

A special meeting of the Board of Aldermen was held Wednesday, May 24, 2023, at 7:00 p.m. in the aldermanic chamber.

President Lori Wilshire presided; City Clerk Dan Healey recorded.

Prayer was offered by City Clerk Dan Healey; Alderman-at-Large Melbourne Moran, Jr. led in the Pledge to the Flag.

Let's start the meeting by taking a roll call attendance.

City Clerk Healey called the roll.

The roll call was taken with 9 members of the Board of Aldermen present: Alderman O'Brien, Alderman Moran, Alderman Jette, Alderman Clemons, Alderwoman Kelly, Alderman Dowd, Alderman Caron, Alderman Thibeault, Alderman Wilshire.

Alderman Sullivan, Alderman Klee, Alderman Lopez, Alderman Comeau, Alderman Gouveia, and Alderwoman Timmons were recorded absent.

Mayor James W. Donchess, Corporation Counsel Steven A. Bolton were also in attendance.

President Wilshire

I'm going to turn the meeting over to the Chair of Budget Review Committee, Alderman Dowd.

Chairman Dowd

This evening we're going to be having a public hearing followed by a Budget meeting. In the public hearing, we're going to be hearing Resolutions R-23-119, R-23-121, R-23-122 and R-23-124.

PUBLIC HEARING

R-23-119

CHANGING THE PURPOSE OF UP TO THREE HUNDRED AND FIFTY-FOUR THOUSAND SIX HUNDRED AND FIFTY-EIGHT DOLLARS (\$354,658) OF UNEXPENDED BOND PROCEEDS FROM THREE WASTEWATER PROJECTS TO THE SEWER INFRASTRUCTURE IMPROVEMENTS PROJECT

Chairman Dowd

Director Hudson, do you want to come up and give us an overview?

Dan Hudson, City Engineer

Thank you Mr. Chairman. So what this proposal is there was three previous projects which are bonded and there's some remaining money from those. That was a storage tank facility, aeration blower upgrade, and dewatering equipment replacement. So there's some money left over from those bonded money and we're requesting that be placed in the Sewer Fund so it can be used for other projects. Any projects we would do such as digging up, and replacing the pipes, or lining the pipes those all have a useful life and exceedance of 30 years which is necessary for the bonding situation. So I'd be happy to address any questions.

Chairman Dowd

Any of the Alderman have a question for Director Hudson? Seeing none. Okay.

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

Chairman Dowd closed the public hearing on Resolution R-23-119 at 7:05 p.m.

Chairman Dowd opened the public hearing on Resolution R-23-121 at 7:05 p.m.

R-23-121

RELATIVE TO THE SUPPLEMENTAL APPROPRIATION OF \$24,550 OF FY2023 UNANTICIPATED REVENUE INTO FUND #7026 "CAPITAL EQUIPMENT RESERVE FUND"

Chairman Dowd

Is there anyone here that's going to give an overview?

John Griffin, CFO/Treasurer/Tax Collector

Thank you Mr. Chairman. Good evening. This is a typical action that the Board of Aldermen takes to take proceeds from the Risk Department and put it back in the CERF department of the purposes of purchasing the replacement vehicle. Thank you.

Chairman Dowd

Any questions? Seeing none. I'll now open up public hearing comments.

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

Chairman Dowd closed the public hearing on Resolution R-23-121 at 7:07 p.m.

Chairman Dowd opened the public hearing on Resolution R-23-122 at 7:07 p.m.

R-23-122

AUTHORIZING THE MAYOR TO ENTER INTO A FEDERAL AID PROJECT AGREEMENT WITH THE STATE OF NEW HAMPSHIRE AND THE TOWN OF HUDSON FOR THE PURPOSE OF REHABILITATING THE TAYLOR FALLS AND VETERANS BRIDGES AND A RELATED AGREEMENT FOR REIMBURSEMENT WITH THE TOWN OF HUDSON AND TO ACCEPT AND APPROPRIATE \$2,500,000 FOR THE PROJECT

Chairman Dowd

Is there anyone here to?

Dan Hudson, City Engineer

So this is as noted an agreement to be entered into with the State of New Hampshire and Hudson. This I think is a good success story. The Town of Hudson and City of Nashua jointly entered into design and rehabilitation of the bridges to Hudson. We did that with the hopes that, you know, funding would become available for the actual construction. We had a project in the ten year plan but it's out at 2030. We really didn't want to see these bridges wait that long for rehabilitation. So because we progressed this design, funding became available at the State so the State has agreed to accelerate that. We're in the process of completing our environmental documentation and those sorts of things to make it eligible for the federal funding. That's all tracking well and we expect we'll be able to if this is approved be able to go out to bid mid-summer here and get those reconstructed ahead of schedule. The \$22,500,000 is the full project cost - 80% of that being born by the State so \$2 million. The \$500,000 is split 50/50 with the Town of Hudson. So total out of pocket for the City will be \$250,000 towards the construction and further beneficially, you may

recall we accepted some unanticipated revenue from the State bridge funds that were distributed to municipalities under program surplus funds. So we're able to use those funds to actually match these other federal funds, so net out of pocket for citizens of Nashua will be zero dollars. So it's all-in-all a good project. Be happy to address any questions.

Chairman Dowd

I've read both the documents and Hudson's already signed on both of them.

Dan Hudson, City Engineer

Correct.

Chairman Dowd

Any other questions for City Engineer? Seeing none. Thank you.

TESTIMONY IN FAVOR

Laurie Ortolano

Laurie Ortolano, 41 Berkeley Street. I'm not speaking in favor or opposition. I just have a couple of questions. Is the Veteran's Bridge the big bridge that runs over connecting Nashua to Hudson where the condos are built? Are we talking about that bridge, the main bridge? Is that the Veteran's Bridge?

Chairman Dowd

We're talking about the only two bridges we have that run over to Hudson.

Laurie Ortolano

Well there's also and it doesn't cross to Hudson. Okay, so that's our Veteran's Bridge.

What about the bridge on Canal Street that's been rated very poorly for over ten years for renovations?

Chairman Dowd

That's not part of this legislation.

Laurie Ortolano

Are we doing anything with that bridge with federal funds?

Chairman Dowd

Mr. Hudson would you like to come up and answer?

Dan Hudson, City Engineer

Sure. So to the first question, yes the two bridges that connect us to Hudson over the Merrimack, one of them is the Veteran's Bridge and the other is the Taylor Falls Bridge. So both those bridges will be rehabilitated. The Canal Street Bridge, we actually completed rehabilitation of that last year. We did that with City funds and that removed that from the red list. So the latest reporting from the DOT, latest inspection, has been removed from the red list based upon the improvements that we made.

Chairman Dowd

Okay. Alderman Jette.

Alderman Jette

Yeah just a clarification. The Veteran's Bridge and the Taylors Falls Bridges are next to each other. One goes one way, the other goes the other way. I don't remember which one is which but there's also another bridge at the south end of the City that goes from Nashua to Hudson. I think that's called the Sagamore. Isn't there another bridge?

Dan Hudson, City Engineer

Yes. So my understanding is yes that those two bridges to Hudson they each have a different name. So westbound I believe is the Veteran's and eastbound is the Taylor's Falls. The Sagamore whatever that one is, I can't speak to that right now today. There are not a lot of river crossings unfortunately so.

Alderman Jette

When you say you can't speak to it, you mean you can't identify the name of that bridge in the south end?

Dan Hudson, City Engineer

No not offhand I'm sorry.

Alderman Jette

But there is another one?

Dan Hudson, City Engineer

Yes, there is.

Alderman Jette

I just wanted to clarify. Somebody was saying that there were only two bridges. There are actually three bridges. Two of them are side by side.

Alderman Clemons

There's four.

Alderman Jette

There is a fourth one? Where's the fourth one?

Alderman Clemons

The two in the south end are the same way that the ones in the downtown are. They're next to each other.

Alderman Jette

Okay so in the south end, there's also two bridges going one way and the other way. Thank you Alderman Clemons.

Chairman Dowd

That's a much newer bridge. Yes, Alderwoman Kelly.

Alderwoman Kelly

Through you to Mr. Hudson. I remember that we approved a plan to do a lot of construction in that area putting in a, I believe, we're putting in a traffic circle. Is that going to dovetail with this or interfere?

Chairman Dowd

Mr. Hudson?

Dan Hudson, City Engineer

If all goes according to plan, this will actually proceed the construction of that. That one we've run into some asbestos issues and we're kind of working through that trying to figure out that. That's going to add some cost to that project and so we're reviewing that and trying to figure out how to go forward with that one. This one is ready to go as soon as we get the environmental document checked off and all the things checks off, then we'll be able to bid this one out soon. So I expect you'd see this construction before any of that construction.

Alderwoman Kelly

Thank you.

Chairman Dowd

Any other questions?

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

Chairman Dowd closed the public hearing on Resolution R-23-122 at 7:14 p.m.

Chairman Dowd opened the public hearing on Resolution R-23-124 at 7:14 p.m.

R-23-124

RELATIVE TO THE SUPPLEMENTAL APPROPRIATION OF \$500,000 FROM FY2023 ASSIGNED FUND BALANCE INTO DEPARTMENT 128 "RISK MANAGEMENT", ACCOUNT 89650 "TRANSFER TO PROPERTY & CASUALTY SELF INSURANCE FUND"

Chairman Dowd

Director Cummings?

Tim Cummings, Administrative Services Director

Yes, thank you Mr. Chairman. Tim Cummings, Administrative Services. With me also is Jennifer Deshaies City's Risk Manager. I'm going to have to keep my comments relatively high level this evening obviously due to the current issue at hand. I've been advised not to go into too many details in an open public session but happy if you want to go into non-public to provide the body with additional details in a non-public setting.

With that being said, you have before you R-23-124. The Nashua School District is in the midst of a cybersecurity event as you were briefed in two non-public sessions where details were provided which due to this security implication of our IT system needs to remain non-public. It is my understanding another briefing in a non-public setting will be forthcoming where a status update and detail will be discussed because this sensitive matter is still unfolding. The attached pages are in your communication are being provided as background context as an overview and to help provide you to better understand the essential breakdown of how these funds were used or will be used which are R-23-124 seeks to essentially replenish the Risk Department's budget.

If you recall when the incident first occurred, the City needed to act quickly which meant hiring and retaining two sophisticated consulting firms that have the requisite experience and knowledge to assist us through the event. Our insurance broker recommended two firms as part of a pre-vetted list of competent trusted experts that specialize in assisting organizations when faced with such circumstances. In closing, please be aware that this is an initial outline of costs associated with this event. There will be additional costs in the future as we better understand the situation. So essentially, we are completing phase two of this exercise as the memo outlines.

Phase one and phase two is costing us approximately \$335,000. We will then enter into phase three. Phase three is not contemplated in the Resolution before you and we recently learned what that cost will be. That's going to be approximately \$60,000. So if it's the pleasure of the body this evening to amend the Resolution to add that \$60,000, it would be beneficial to us or otherwise folks need to be aware of the fact that we will be coming back before you again in seeking this additional \$60,000. But more importantly, there's a phase four that we are not sure yet what the cost will be associated with this event and that's something that you all need to be aware of.

Lastly, there are some other expenses outlined in the bottom relative to legal at \$65,000. Then to ensure that the City has the right security systems in place, that's an additional \$100,000. That brings you to the aggregate total of \$500,000 which is what is contemplated before you in R-23-124. Thank you Mr. Chairman.

Chairman Dowd

I don't think we can amend it. If we did, we'd have to repost this and hold it for another...

Tim Cummings, Administrative Services Director

Understood. Yes thank you for that clarification.

Chairman Dowd

All right, questions? Yes.

Alderman Thibeault

Thank you, Mr. Chairman. So basically you're saying this money's already been spent whether it's actually physically been spent or not, it's been spent.

Tim Cummings, Administrative Services Director

Correct and some of it has already been physical spent.

Alderman Thibeault

Got you.

Chairman Dowd

Thank you Director Cummings.

Tim Cummings, Administrative Services Director

Thank you.

TESTIMONY IN FAVOR

Laurie Ortolano

Laurie Ortolano, 41 Berkeley Street. I'm not speaking in favor or against but I have a couple of questions. This is the cybersecurity issue Director Cummings referenced information you have in your packet regarding the breakdown in costs. Is that stamped confidential or is that a public document that shows the breakdown of the costs?

Chairman Dowd

The legislation is public.

Laurie Ortolano

That gives a breakdown of costs?

Chairman Dowd

It is posted. It's not going to give - I don't believe the delineation of the actual expenses because that's confidential.

Laurie Ortolano

Well I'm asking you he referenced a document that you have. Is that document in your possession stamped confidential or is it a public document? It's a simple question I'm asking. Not the legislation, he didn't reference that. He gave you a document with the breakdown. Is that document stamped confidential or not?

Chairman Dowd

Director Cummings is that the one you handed out?

Tim Cummings, Administrative Services Director

Mr. Chairman it is a public document.

Laurie Ortolano

Could I ask you he outlined four costs and security. Phase one is already done. He said phase two is \$335,000, phase three which would require an amendment but we couldn't do it tonight was \$60,000. We had legal expenses at \$65,000 and correcting security issues at \$100,000. How much was phase one? Is that included in here as part of the money that is being transferred and do you know how much that was?

Chairman Dowd

I don't see the delineation by phase in the legislation.

Laurie Ortolano

Okay. Does this take care of all the money that will need to be allocated to address it because it was a ransomware attack so there's a ransom to pay eventually which I would think eventually becomes public information if we're paying it just like this information? You're having a public hearing about these expenses. So is all of that separate?

Chairman Dowd

Director Cummings?

Tim Cummings, Administrative Services Director

Thank you, Mr. Chairman. At this time I would not advise answering any of these questions due to the event that's still unfolding.

Laurie Ortolano

Can you tell me he did reference when it started but he didn't give a date. When did this event occur?

Chairman Dowd

Director Cummings?

Tim Cummings, Administrative Services Director

I'll give you approximately. The last week in April I believe in and around April 30th.

Chairman Dowd

Thank you.

Laurie Ortolano

And could someone please tell me what account 89650 is? Is that a special account set up for this cyber issue or what other money is in that account? When I went on expenditures and tried to look up that account, that number wasn't there. So what exactly is that account?

Chairman Dowd

Mr. Griffin?

John Griffin, CFO/Treasurer/Tax Collector

That's a rather unique account where we put it. That's a transfer into the property and casualty internal service fund. So we need to position it there so we can physically transfer it into that property and casualty internal service fund.

Laurie Ortolano

There's a lot of fund numbers in there so how do you know where to put it after that?

John Griffin, CFO/Treasurer/Tax Collector

Good question. By way of explanation, that particular fund that internal service fund only has the account numbers for the benefit of the people trying to understand the monies in it. That's why that 89650 is literally the authorization from the Board of Aldermen to transfer into it. What line they end up putting it in not sure yet but we know we need half a million to go in there. Thank you.

Laurie Ortolano

And just one last item. I want to express some concerns with the property casualty risk management account and this references property casualty self-insurance fund. There is a 6500 account in the expenditure reports that comes up every two weeks that's called "property and casualty" and I don't know if that's this title property casualty self-insurance fund. It seems to me that property casualty has become a catch all for a lot of money that is sitting over there I think is not properly placed. It used to be 2015, 14, 15, 16 property casualty or that fund had about a half a million dollars in it which I believe was covering liability issues - things that really happened. That account has pushed up to almost \$6 million. There's a lot of line items in there that I think don't belong in there. They belong in departments and they're being loaded into that account. It really concerns me because I think it's not transparent and it needs to be much more transparent. How did we allow 2% of our budget to fall into that? You know we're showing departments that are flatlined like legal and there's a ton of fees and attorneys that are being pushed into property casualty even if they're being used just to cover simple litigation matters that ordinarily our legal team would have covered.

I can tell, I haven't talked to them up in Manchester, they put that within their budgets. They don't stuff it into that area. So bear in mind that this account has moved from like \$500,000 to upwards of \$6 million since Mayor Donchess has taken over and I'd like to understand that. It's pretty significant. Thank you.

TESTIMONY IN OPPOSITION - None

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION – None

Chairman Dowd closed the public hearing on Resolution R-23-124 at 7:25 p.m.

ADJOURNMENT

MOTION BY ALDERMAN O'BRIEN THAT THE MAY 24, 2023, SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED

MOTION CARRIED

The meeting was declared adjourned at 7:25 p.m.

Attest: Dan Healey, City Clerk