \$3 million or 8.6%**
- **FY2021 budgeted expenses including Dental, Administrative costs & fees, Stop loss insurance, Health claims, and Wellness activities total \$51.6 million**
- **Healthcare costs increased by 11% in FY2020 or \$3.3 million**
- **Together this \$6 million, equates to a 3% increase in the tax rate**



FY14-FY21
City of Nashua Health Care Expenses



Healthcare Cost Mitigation Strategies

- **New Plan Design - Higher Deductibles and Co-pays**
- **Encourage Enrollment in the High Deductible Plan**
- **Use of Smart Shopper**
- **Education by WBS on healthcare costs to divisions and CBA groups**
- **Wellness Alternatives - Telehealth and Sydney (app)**
- **Audit to confirm that all dependents are eligible**



Proposed FY 2021 Budget

- **Proposed Operating Budget - \$284.6 Million**
 - Increase Over FY 2020 Budget - \$8.95 million
 - 2.1% increase (\$5.95 million) w/o healthcare costs
 - \$3.00 million increase in healthcare costs
 - Revenues:
 - Revenues continue to be budgeted conservatively
 - Continued low interest rate environment
 - Potential reduction in State aid funds – COVID 19



FY 2021 Budget Challenges

- **Potential Reductions in State and Local Revenue**
- **Cost of City Provided Healthcare**
 - \$3.0 million addition to FY2021 Operating Budget
 - On top of the \$3.3 million in FY2020
- **School, Police, Fire and DPW – 2.25% Target Increase**
 - All other Divisions - 2.00%



FY 2021 Revenue

State Aid – Is It At Risk?

- **City Related**
 - **Meals and Rooms Tax** **\$4,500,000**
 - **Highway Block Grant** **\$1,655,254**
- **School Related**
 - **State Adequacy Aid** **\$35,541,100**
- **One-Time Revenue**
 - **State Adequacy Aid** **\$2,900,000**
 - **Municipal State Aid** **\$1,800,000**



\$10.3 Billion Tax Base – Will it Erode because of a Weaker Post COVID-19 Economy?

- **We don't know**
- **Lower Commercial Property Values could mean higher taxes for homeowners**
- **The Economy will recover but we don't know when**



COVID-19 Employment Crisis

- Many Nashuans are hurting
- More than 8,200 Nashuans are currently unemployed (does not include Nashua residents that work in MA and have been laid off or furloughed)
- COVID-19 Unemployment rate is 15.8%



Mayor's POST COVID-19 Recommendations

- **Cut spending of one-time state aid by \$1.9 million and Redirect \$1.9 million to Tax Relief**
- **No increases to proposed operating budgets above 2.25% for Schools, Police, Fire, and DPW and 2.00% for all other Departments**
- **Include new Healthcare Plan Design in all Collective Bargaining Agreements**
- **Hiring Freeze for non-essential personnel**



Recent Accolades

2019- 8th Safest City in the United States

2019- Best Suburb in New Hampshire

2019- 13th Best-Run City in the United States

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- AAA Bond Rating from S&P and Fitch Ratings

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

