

BUDGET REVIEW COMMITTEE

JUNE 28, 2021

A meeting of the Budget Review Committee was held Monday, June 28, 2021, at 7:00 p.m. in the Aldermanic Chamber and via Zoom which meeting link can be found on the agenda.

Alderman Richard A. Dowd, Chairman, Chairman, presided.

Members of Committee present: Alderman-at-Large Lori Wilshire
Alderman-at-Large Michael B. O'Brien
Alderman-at-Large Shoshanna Kelly
Alderman Jan Schmidt
Alderman Ernest Jette

Members not in Attendance: Alderman-at-Large Ben Clemons, Vice Chair

Also in Attendance: Mayor Donchess
CFO John Griffin
Treasurer Dave Fredette

ROLL CALL

Chairman Dowd

This is the budget wrap up session. We have heard all of the departments come in and give their overviews and presentations. So I just want to go over a few of the rules for budget wrap up. Only a Budget Committee member can make a motion. Other Aldermen can make a motion through a Budget Committee member. So this is the wrap up for the budget. We will be taking potentially motions and the motions should be clear, concise, and reference page number, department, and line item, or bottom line. So it should be clear as to whether it's an add to the budget, a transfer, or a reduction of the budget.

So given that, the first item of business is communications. Is there anyone from the public that wishes to comment on anything being addressed in the Budget Committee this evening? I see and hear no one so we'll move on.

PUBLIC COMMENT - None

COMMUNICATIONS - None

WRAP UP SESSION

MOTION BY ALDERMAN O'BRIEN TO TAKE FROM THE TABLE R-21-142

MOTION CARRIED

R-21-142

Endorsers: Mayor Jim Donchess
Alderman Linda Harriott-Gathright

RELATIVE TO THE ADOPTION OF THE FISCAL YEAR 2022 PROPOSED BUDGET FOR THE CITY OF NASHUA GENERAL, ENTERPRISE, AND SPECIAL REVENUE FUNDS

Chairman Dowd

Is there anyone that would like to give an overview before we get started on anything?

Mayor Donchess

Yes Mr. Chair.

Chairman Dowd

Mayor.

Mayor Donchess

Well thank you very much. Of course I'm here to answer any questions that anybody might have but I would like to give a brief overview at least of my thinking on the budget. As we've discussed and we had a public hearing on this just a week ago, we've been really slammed by the State of New Hampshire. Much higher pension costs unrelated to anything the city is doing with wages and reduced school aid. So going into the budget, we knew we were in an \$11.8 million hole as a result of the actions taken by the State of New Hampshire. So I proposed a budget that I thought would offset these actions by the State as much as we possibly could as we come out of the pandemic.

The first thing I asked our departments to do was to come in at zero percent and that no increase from current year. Now in trying to achieve that goal, we were assisted in part by very positive changes that have been made with respect to the city health insurance. The new reformed HMO plan relies a significant savings for the city for those employee groups who have agreed to adopt that plan and we now have six employee groups who are on that plan. So with that zero percent guideline in mind, we really took a hard look at all of the City Hall departments and the City Hall budgets. We exercised a lot of discipline. It wasn't easy. We eliminated some duplication and as a result, the City Hall departments which include everything in this building and Public Health resulted in a budget that is down nearly 3 percent from the current fiscal year. So we're proposing to reduce expenditures in City Hall and all of the associated departments by almost 3 percent from the current fiscal year. Public Works did the same thing. We were able there to reduce the budget from this year to next by about 1.3 percent approximately. Library – they were very disciplined. They were able to reduce their budget by about nearly 2 – it was like 1.9 percent. So that is a big help.

Now we asked other departments to do the same particularly Fire and Police. Not that we don't appreciate everything that those departments have done for us over the years because they've done a lot and they continue to do a lot. They have received higher rates of increase over the last five years than our other departments. So I also asked them for zero percent. Now with respect to them, I have been suggesting that they haven't been making decisions over the last few years – decisions that I cautioned against which would result in either higher taxes or a reduced level of services. They have differed with my advice and as a result I believe we are at that point where if we were to impose a zero percent, of course there certainly would be a reduction in services.

Now in response to my zero percent request, both departments I would say did not wish to comply with that and they submitted budgets 4 percent for the Fire Department and around 2.6 percent for the Police saying that they couldn't survive with zero percent. So in light of the importance of these departments, I proposed in the budget that I propose you Mr. Chairman that we compromise with them and instead of the zero that other departments had complied with or exceeded lower than even zero, I proposed that they each live with 1.7 percent. That being the cost of living for the past year.

Now if my budget passes as proposed, I believe that rather than the 5 ½ percent increase that the State has imposed, we can bring that increase down to somewhere in the range of 3 to 4 percent. We are being helped by the federal government – the American Rescue Plan which we are proposing the budget that we offset \$4.4 million of lost revenue from school aid with the federal money that we are receiving. So if this budget were to pass as proposed, we believe that the tax rate increase would be in the 3 to 4 percent range which is more than certainly we would like to ask from our hardworking Nashua taxpayers but given the actions of the State of New Hampshire, service cuts would have to be even more drastic or would have to be

very drastic in order to bring that down into the 1 to 2 percent range.

Now the Police Department has proposed a different approach. That's not sound the idea of taking a one-time basically unbudgeted expenditure for a piece of equipment and applying it to an operating budget. We can get into the details. It is not a sound practice. The thing that raises property taxes year after year are operating budgets and when you use one-time money to save one operating budget, you just increased the problems the following year. We could talk about the details if you wish Mr. Chair but I think you all have a pretty good sense of what they are proposing.

The Fire Department has suggested some minor cuts – postponing a new position for six months. I don't think a new position is warranted with the budget picture in mind in City Hall. We have cut positions. Public Works – we've cut positions and not added them. I just think that it is not fair either to the citizens of Nashua or to the other departments to have them cutting all the time and having a couple of departments going up more than or double the cost of living year after year after year. I mean this just we've been saying for some time this can't be sustained indefinitely.

Briefly, those are my thoughts. Certainly CFO Griffin and Treasurer Fredette are here to give you their perspectives on any of these issues. I'm here to answer any questions or respond to any ideas or anything but that gives you my overview of where I think we are.

Chairman Dowd

I thought you might also want to mention that we would just name the fourth best run city.

Mayor Donchess

Thank you Mr. Chair. Thank you Mr. Chair. I should have mentioned that at the beginning. As a result of the good work I think of all of us, all of our city employees who've led the way over a period of time, we were recognized as by WalletHub as having the fourth best run city in the United States. Now if you go into that rating, a lot of that has to do with the expenditures that are made versus the quality of services. In other words, the efficiency of services and of course we with very limited State aid, the Board of Aldermen, the Mayor and everyone is always looking to try to save as much money as we can anywhere we can and that's I think why the relative efficiency has been realized here in Nashua. That's a rating that I feel very good about.

I think we should all be very proud of it not only our government leaders but all the city employees and everyone who works very hard for our citizens but still does it very efficiently. Thank you for reminding me.

Chairman Dowd

Thank you. So I'll entertain at this time any motions relative to the budget.

**MOTION BY ALDERMAN WILSHIRE TO ADD ON PAGE 144, DEPT. 150 POLICE,
LINE ITEM/DESCRIPTION 90129 MAYORAL BUDGET ADJUSTMENTS, THE AMOUNT OF \$241,338.**

ON THE QUESTION

Alderman Wilshire

Our Police Department has worked and struggled to meet full compliment. Full complement is really what they should achieve because we pay less overtime. Right? If we have 179 officers on the street, we're not paying as much overtime. That's really been the goal. I think they've done a lot with this in the past year or two with having a more diversified police force which I think represents the city better. One of the things that they brought up during their budget presentation was the re-introduction of methylethanamine here in the city and how the last many years with the fentanyl and heroin – you know a lot of people overdosing and dying. Those are more self-destructive drug abuses than the methylethanamines. Methylethanamines as the Police Department said they're more violent crimes. They're people that are going to break down doors and

windows to get more money to get more meth. It's really kind of scary I think and I just can't see cutting their budget and that's my motion.

Chairman Dowd

Ok that motion is on the floor. I didn't know if Chief Carignan was on if he wanted to just speak to the motion and the impact if the cut were taken versus if the cut were restored. Chief.

Chief Carignan

Thank you very much Mr. Chair. I just wanted to reiterate what we had said during my presentation that we were asked to come in at a zero and we were willing to do so. We will come in with whatever the Mayor and the Aldermen decide to do. However, I needed to make sure that everyone knew what that would look like and the only thing we could do is eliminate bodies from our department. Now we are just about at full staff which we have been trying to do for the past several years at the recommendations and support of the Aldermen and the Mayor. So we've been working hard to get to that level. Keep in mind we are commission authorized to be at 185 or 186 officers and we are only at 179. So we still don't have the resources that we need to effectively do to the department and to cut bodies from us would be a huge hit. It would cause overtime to increase. I would cause sick time to increase. People to be ordered in more often which could result in more injuries, more time on, more overtime, so it kind of perpetuates itself.

We are not looking to increase anything. We have a very small – as you can see the Mayor mentioned operational costs. We only have an increase of about \$20,000 in operational costs increases due to some software technology that we do need to do our jobs. Other than that, the only increase comes from pre-approved contracts that were passed through you folks. So the only thing that we'd have to do is to eliminate bodies and I think that's a step in the wrong direction. I think the long-term difficulties in that especially if we had to do so through layoffs would really hurt the reputation of the City of Nashua. It would make it much more difficult for us to recruit officers particularly the diversity of officers that we've been able to recruit and have come work for our department. So I appreciate all the support. I appreciate what you are willing to do. I hope you will consider my alternative. Again, it's an idea we had. We presented to you so it's up to you to decide if it's feasible or not but I would appreciate it and if you have any questions, I'd be happy to answer them.

Chairman Dowd

Yes the motion doesn't address the original vehicle but we may talk about that later. At your presentation you indicated that the cut wasn't restored. That there was a risk of having to cut potentially one pop unit resource officers at the high school and I believe there was one other item that you were talking about. Those I assume are potentials. Oh and I know what the third one was – that you might lose the diversity of officers that you just have hired recently because they'll be the first to go.

Chief Carignan

That's correct. We would have to develop strategies too. Readjust the overtime and to make do with however we have to shift the bodies and ultimately we have to put officers on the street As I mentioned before if we have officers out on training, that are on military leave, officers out injured, we have to take those bodies from somewhere. So those extra services that you see on a day-to-day basis like your SROs, like your Code Enforcement Officers, your bike patrols, those type of things would have to be sacrificed first and I think they are a huge reason why number one we are the best agency in New England, number two why we are so effective in working with all the different groups in Nashua.

Chairman Dowd

Okay thank you. Any members from the Budget Committee that would like to speak? Alderwoman Kelly

Alderwoman Kelly

Thank you. So one of the things that was brought up was overtime and having a full complement will help us bring us down. I'm hoping that will be the case eventually but if you look back in the budget from the last year, it doesn't look like it has gone down significantly. Can you just talk to that and where we might see those efficiencies in the future if you're at full complement?

Chief Carignan

Sure. As you all know, it's really difficult to judge where we are this year from where we were last year because there were so many COVID related changes and things put on hold and people out and federal funds coming in. So last year is a really difficult year to judge off of. If you look back historically for us, we spend about \$1.7 million in overtime on an annual basis and we're budgeted for much less than that. So that overtime comes from mandatory trainings. We have officers that have to attend training every year – a certain amount of hours especially with the different units that they're in. In addition to that, we're being asked to increase those hours in the next year to include a total of six hours of mandatory training from PSTC to include biased based training and stuff like that which came out of the LEAT Commission. So we're going to have to increase mandatory training hours which result in backfill overtime and those things are unavoidable. They're situations where we have to fill the bodies on the street and we have no other option.

Chairman Dowd

Does that answer your – follow up Alderwoman Kelly?

Alderwoman Kelly

Thank you for bringing up the training. So I know that there has been mandated training that was pushed down to you guys after this budget was – if we pass the proposed plan right now by Alderwoman Wilshire would you have enough – and I know its overtime and it's hard for you tell but I want to make sure you have the funds to do that training because I know there's some really important work in there.

Chief Carignan

I appreciate that question and we would make it work. Again we struggle with the overtime number especially now that we're at full complement and we don't have the ability to pay that overtime through attrition but we will make it because it's mandatory training, we will make it happen and we spend quite a bit of time – our Professional Standards Bureau spends quite a bit of time making sure any day of training the officers involved we minimize the impact of overtime. Meaning we try to look for days that have extra bodies on the street. We try to minimize and take people from each shift to minimize what we have to pay for overtime. So all that we take into account and it takes a great deal of time and when you have to push through 179 officers it gets difficult.

Chairman Dowd

All set or do you have a follow up? All set. Any other questions? I can just relate that as the liaison to the Board of Aldermen to the Police Commission, Karen Smith manages that overtime account extremely closely. It's a balancing job all year long. Police are out for many different reasons whether its injuries from an arrest, or COVID, especially this past year. There were a number of reasons people were out/confined because they were exposed. So it's very difficult to look at the overtime this past year. I feel with a full complement of officers that they'll have a much better situation with overtime. They still need overtime for doing the training and other things that the Chief just talked about. Any other comments?

Yes Alderwoman Kelly and please this is your first time in here. You have to be right up to the microphone or they can't hear you.

Alderwoman Kelly

Is that better?

Chairman Dowd

That's better.

Alderwoman Kelly

It's really far away from me so let me pull it closer. It's actually much louder on Zoom. I can always hear you guys when you say you can't hear me.

So my question is around the vehicle that was discussed. I know you guys had put that out as an option. Would Alderman Wilshire's motion include that or would that be out of the budget?

Alderman Wilshire

That's in CERF.

Alderwoman Kelly

That's in CERF so this would be and then we'd have to have a separate motion to take it out of CERF if we were going to try to...okay thank you.

Chairman Dowd

In discussions with John Griffin and Mr. Fredette, it's not like last year. So it was much more difficult to do that kind of action and something that we probably didn't want to get into. It's a long story but I think we're going to take some other action on that for a different reason and not to cover this.

Alderwoman Kelly

Okay I'll ask an additional question when we get to CERF. Thank you.

Alderman Wilshire

I just want to say that we've been voted the safest city to live in I don't know a couple times anyway. I think that speaks volumes to the men and women on our Police Department and they certainly help us when we get accolades like the best run city. So thank you for your part in that as well.

Chairman Dowd

I guess the other thing I'd like to point out is well it does sound like a lot of money that we're adding to the police budget in consideration of what the increase would be to the tax rate, it's relatively really small. I think the safety of the citizens of Nashua far exceeds a few bucks here or there. We're not at the full complement that they're allowed except by standards within the Commissioners and they're trying to get to that number. They over the last year have saved a number of lives. Also when they're doing these arrests for people on drugs, and there are a lot them, these type of people it would be robbing houses and businesses to get the money to support their habit. If we take them off the street, it's much safer for the community. If there are no other questions.

Alderman Jette

Thank you Mr. Chairman. So I fully support the Police Department but these are difficult times Chief. I know you understand that and when you came to us and presented your request and you told us in order to

comply with the Mayor's request you would have to lay off four officers you said. The Mayor is only asking you to reduce your budget by \$241,000. The average police officer I think earns over \$70,000 in wages and that's one of your lowest paid people. When you add the benefits, it's well over \$100,000 per officer. So I have trouble understanding and I asked you this question at the meeting and you and Ms. Smith didn't seem to have an answer for it. I don't see why you would have to lay off four people to arrive at \$241,000. I think the average officer is probably well over \$100,000 and that's not even taking into consideration people leaving the force for whatever reasons. In a budget of \$35 million budget for you to say or I shouldn't put it that way – in my opinion, finding \$241,000 in a \$35 million budget seems you're perfectly capable of doing that. I know you've said to us whatever we give you you're going to make do with it. You're going to accept that decision. I appreciate the Police Department. I know you have a very tough job. I know it's dangerous. I know you're dealing with a lot of bad people. I don't think the Mayor is asking you to reduce your requested budget by \$241,000 under these circumstances is unreasonable. I know putting budgets together is a difficult task but a lot of it is guess work. You really don't know what attrition is going to do. What overtime is going to do. I have trouble supporting the motion. Thank you.

Chairman Dowd

Chief did Ms. Smith have something to say or did you want to add something?

Chief Carignan

No I'll defer to Ms. Smith in a minute. I just want to remind Alderman Jette that the numbers that we give a first year special officer, we have to assume that an officer is going to come in at that level which is much lower than the \$70,000 that you claim. I understand that there are benefits with that we hadn't originally factored those in. The problem becomes you know whether it be 2, 3 or 4 bodies, we're taking a step backwards. We have to fill those positions. We've been forced to budget through attrition for a number of years and we've explained every year how difficult that is and how problematic it is for us to factor into the overtime. At everybody's advice, we tried to get to fully budget authorized strength which is 179 and if we don't get that amount we need to, we're going to have to cut bodies. If we do that, services are going to suffer. Services will suffer, people are going to get into overtime and take more time off, and we're going to pay more money in overtime. So that's going to have a significant impact in the long term.

The other thing is you can't predict when people are going to leave and when they're not. Right before the pandemic hit, we had an employee who had put in for retirement and because of COVID withdrew that at the last minute because they were concerned about what would happen long term. So we can't just assume. Well we think these people are going to go at this point of the year and so we'll develop our budget accordingly because then if they don't, we're going to run out of money and you're responsible. I'm going to let Karen articulate a little bit better about the cost of the officers and her reply as well.

Karen Smith, Business Manager

Yes thank you. I just wanted to add the overtime...

Chairman Dowd

Could you just explain your position for the stenographer so she knows who is speaking?

Karen Smith, Business Manager

Karen Smith Business Manager, Nashua Police Department. I just wanted to add the positions are funded and the payroll account and the overtime account are shared. So if the positions are not funded, we have to have that funding to take care of the overtime costs. So you're not going to be able to reduce the budget in order to fund the problem with the budget. Those funds are required to fund the attrition. So basically the attrition is paying for the other side of our budget because that's how our budget has been prepared.

Chairman Dowd

Thank you. Are there any other questions?

Mayor Donchess

Just briefly. In the year ended June 30, 2020, including overtime and everything, we're at base pay and everything, the average patrolman made about \$95,000.

Alderwoman Kelly

I have a larger question for potential CFO Griffin or Treasurer Fredette. So my question is I think that Alderman Wilshire has a motion on the floor but there are other departments who came in above the Mayor's budget as well. I'd like to know if we were to approve the department proposed budgets all of them what would that look like in terms of an increase?

Chairman Dowd

Mr. Griffin.

John Griffin, CFO

Mr. Chairman John Griffin, Chief Financial Officer. If we add back the \$241,338 and in the next department probably the Fire Department, roughly \$418,000. That would be the impact of restoring the departments that requested more than what the Mayor described at the very beginning of this proceeding.

Alderwoman Kelly

Maybe I can clarify. So I see that Fire what I see is \$495,955 and then the school budget also is somewhere in that range if we were to do all three big ones, what would that...

Chairman Dowd

Hypothetically.

Alderwoman Kelly

Hypothetically just trying to get an idea of what...

Mayor Donchess

I can give you an answer. It's around 4/10 of a percent. So the rate – this is ballpark – would go up to around 4 or the low 4s.

Alderwoman Kelly

Thank you. That's what I wanted to know.

Mayor Donchess

If it's not correct, Mr. Griffin can be more precise.

John Griffin, CFO

John Griffin, CFO. That is correct. Slightly over 4 percent.

Chairman Dowd

Okay thank you.

Alderwoman Kelly

So instead of between 3 and 4 it would be slightly over 4?

John Griffin, CFO

Correct.

Alderwoman Kelly

Thank you.

Chairman Dowd

And right now I think we're looking at the Mayor's. We're looking at 3 what...

Mayor Donchess

Well we think between 3 and 4 percent. You know but most likely somewhere around 3 – 6.

Chairman Dowd

As explained before, the reason we can't hit an exact number is there are other hands in the pot that contribute to it like the County and the State sets the rate anyways. So we try to estimate it based on what we know.

Mayor Donchess

The County seems to be going up a little more than we originally projected for reasons that I don't understand given that they're getting \$80 million of federal money but that is a longer discussion.

Chairman Dowd

Right. Any other questions on the motion on the floor?

Alderwoman Kelly

If I could ask one more follow up please?

Chairman Dowd

Certainly.

Alderwoman Kelly

So Mayor you brought up the CARES Act funding and that you are recommending around \$4 million be put in this year. Do you know the total pot and are there alternate ways that we could be using that funds?

Mayor Donchess

The amount we will get is about \$8 million a year for two years running. The parameters within which that can be spent are still somewhat uncertain. What has come out is a set of interim regulations, a set of guidance, and then strangely a set of answers to frequently asked questions. It seems that the answers to the frequently asked questions which came out two weeks ago or a week ago, I think June 10th maybe or I forget – maybe after that – anyway the answers to the frequently asked questions seem to be more restrictive than the so-called guidance. So what's clear is that lost revenue from the State can be offset. The areas where it is very clear that we have lost revenue are related to the artificial decline in the free and reduced lunch number which we've talked about as a result of all lunches being free and the reduction in the census which the School Department believes is largely temporary because its focused primarily in the very young kindergarten/pre-K type students. They think families just didn't send those young kids to school but they eventually will arrive. Those two numbers total about \$4.4 million. I think we can safely replace that \$4.4 million and if we do that, five something we're down into the three area and that leaves us \$4 million to do – this year while we learn more about precisely about the parameters, and allows us to think about future years and how we can gradually see what happens with school next year, and gradually adjust to a permanent reduction if that's what happens or now if it doesn't.

Alderwoman Kelly

Thank you. Mr. Mayor you've talked a bit about not wanting to reduce the budget with one-time funds so maybe this is a CFO Griffin question but if we are including these CARE Act funds for a number of years are we then going to be saddled with a much larger tax increase in two to three years when that money runs out?

Mayor Donchess

Well there is that aspect to this in the sense that eventually the American CARES Act money will go away. But we are confronted with a situation where in this year we're hit very hard by the State of New Hampshire and we're seeking to offset some of that – you know proposed in the budget is to offset some of that with the \$4.4 million. Now we would have \$12 million left and some time to adjust and some funds to possibly (no audio) if the tax is lower (no audio) does suggest that we would apply \$4.5 million of surplus – the same amount we did last year to tax relief which would be a neutral from last year of city surplus.

Alderwoman Kelly

Okay thank you.

Chairman Dowd

All set for follow up?

Alderwoman Kelly

If I could one more follow up please. I know there was discussion around some of the CARES Act funds going to the School Department. Is that outside those \$8 million or is that within that \$8 million?

Mayor Donchess

No they get much more than that of money that maybe Chairman Dowd can talk a little bit about some of what they're hoping to do. Their guidance is also a little unclear but they're getting significantly more.

Chairman Dowd

They're getting a substantial amount of money over the next 2 years and again it's trying to figure out what it's allowed to be spent on. The one thing we definitely know it's not allowed to be spent on salaries. I think

when we get a little further along if we want to ask that question, Mr. Donovan is on so I think we ought to defer that until we get to the point where Mr. Donovan can speak.

Alderman Kelly

Thank you. I just wanted to look at the big picture before we started making smaller ones. Thank you.

Chairman Dowd

That's a whole different big picture.

Alderman Kelly

I know.

Alderman Jette

Mr. Chairman I'm getting a message that in spite of your instruction to Alderman-at-Large Kelly...

Alderman Kelly

I'm not speaking loud enough?

Alderman Jette

No you're speaking fine. It's the Mayor who is leaning back away from the microphone and he's not being heard.

Alderman Kelly

We always had that problem in Finance didn't we?

Mayor Donchess

Okay, sorry.

Chairman Dowd

Good catch Alderman Jette.

Alderman Kelly

I thought I was in trouble.

Chairman Dowd

Any other questions relative to the motion that's on the floor right now? Seeing none.

MOTION CARRIED (Alderman Jette in opposition)

**MOTION BY ALDERMAN WILSHIRE TO ADD ON PAGE 359, DEPT. 150 POLICE,
LINE ITEM/DESCRIPTION 10 66679 2006 FREIGHTLINER MT55 VAN, THE AMOUNT OF \$495,745 AND
TO BOND IT**

ON THE QUESTIONAlderman Wilshire

It's an expensive piece of equipment. It's been in use for 16 years. It just seems like it's something we could bond. There's not much money in CERF either I guess.

Chairman Dowd

I heard this was coming and had discussions with Mr. Griffin and Mr. Fredette. It is eligible to be bonded. With the bonding rates the way they are right now and it would allow half a million dollars to stay in the CERF fund which is woefully underfunded. I'm pretty sure I think the Mayor is going to add some after all the revenues are in for this year. It is woefully underfunded and we have this opportunity. Some of our other fire vehicles for instance that are very expensive we have bonded. If it's going to last 16 – 17 plus years and with the bonding rate the way it is, I think that's the most cost effective way to go although I'll defer to the professionals.

Mayor Donchess

Can I ask just a quick – is the Chief still on here?

Chairman Dowd

The Chief is still on there.

Mayor Donchess

What do you think the anticipated life of that equipment would be? Is it the 16 or 17 years that you got out of the last one?

Chief Carignan

Yes thank you Mayor. After our discussion on the CERF, we had gone through and evaluated the vehicle. We can certainly push that vehicle out structurally for another year or two if we needed to, however, the technology inside that building is getting to be quite outdated and as you know, that mobile command unit is – so yes to answer your question simply we could get another 15 to 18 years out of that vehicle possibly planning to build it so it's upgradable software in the future 10 – 15 years out. It's just that we have to have that issue that's the vehicle that is the mobile command center handles all the Holiday Stroll, the 4th of July, and in the event that the department went out for whatever reason, that's an ability to dispatch anybody in the city.

Mayor Donchess

So talking about that here, that is something we think we could bond and it would for 15 years probably and it would stretch the expenses out and reduce as Alderman Wilshire suggests would reduce the CERF expenses that would immediately need to be spent.

Chairman Dowd

Being a little familiar with technology from my former career and having witnessed the equipment inside this vehicle, if that equipment has been in there for 16 years, it's an antique. Because of the nature of what the vehicle is used for, command/control for all emergency services it behooves us for the safety of, again, the citizens of Nashua to upgrade that vehicle – replace that vehicle with the equipment much like – I wish we

could get it on a grant but I don't see any grants flying out there right now for it like we did with a piece of fire equipment. This can be a very critical piece of equipment. You agree Chief?

Chief Carignan

Yes I do and I believe Justin Kates is on and he would agree as well as the Fire Department.

Mayor Donchess

We will need a bonding resolution but that's obvious.

Chairman Dowd

I actually think that we could probably I'll defer to Mr. Griffin but I think we can do this outside of actually outside of actually passing the budget, right? This is not part of the budget?

John Griffin, CFO

Correct.

Chairman Dowd

We can take the action from this evening but we can do a bond resolution and it doesn't affect the budget one way or the other, other than the fact that it's going to keep the CERF special revenue account a lot healthier than it would be if we buy it in cash.

John Griffin, CFO

Correct.

Chairman Dowd

Any other questions? Seeing none.

MOTION CARRIED

Chairman Dowd

Any other motions? By the way just before we go too far, when we finally get to the last motion which will be to approve whatever budget is before us after all these motions, then that goes to the full Board and other motions could be made at the full Board (no audio) necessarily what comes out of this meeting tonight. It could be but it doesn't necessarily have to be. I think I explained that correctly. Okay are there any other motions? Alderman Tencza.

Alderman Tencza

Thank you Mr. Chairman. I know I'm not on the committee but I would have a motion with respect to the Fire Department for the Committee's consideration.

Chairman Dowd

Having conferred with Corporation Counsel, you can make it through one of the members of the Committee and I think I have a volunteer here to my left.

Alderman O'Brien

Thank you.

Chairman Dowd

We'll let him make the motion and then you say I'll make that motion.

Alderman O'Brien

So yield.

Alderman Tencza

Thank you and actually for the... motion would be to add money back into the bottom line budget for the Nashua Fire Department FY22 in the Mayor's proposed budget. The exact amount of that I will defer to Alderman O'Brien if that's okay. After Alderman O'Brien officially makes the motion, I'd like to just speak to it if I may.

MOTION BY ALDERMAN O'BRIEN TO ADD ON PAGE 152, DEPT. 152 FIRE, LINE ITEM/DESCRIPTION THE BOTTOM LINE THE AMOUNT OF \$418,775

ON THE QUESTION

Alderman Tencza

Thank you. Thank you for allowing me to make this motion and to speak to this tonight. (no audio) amendment lightly but as the liaison to the Fire Department I thought it was important to bring forth to the Committee (inaudible) go or loss through attrition if that \$417,000 were to be lost. It may also, and I know the Chief is on the line, and it may also mean that there are potential gaps in coverage and potentially that response times are down and even a fire house is shut down. Given that, that would be a significant blow to our Fire Department. Much like the Police Department, we look to the Fire Department as a source of pride for the city. One that we look and can easily say is the best in the State, probably the best in New England if not the whole country.

We have asked the Fire Department to do much more than just fight fires when they come up and over the last 10 to 15 years they've stepped up and helped out citizens in Nashua with all sorts of different things other than just responding when there's a fire emergency. For those reasons, I think just in and of themselves I think it's important to restore this money back into the budget but what this would do this money would help restore a public educator and investigator into the Fire Marshal's office here in the city. It would allow them to go and do more proactive work for the Fire Department especially in our schools. That was one of the things that the Chief talked about when he was here in front of the Committee talking about the importance of this. It would not fund the position for the entire year but just for half the year but that would be a good timeline at this point in order to hire somebody for the last six months of FY22.

The last thing I'll say about this is that I think that the firefighter budget has gotten a lot of attention. The Board of Aldermen has approved the contract for the firefighters last year and I think we knew that (no audio) so I think even back then I think the Chief was honest with us about what the increase was going to look like. I guess my point is that this should not necessarily be a shock to anybody and I think that since we've made this commitment already to the Fire Department, we should follow through and restore this money and let them deliver the services that we're all used to, that we all appreciate, and that keeps our city safe. Thank you.

Chairman Dowd

Did you want to add something Alderman O'Brien?

Alderman O'Brien

Well thank you Mr. Chairman if I may.

Chairman Dowd

Yes.

Alderman O'Brien

Thank you. I think Alderman Tencza has done a fine job in explaining everything but being of Irish let me glom on some more if I may.

As many of you know, I have had a past history of 35 years employment with the firefighters. I had worked with this additional position in the schools. This is schools. Why do they have a public safety person? If you look back into your history and the bible of the Fire Department is the NFPA handbook and it says "why do doors open now outside to let the public out?" It's because of the Coconut Grove fire that occurred. Why schools? Why have a public safety officer go into the schools is because of the tragedy in Chicago of Our Lady of the Angels and unfortunately it was appropriately named because they made a lot of angels that day. It was a tragedy and something that could be looked up historically. It's just not our schools. We have 18 of them. It's also some of the daycare centers that go onto the city.

So this is a position that was cut in 2006. Okay. Since my involvement of 35 years on the Fire Department, I've seen a lot of cuts. I mean every city building in the city has fiber optic tied to it. There wasn't fairies that dragged that fiber optic. It was the Fire Department through their cabling system that did that for the City of Nashua. Have we forgotten the opioid crisis that has occurred in the city and who did we rely on? We relied on the Fire Department to come up with that. We paid an awful lot of money to have a report done on the Fire Department that tells it's going to need – as what Alderman Tencza said – two additional stations yet we're going to lay off if we don't approve this, approve 16 firefighters. How do you do that? I don't want any part of that because I don't want to pick the Ward. Tell somebody in the Ward that I'm cutting that fire company that's in your neighborhood because what do they do? AMR Ambulance comes from a central location. They're the ones that are going to be there relatively quickly because they're in your neighborhood. The fire station is in your neighborhood. They're going to be there relatively quick.

I say this not to be Chicken Little, the sky is falling but if you take a look at the tragedy that just happened down in Miami Dade, nobody knew that building was going to fall. September 10th nobody knew that America was going to be attack but who did they rely on? It was the firefighters that did step up to the plate as we see in Metro Day, they're the ones digging in the pile and our guys, I can say this because I took that training, hey have had training on just that. So this is a very well educated force. I think it needs to remain intact. I think the additional will improve the safety to our elderly, to our schools, to our daycares by having this and relieve many of the other Fire Marshals to some of the big buildings that are going on. We're looking at the School Street property and various other projects that we so much desire in the city. So this will allow those Fire Marshals to do that particular job. Like the Fire Chief said, it was 500 pages just on one building. This will free up that Marshal to really pour over those documents. Thank you Mr. Chairman for allowing me to speak and I thank Alderman Tencza as the liaisonship to bring this forward. I'm definitely going to support this so thank you Mr. Chairman.

Chairman Dowd

Okay. I don't know if I believe Chief Rhodes is not with us. I'm not sure but Assistant Chief Buxton.

Assistant Fire Chief Buxton

Yes thank you Mr. Chairman. I very much appreciate the support. Alderman O'Brien is a very tough act to follow and he's very (no audio) education/investigative position. This would seek to pay more attention to our most vulnerable sections of the population – our children and our elderly. To be quite frank in 2006 when that position was cut, we've tried to keep our head above water in dealing with those populations but we're failing miserably. The Fire Marshal's office on the whole is treading water. As Chief Rhodes had stated at our previous presentations, we don't get our Place of Assembly Permits, inspection is done as required to by the State law and no we don't get a lot of calls of complaints on this because no one is going to call looking for an inspection to be done. They only call us when they need to have their liquor license renewed when it's going to hurt their business. That's why the phone is not ringing off the hook looking for us to bolster the support in that position.

One of the other areas that was highlighted in the Master Plan was we are very close to being an ISO rated one fire department. We'd be the first in the State of New Hampshire. We're currently a high 2 rating. Manchester is the only other two in the State. Cuts such that are being proposed would devastate that and knock us way back into the low end of the two classification. We're just a hair away from achieving that one status with some small changes. The Public Education Officer is one of them that would help push us over the top to achieve that. I think Alderman O'Brien and Alderman Tencza laid out a good idea of why we need this money and I can answer any questions that anybody else may have.

Chairman Dowd

Does anybody have any questions for Chief Buxton? Thank you Assistant Chief. Does anybody have any... Mayor?

Mayor Donchess

Yes I just wanted to talk about a few of these numbers. Now I don't disagree with anything in terms of the value of the Fire Department that Alderman Tencza or Alderman O'Brien said. But we do have to, in considering, the overall city budget and the taxpayers of the City, have to consider overall what can be afforded and how our money should be allocated. So if this raise is granted, the Fire Department will be up 27% over 6 years; far more than any other Department, more than the Police, 10% more than schools. If you continue to fund one Department to the exclusion of others, other services are going to be hurt, there's no question, because there is a finite, you know, there's only so many dollars that the City can come up with.

I would also like to question or raise an issue regarding this idea that 16 firefighters would have to go. Now the Fire Department proposed an \$861,000.00 increase 4%. I brought that down to 1.7% so the difference is whatever the motion was, \$400,000.00 high 4's.

Chairman Dowd

It was \$418,000.00.

Mayor Donchess

\$418,000.00 – now the average firefighter in – the year ended June 30, 2020 made \$85,000.00 that's firefighter. The average lieutenant made \$113,000.00 when everything is included, the actual amount that the City paid out. Now those numbers are going to go up considerably with the new contract, probably for the firefighter into the mid-\$90's, probably for a lieutenant \$125,000.00 / \$130,000.00 plus benefits, plus pensions. The idea that \$400,000.00 would translate to 16 firefighters, you know, 16 firefighters would probably cost millions of dollars, probably \$3 million dollars; \$2.5 / \$3 million dollars. So I don't think that \$400,000.00 certainly yes it would be difficult but \$400,000.00 does not equate to 16 firefighters.

Chairman Dowd

I think I can defer this in a minute to the Assistant Chief but the reason it is 16 is there are four firemen on a truck at any one time. So in that Fire Company, you eliminate 4 of them you don't have anybody to cover that so you are eliminating the whole fire company, that's 16 firemen and one truck. And I don't think that that speaks well for the safety of the City especially when we just had a report that came in that said that we should be looking at, we are not looking at this budget or any time soon, but we should have two additional fire stations because of response time. Even taking one truck offline puts some people at jeopardy because I have observed that medical emergencies, fire emergencies, accidents the first people there are the Fire Department. And accidents, if they took one of the ladder trucks offline, then there would be a significant portion of the City where if somebody got into an accident and needed the equipment to get them out of the car to save their life they wouldn't have it fast enough. And if you look at how fast it takes for a building to burn down, if you don't have a response time, instead of having a fire that you can recover from your house is going to burn to the ground. We've some recently that even with a response time the fires were catastrophic. We've had a lot of fires and a lot of accidents and things in this past year and yes the amount of money that we are talking about is not for funding 16 firefighters but it is like, you know, taking a portion of one of your fingers off. You have to have the whole 16 to man the Fire Company and the fire truck. So that's the issue. And as far as the fire in the Fire Inspector's Office, I can tell you in the new school project we have had the Fire Marshals involved in 2 of the schools now and certainly the 3rd one when we build the new one and they have done a lot of critical inspections, we have corrected a lot of things at Fairgrounds that they captured. But it is a State requirement to look at these schools twice a year by the Fire Marshal's Office and they haven't been doing that and that could well be a safety issue for our students.

Mayor Donchess

Alright but I was just saying that \$400,000.00 doesn't equate to 16 fire fighters in the sense that that would suggest a firefighter all in, benefits, pensions, wages makes \$25,000.00 when the real number is more like probably with everything, probably \$150,000.00. So yes, adjustments would have to be made no question about it. And the Board has to decide whether you wish to undertake that. But it is not 16 firefighters.

Chairman Dowd

And as far as the Fire Marshal is concerned, I agree we should not be hiring any more people than we have to. I think this is one of the "have to's" and I am glad that it got pushed off at least 6 months because it is going to take time to hire and train. But it is a position that you said the last 6 years – well go back 12 years. The previous Mayor cut the heck out of the Fire Department and cut that position and also those firemen took a \$0.00 pay increase one year in that time frame. So some of the past 6 years has been catch up from being hit previously.

Mayor Donchess

Alright but this Mayor hasn't cut the Fire Department; if this thing is granted it is up 27% in 6 years so I have hardly cut the Fire Department.

Now I keep hearing about the zero so I went back and looked. So the City made a very big concession in exchange from that 0. And maybe if I am wrong about this, Alderman O'Brien can correct me. But I believe that from what I have been told and I was not in office then but what I've been told, the schedule used to be 14 hours on a day off, 10 hours on, a day off. You had to report to the fire station 4 times in 8 days and you worked two 14's and two 10's. The schedule was shifted to a 24 hour schedule so that you worked now 24 straight hours and only have to report to the fire house 2 twice in 8 days. Now the same number of hours is being worked as I have been told that was a big request of the firefighters. They didn't want to do 14 /10, 14/10 they wanted to do 24. OK the City agreed to that in exchange for a 0. Now this goes back 15 years or something a long time but yeah that did happen but it wasn't quite as simple as we took a 0. I think we made up for it given what we have done over the years here.

Alderman O'Brien

I can probably answer that Mr. Mayor, you are correct. Originally at one time, the firefighters did work two 10 hour days, two 14 hour nights. And so the people at home that don't understand it – firemen physically put in 48 hours a week into the station, but they pay you only for 42. And at the end of 8 weeks you salary out and basically you get your pay so they average it out. Now there are 8 different ways you can run a Fire Department schedule; one of them is the 24. One of them is the 10 hours days and 14 nights. I think there are four ways you can run the days and the nights. At the end, nobody if you look at the dollar amount, what I am just saying Mr. Mayor, the dollar amount is, I don't see where the firemen, why they got the 0 I don't think it was because of that because it was nothing to the City. They still put 48 hours in the stations and you compensated them for 42. So there was no gift, nothing came in the box with a bow.

Mayor Donchess

So maybe it was good for both sides but that was a long time ago. Right now if we look forward, the firefighters are paid fairly well, as I've said the average firefighter is making \$85,000.00 before the new contract; lieutenants are \$113,000.00 so we are going to be paying our firefighters in the mid \$90's. So I don't think we can – this idea that we are underpaying people because they took a 0 at some point I don't think is a fair critique of the City.

Chairman Dowd

I also believe when the Fire Chief gave his presentation that the firefighters in Nashua aren't near the top in the whole State of NH for pay.

Mayor Donchess

I think you should look at the numbers before you say that.

Chairman Dowd

Alderman O'Brien?

Alderman O'Brien

Thank you. I would also, too, Mr. Mayor if I may address and I understand the difficulty of your position so I hope you understand mine.

Mayor Donchess

I do, I do understand it.

Alderman O'Brien

Thank you. And with that in mind it seems like and I am not saying this Administration but we are talking about something that happened in 2006. This position existed in 2006 and it vaporized, the need didn't vaporize as with what happened the Fire Department adapted and tried its best. Now we are at the breaking point and listening to the Chief he would like this position to be refilled. But when 2006 I could say well how many other budgets were compensated fully? Why did the Fire Department in 2006 take that hit? Also too in looking at it, I did mention as far as the fiber optic as the Fire Department, Chief Buxton can bring that up. But in doing so they used to have 3 people to the Wire Division that used to go out and physically maintain the fire alarm cable. Now I think and Chief Buxton you can – you know – things may have changed since I've left the gate of the yard there. But now there's only 2. So I am just saying the Fire Department has had a long very sad history of cuts and at some point when you get to these cuts, you know, some points you have to look at it and say, well we can't do it anymore. And you are within your rights to say we made to

reevaluate and get it restored. And I think particularly with this position for the schools and that it is one of those positions that needs to be restored. And it is not a full year, I think the Fire Chief is doing it prudently, coming back within the 6 months and just funding it not the full budget cycle but half the budget cycle. And the thing is, I have 35 years on the Fire Department, I never saw any fat. You know, we always try to make whatever they gave us. I mean I remember even sometimes laughing do we have to bring in our own toilet paper come the end of June because are we going to make it to the budget. There's really been no fat there so I'll just say that. And if I can refer to Chief Buxton if he wants to.

Chairman Dowd

Yes he has his hand up. Chief Buxton?

Assistant Fire Chief Buxton

Thank you Mr. Chair. Steve Buxton, Nashua Fire. So I appreciate the seriousness of the decision in front of us here tonight and I don't want to get drawn into a debate about what has happened in the past but I do just want to clarify a couple of facts. Back in 2006 we did suffer a significant budget hit. We have been working to try to gain some ground through the past few years. To the Mayor's point we have grown 27% under his Administration and we are very thankful to that. But that has only added 4 positions to help us modernize an equation that had been in place since the 1960's I believe in our Fire Alarm Division. So all of those other cuts that we listed in our budget presentation still have not been restored. As far as the pay of our firemen, we're ranked 5th within the State. Yes our firemen do make about \$90,000.00 a year, that's because of the hours that they put in and shift coverage.

The reason that 16 positions would need to be cut is because that is one Fire Company. We cover positions one for one, a member calls in sick, a member takes vacation leave, that position needs to be filled by another of equal value. And that creates shift coverage which eventually sometimes translates to overtime costs. And as you know, we have a large overtime number in our budget. The Master Plan spoke to many of these factors and different models that we could use to move the organization forward, all which we planned on studying and prioritizing and presenting you with a plan from our Strategic Planning Committee. Moving forward the Fire Marshall's Office is certainly overwhelmed. Many of the larger projects that are undertaken in this City, Alderman Dowd has worked with in at Fairgrounds, there's school projects going on, housing projects.

The larger projects like the PAC Center, the Middle School is going to be undertaking out on Buck Meadow Road, Bronstein Apartments, School Street, besides the plans and the hours that our inspectors and investigators invest in the office those all require roughly 100 or so site inspections that they need the time to take. So if you list out six large developments that we have going on in the City and that's very easy to do at this point in time, there's 600 inspections that we are requiring 3 people to do at this point in time. And that's before they have touched any place of assemblies, that's before they have looked at any of the schools and met what we need to do as far as State requirements. By cutting a Fire Company, by cutting our personnel that's going to hurt our ISO Rating, that's also going to hurt us in an area called NFPA 1710 which is cited several times in the Master Plan study, that's required for response and that speaks to the amount of staffing and the amount of time we have to respond to an emergency in our community.

So one of the last things I guess I would touch on is the 0% that you always hear people talk about the firemen took a 0% in the past. We did take a 0%. We also took a health care concession that cost our members money, I was one of them, my pay decreased that year by a couple thousand dollars for that healthcare concession. Yes the Mayor is correct, we conceded and we got a schedule change. We got a change to our promotional process, and the members also got the ability to request where they would like to work. So those are the things that they got in exchange for 0% and the healthcare concession. So I am very appreciative of the effort that's been put in, very appreciate of the Mayor and his effort to help build the Fire Department in these difficult times and help us dig our way out of this hole that we were put in back in 2006 and I am here to answer any further questions you may have.

Chairman Dowd

Are there any other questions from the Budget Committee on the motion that's on the floor? Alderman Jette?

Alderman Jette

I don't have a question so much, I guess this is, I hope everyone understands the difficult position that we are in. You know, you've heard the Mayor talk about how the State continues to short change the City. And it's true, you know, the Legislature just in spite of the best efforts of our delegation, the Legislature just passed a budget where they granted tax cuts to businesses, large businesses, you know businesses that are out-of-state businesses. They are in the process of reducing the interest and dividend tax. And they talk about how they are helping seniors because seniors pay interest and dividend tax, but you know, most seniors don't pay that tax because there's quite an exemption before you get to pay that tax. The people who really pay that tax are very wealthy people and that's being eliminated. The City can only look to the property tax, that's the only means we have of raising money. So every time the State cuts taxes on businesses or cuts the Rooms & Meals Tax, or cuts the Interest & Dividend Tax, you know those are all sources of revenue that the State has that the City doesn't have. The City is limited to the property tax and when the State cuts those taxes, they also cut the amount of aid that they are giving to the City. You've heard the Mayor talk in detail about that and I won't repeat it but it is putting us in a very difficult position.

And I want the people who are cheering for these tax cuts that the Legislature is making, I want them to understand that as a result the City, in order to pay for the Fire Department, to pay for the Police Department, these changes that we are being asked to make, in order to do that, we are going to have to raise your property taxes, your real estate property taxes because that's the only source of money we have. So I hope the Police Department understand and I hope the Fire Department understands that we as the Board of the Aldermen, we don't control your budgets, you know, we don't make decisions about who you hire, how many people you hire, how you do that or the Police Department. You are run by independent commissions and you come to us and all we have is control over the bottom line. And when you come to us and you say, well if we cut what the Mayor is proposing you are going to have to eliminate people, you're not going to be able to rehire someone, the position that was eliminated a long time ago, you know, 15 years ago that suddenly this year we have to hire that person? You can hire whoever you want.

Last year you came to us and you said we needed to increase your pay and now you are saying that because, basically you are saying because we increased your pay which you asked us to do, now you need more money in order to do other things that you want to do, which are all good things. I am not saying that the arguments you are making in favor of people are not good arguments, you know, we are talking about the general overriding good of the City, lower interest rates and safety and all of those things, you know, you make great arguments.

But how do we pay for this? We have to raise the tax on the taxpayers and the taxpayers are telling us you know, we aren't getting, I think what you are asking for amounts to is I think is it a 6% increase? You know, who is getting a 6% increase? You make good arguments, I can't argue with the specifics of your arguments, all I can do is control or attempt to control the bottom line and I hope you appreciate the difficult position we are in. To accommodate the Police Department, to accommodate your Department, it is going to result in a tax increase that, it may be worth it, it may be that the citizens will understand that because of the reduction in taxes that the State is doing in cutting back on the support for the cities and towns, for education, and for our share of the Rooms & Meals Tax and all these other sources of financial aid that the City depends upon by reducing that in order to fulfill what we need to do for the Fire Department and the Police Department, we have to increase taxes. I guess that's the decision we are left with that in order to do that we've go to adopt an increase in this budget that, you know, and if costs more money, if it costs the taxpayers more money than I guess we are saying that in the long run it is worth it to the taxpayers and we hope they understand that and appreciate that.

I for one, I think what the Mayor has proposed is reasonable under the circumstances so again I am not going to, you know, I can't vote for the motion that is before us now.

Chairman Dowd

Alderman Schmidt.

Alderman Schmidt

Thank you Mr. Chairman. The Master Plan was a really great idea, it showed us where we need to make changes. And it was clear that you are going to work on that. I don't think the problem is in what you are asking for, I think it is what is coming down from the State. As Alderman Jette has said, the real issue, as far as I can see is the retirement system that's going to be required (audio cuts out) without that in there I don't think your budget would have increased that much, I really don't. I think that's unfair to do to you, it is unfair to do the City and I think the retirement system needs to be addressed very soon on this issue. There are two departments in the City that really are boots on the ground. They are the people that make us safe, that ensure that no matter what, that our lives are protected – the Fire and the Police. We can't short you, we simply cannot. It means our lives. And I think the citizens of the City understand that. And if you look at the rest of this budget, you look at how very incredibly frugal it has been that City Hall has done a tremendous job keeping the cost down. And a little more for the Fire and the Police, I think the citizens of the City are going to understand that this is essential. Thank you Mr. Chairman.

Chairman Dowd

Thank you. Anyone else? Just a couple things, not necessarily in any order but you mentioned pension plans. I think a lot of people don't understand that the employees pay a significant amount into their own pension plans and that's been increasing as well and that comes out of their pay. So they have been paying more, the State is forcing us to pay more and you know what the State is paying? Nothing. It is a State Pension Plan they are paying nothing. On top of that, in my opinion, they are not managing the funds very well either which is a bigger problem. And by the way, the monies that are in this motion are a compromise, there's still an \$80K Mayor cut left in this motion. And there are several things that the Fire Department had requested that they aren't going to get funded. To me, and as the Mayor said and that group of 3 people over there have managed the budget and finances for the City extremely well. And if weren't for the State throwing down all of these charges on us, we would have near 0 property tax increase.

But I for one am not going to let the State allow us or push us into forcing our citizens to be at jeopardy because we have to cut essential services, not going to happen. If people have a concern with their property taxes (audio cuts out) go after them hard. I think...

Mayor Donchess

Mr. Chairman, could I just reiterate that once more? So in effect the State is cutting - the actions of the State result in Walmart paying less and senior citizens and other property owners, single family homes, etc., paying more. That's the act, now our delegation two of which are here, did not support this but that's what happened. Now the only issue is how do we deal with that and we can talk about the pension system. I just want to say one more thing about it, I occasionally get these statements - Oh it is because your wages are so high. Now that is not correct. The pension system themselves will tell you 80% of the money we are paying in is to build up the capital of that system and has nothing to do with current wages, current employees, nothing to do with it. So the State made a mess, they are making us pay for it and Walmart is getting a tax cut.

Chairman Dowd

Yeah two other things, one – several years ago whoever was managing the State Pension Fund up in Concord lost a lot of money. Now they are trying to recover and they are trying to get to 100% in a short time frame. First of all, most pension plans across the United States are not 100% funded and everybody is not retiring at the same time. So 100% is an illogical goal and doing it in a shorter time frame is even more

illogical. So I have asked our Legislators to have the Pension Group come down here and talk to us and tell us – what are you doing? But again, I for one, am not going to let the State put any of our citizens in jeopardy because we are having to cut essential services. I don't know how many times firemen have got, they always get to the scene first and they are all paramedics and some of them even have more medical training and they are the ones saving your lives. Would you rather pay \$5.00 more in your taxes or even \$25.00 more in your property tax? But if you have a serious accident there's a fireman there that can save your life? I don't think so.

Anyone else? Alderman Kelly did you have – no? Anyone? Alright the motion on the floor is to on Page 132 Department 152 to add to the bottom line of the Fire Rescue, Fire Department \$418,775.00.

**MOTION CARRIED (Alderman Jette opposed)
MOTION BY ALDERWOMAN KELLY TO RESTORE ON PAGE 265, DEPT. 191 SCHOOL 9500,
THE AMOUNT OF \$402,770.00.**

ON THE QUESTION

Mr. Fredette

This is not a cut this is a transfer. This is the cut.

Chairman Dowd

OK.

Alderman Kelly

But that line doesn't say that, the line says something else.

Chairman Dowd

Mr. Griffin would you explain this, I don't think that is the number we are looking at.

Mr. Griffin

You are correct Mr. Chairman. John Griffin, CFO. The Mayoral budget adjustment on Page 265, 90120 is \$199,300.00, that's the number, just for clarification. Just for clarification the expense transfers are just that they are to other funds.

Alderman Kelly

That's a transfer. OK.

Mr. Griffin

Correct.

Alderman Kelly

Then I will amend to the \$119,300.00 I want to make them whole as well. I'm sorry for my misunderstanding.

**MOTION BY ALDERWOMAN KELLY TO AMEND TO REALLOCATE THE MAYORAL CUT OF \$119,300.00
TO THE SCHOOL DEPARTMENT**

ON THE QUESTION

Alderwoman Kelly

If I could speak to it as well?

Chairman Dowd

Yes.

Alderman Jette

I'm sorry, could you restate what your....

Alderwoman Kelly

Sure. I am looking to reallocate the Mayoral cut which is \$119,300.00 to the School Budget, much like we just did with the Fire and the Police. And I was misunderstanding because there was a transfer in there and I got confused, so sorry for the miscommunication.

Chairman Dowd

You want to speak to it?

Alderwoman Kelly

I sure do. Thank you. We've have lots of impassioned speeches about the other essential services in our City and I know that we have gotten great reviews from (inaudible) etc. about being a very well run City and I think we would be remiss to not shine a light on the educators especially with the past year. It has been an incredibly tough year for educators and our administration, our teachers have really risen multiple times to do whatever we ask them to do. So we said, fully remote – they figured that out. We told them hybrid – they figured that out. And within that, they were working with children, especially special education children etc., to work through what that happened what that did to them in terms of how do you go from being in school and learning behavioral things and having all those little notes that happen in person and not being able to do that. So they've done an incredible job and I want to make sure that they are whole. I know the pieces in their budget that were critical was a Board Certified Behavioral Analysisist which they want to, it would address some of the things I was just talking about in terms of students coming back to school full time and trying to pick up from where they left off 15 months or 18 months ago. So I think they are an integral part of the essential services of our City and they deserve to be made whole as well.

Chairman Dowd

OK I am going to look for Mr. Donovan. But I recall when he gave his presentation that he felt that they could absorb that \$119,000.00 for many reasons. And I talked to him again today and he still feels that way. When you have a School Budget of \$166 million dollars, first of all that's a budget that you can't manage down to the penny or even down to the hundred thousand dollars. And at the end of the year, they always have money left. I am not sure what they are giving back this year, but I would guess it is substantial. And so he felt he could manage with that cut. And he also has a number of dollars which if he wants to lay out the numbers it is significant amount of money. We are using that to reduce City costs on some of the building projects without getting into a lot of detail. As soon as we have final clarity from the State on how it could be spent, but Mr. Donovan.

Dan Donovan, Chief Operating Officer Nashua School District

Yes. Dan Donovan, Chief Operating for the School District. Yes \$119,000.00 it's really not, put it this way, if I couldn't manage \$119,000.00 I probably shouldn't be doing this job. But we have CARES money from the Federal Government, we have CARES ONE Grant is \$3.3 million, we have another \$12 million dollar grant

and coming soon another \$19 million dollar grant. So we have lots of money to cover any issues related to (audio cuts out).

Chairman Dowd

There we go.

Mr. Donovan

So I feel very comfortable that this \$119,000.00 does not necessarily need to be added back simply because the other Departments are requesting it.

Chairman Dowd

Follow up Alderwoman Kelly.

Alderwoman Kelly

Yes I would love several follow ups, thank you. So my questions are around some of the positions that you guys were talking about hiring. I know that a lot of the CARES Fund Act cannot be used for staff. So with the budget as it is, will you still be able to get your Board Certified Behavioral Analyst, do the para increase because they are severely underpaid at \$15.00 an hour and get those two custodians that we need at the new facility for the preschool on Franklin Street?

Mr. Donovan

The reduction we would make in the current operating budget would not affect the BCBA, it would not affect the custodians to add to Franklin Street. It would not affect any positions at all. And we are able to hire more people using the CARES Act Fund. We can't use those funds to give raises to existing people but if we need to hire more staff to help, let's say with social or emotional challenges our students may have, we could bring staff in for a year or two using these funds to help out in those areas.

Alderwoman Kelly

OK. Thank you. I just want to make a couple of points and then we can discuss the motion that's on the floor here. I just want to talk about the fact that there are a lot of Departments that are understaffed, the School is one of those as well. A number of years ago they came to us for 9 ELL we gave them 4 and now we are being mandated to make sure that we hit the right ELL in terms of training and bodies. So I think that we need to consider that too when they come to us because they may not be running to your rescue as a heart attack but our schools are just as important in terms of making sure that our future has a really important – people behind them in terms of our educators. So I will say that. And I will say that if you are telling me that you don't need the \$119,000.00, I will rescind my motion.

Chairman Dowd

And also I think having had extensive discussions with the President of the Board of Ed, I believe that ELL they have come to a shared cost agreement or something. Maybe you can, Mr. Donovan, you explain it more on the ELL and they have reached that agreement?

Mr. Donovan

Yes we have reached an agreement with the Department of Justice on the ELL investigation and it is not requiring any more new staff. It is requiring a significant amount of training which we are putting into the

CARES Act Funds actually for this coming school year and a few other things. But they did not request that we need to add more staff at this point in time.

Chairman Dowd

We are even looking at squeezing an extra classroom into Fairgrounds so they can have smaller ELL groups. We are looking at the feasibility of that right now without any additional cost to the bond or anything else. I didn't want Mr. Fredette to think I was coming back for more money.

Alderwoman Kelly

Well I definitely was concerned knowing that was an area that we were going to need to look at and improve. If I could do one more follow up. Mr. Donovan, the training that is happening for the ELL, the way I understand it, we will be using training days that we normally have to get our teachers all ELL Certified, is that correct?

Mr. Donovan

It won't be all ELL Certified per se, but they will all receive the training. It won't necessarily result in a certification. But the goal with ELL is to teach existing teachers the ELL skills it is not to have a whole another set of teachers that only do ELL. And I am probably not the person to speak to you about ELL education. But it is using existing staff and teaching them so that they can include that in their everyday class.

Alderwoman Kelly

OK thank you. I am sure we can schedule a whole 'nother conversation on that.

Chairman Dowd

And your desire on your motion?

Alderwoman Kelly

I'll rescind it. The School says that they don't need it.

Chairman Dowd

I try to figure out how narrow they have to manage to the end of the year and certainly there is money left than \$100 and whatever it is. And only once in the history of the school, and we don't want to get into it, they had a problem.

ALDERWOMAN KELLY RESCINDED HER PREVIOUS MOTIONS

Chairman Dowd

Are there any other motions relative to the budget? Seeing none, then the motion on the floor is to approve the – let me get the right page here. And I hope Mr. Griffin has been using his calculator over there ... is to approve R-21-142 the City Budget for FY22 in the amount of ?

Mr. Griffin

Mr. Chairman, John Griffin, CFO, \$291,026,961.00. (Two hundred ninety one million, twenty six thousand, nine hundred and sixty one dollars.). Again, \$291,026,961.00.

MOTION BY ALDERMAN DOWD TO APPROVE R-21-142 THE CITY BUDGET FOR FY22 IN THE AMOUNT OF \$291,026,961

Chairman Dowd

OK. Alright. Are there any discussions on the motion? Alderman Jette?

ON THE QUESTION

Alderman Jette

Based on what the Mayor and CFO Griffin said previously I guess we really can't say what kind of a tax increase, I mean you have us a range of between 3% and 4%; I think the Mayor said 3.6%. I guess that was probably before these additions were made with the Fire and the Police. Do you have any idea where we stand on that?

Mr. Griffin

John Griffin, CFO. Slightly over 4%. So as the Mayor said 3.6% you add \$660,000.00 slightly over 4% but as Treasurer Fredette always reminds me, a lot can happen between now and the September / October timeframe. We are anxiously awaiting hopefully all the restorations of the budgets that were short, I am only kidding. But no there's a lot of work that is going on but this a good percentage to plan at this point. Thank you.

Alderman Jette

Could I follow up? So I don't know if you or the Mayor or maybe members of our delegation could answer this, I know that there was – I think there was a meeting recently of the County Delegation about the County Budget. I heard that they were looking for like 17% increase. Was anything done at that meeting?

Mayor Donchess

They were looking for a 13% increase. Now I think as a result of actions taken by the Commissioners it is down to a 4% increase although we are still arguing that there's \$40 million dollars coming to the County. They have a smaller budget than we have. So this is like us getting \$60 million dollars a year. They are getting \$40 million dollars a year and we are saying well look, the Provision of Services is an eligible expense so you could provide services with some of the money and make a flat tax increase or 2% or something, why 4% when we've got all these problems. In any event, that is sort of where it is now. But the delegation, the Executive Committee of the Delegation hasn't even met on it, have they?

Alderman Schmidt

It has been passed by the County and it looks like it is going to add a nickel to the taxes on a house about \$250,000.00. So although 4% sounds big it really isn't when you spread it over the whole county.

Mayor Donchess

It is \$100 to \$200,000.00 more than we originally project as far as Nashua's share. The pension is hitting the County too actually. You think the pension is just getting us here? No, well it is all the other cities and towns but also they hit the county with increased pensions which means our bill goes up so it reverberates in more than one place.

Chairman Dowd

All set Alderman Jette?

Alderman Jette

Yes, thank you.

Chairman Dowd

Just a high point. Last year at budget time at this very time we were trying to keep everything under 3% budget and it came in significantly less because of – well the great actions that took place between the passing of the aldermanic budget and the actual setting of the tax rate. Hopefully that can happen again but again, I think you could say that the tax increase on property tax this year is all due to the State not due to our local Departments who I know have all tried to keep it to the bare minimum as necessary to maintain the services that we need as a City to provide to the citizens and keep them safe.

Alderwoman Kelly

And educated.

Chairman Dowd

Any other comments on the motion on the floor? Alderwoman Kelly?

Alderwoman Kelly

Yes I am going to ask a tough one. I am interested in the piece of legislation that just came down from the State that would potentially reinstate our tax cap and if we pass this budget is it under what that tax cap was and what would be the affects for next year?

Mayor Donchess

Well that doesn't go into effect for 60 days from passage so that doesn't apply to this year. Next year, I think that the legislation that was passed creates complications that the sponsors don't really realize and we could get into that.

Chairman Dowd

Let's not.

Mayor Donchess

It's a longer discussion that right now. But at least as the Legal Department is advising us, there were a number of ordinances passed over the years to interpret the Charter and how it should be applied. Most of those, the only ones that were passed recently was just one change. Most of them were adopted long ago. As the Legal Department is advising us that the legislation wipes out all the interpretive language, not just that stuff – the one that was adopted recently had to do with part of the wastewater. But all the interpretive language gets wiped out. So only the language of the Charter remains and the language of the Charter was considered to be unworkable after the Charter passed, after the thing passed and that was why the interpretive language was sponsored by someone like Alderman Teeboom and was passed. So we are still trying to evaluate how this would apply without any of the interpretive language.

Alderwoman Kelly

I don't feel that I got my question answered.

Mayor Donchess

So we don't know is the answer (audio cuts out)....

Alderwoman Kelly

(audio cuts out) ... cap that was in place previously, what would be the top line percentage increase that we could see?

Mayor Donchess

Well the number would be 1.7% but the volatility will be extreme without the interpretive language, the volatility in the budget is going to be very great because an expenditure is any kind of capital expenditure. So the idea that only debt payments count in the cap is probably not correct and therefore when the City spends \$100 million on a school that of an expenditure so that year the number goes up \$100 million. The next year it may dip \$50 million I mean those are exaggerations, but I think what we should so is give you a more thorough briefing once we have sort of studied it and trying to figure out how it might apply.

Alderwoman Kelly

Yeah I think that would be well in order for sure.

Mr. Griffin

And if I may Mr. Chairman I know this is a couple of words but we have a spending cap. And a spending cap you could literally be and if everything is included you could get a grant of \$50,000.00 and you can't even spend it because you might over the cap. So that's what the Mayor is talking about, everything is included so the toggling back and forth is going to be quite difficult. You could be literally sitting in a Human Affairs Committee and saying, we can't afford that \$1.7 million dollar home loan because we can't appropriate it and spend it. So a lot of complications that I don't think – as the Mayor said – that folks would enjoy a spending cap. I actually went back when I first got here and I got the minutes of those initial meetings in '93 / '94 and it was very complicated. So you almost take this overriding \$600 million dollar budget and you can't fit things in at the end of the day. So it is very difficult to give you an answer on the \$291 million at this point. Thank you.

Alderwoman Kelly

I appreciate it. It was a big question, that's why I said it's a big question. I am just thinking about the future if we pass this this year, what is it going to look like next year if it does stand and what kinds of harder decisions might we have to make in a year.

Chairman Dowd

So the motion on the floor is to approve the FY22 Budget for the City of Nashua in the amount of \$291,026,961.

MOTION CARRIED

Chairman Dowd

So we will not be having a meeting tomorrow evening. You can have the night off and I believe it is Thursday night is the – it's the 1st. So on that evening, the first thing we have on the Agenda is a public hearing on the Petition for 44 Buck Meadow. Alderman Wilshire will be running that because I am the petitioner because it is part of the school project and the attorneys will explain that. Then we will go into the approval of the budget. Alright.

Mayor Donchess

Thursday is July 1.

Chairman Dowd

So if we don't approve the budget on July 1 then there's other issues that fall into place since the fiscal year starts that day.

Mr. Fredette

Mr. Chairman, I just wanted to explain one thing that has bugged me for over 30 years is the County budget is different than a local budget. If the budget goes up 4% that doesn't mean every community in the County will see a 4% increase. Some could see 10% and others could see 2% because it is based on the equalized assessed value in your community each year. It's a very strange of way calculating it but that's how they do it. So you never know until about September 30th exactly what your increase is going to be unfortunately. So it's not like when we pass a 2% increase, everybody's goes up 2%, it's not like that in all the counties, none of them work like that.

Chairman Dowd

Alright. Thank you. The next item on the agenda is General Discussion.

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS - None

NEW BUSINESS – ORDINANCES - None

GENERAL DISCUSSION - None

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN

Alderwoman Kelly

I just want to thank everyone for their hard work on the budget, it has been an interesting year. And I also wanted to make a statement regarding the Board of Education's meeting last week. They had members of Proud Boys show up. I strongly denounce this and I understand there are many different opinions in our community but that is completely unacceptable and you bet if it happens here there's going to be a conversation. So thank you.

Alderman O'Brien

Thank you Mr. Chairman. I, too, would like to thank the work of this Committee. It is a lot of hours we have been together and I think we did great. I'd like to thank the Mayor, and CFO Griffin, and Treasurer Fredette, you know, working hard to give us a budget. I'd like to thank all Division Directors that did come before us and give us their testimony and worked with us in trying to come up with this. And I would also like to thank you Mr. Chairman for your expertise, and guidance, and directing us and finally getting it done. So thank you very much.

Chairman Dowd

Yes. I am glad that this through. I know we have one more meeting but that won't be my meeting so thank you all for participating in the budget process. I know it is a lot of work. I think I know the budget book probably by heart, I almost quoted something today by page and verse to Mr. Griffin. So I know I have seen the pages too many times.

POSSIBLE NON-PUBLIC SESSION – None

ADJOURNMENT

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

The meeting was declared closed at 9:00 p.m.

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