

BUDGET REVIEW COMMITTEE

JULY 2, 2019

A meeting of the Budget Review Committee was held Tuesday, July 2, 2019, at 7:00 p.m. in the Aldermanic Chamber.

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

Members of Committee present: Alderman-at-Large Lori Wilshire, Vice Chair
Alderman-at-Large Michael B. O'Brien
Alderman-at-Large Ben Clemons
Alderman Jan Schmidt
Alderman-at-Large David C. Tencza
Alderman-at-Large Shoshanna Kelly

Also in Attendance: Kimberly Kleiner, Director, Administrative Services
Daniel Donovan, COO, Nashua School District
Sarah Marchant, Director, Community Development
John Griffin, CFO/Comptroller

PUBLIC COMMENT - None

COMMUNICATIONS

From: Daniel Donovan and Shawn Smith, Nashua School District
Re: R-19-156 – Security Grants

There being no objection, Chairman Dowd accepted the communication and placed it on file.

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

R-19-151

Endorser: Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Linda Harriott-Gathright
Alderman Richard A. Dowd
Alderman Patricia Klee

**RELATIVE TO THE TRANSFER OF \$72,870 FROM DEPARTMENT #128 "RISK MANAGEMENT",
ACCOUNT #89650 "TRANSFER TO PROPERTY & CASUALTY SELF INSURANCE FUND" INTO
VARIOUS ACCOUNTS IN DEPARTMENT #106 "ADMINISTRATIVE SERVICES"**

MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Kim Kleiner, Director of Administrative Services

Good evening, Kim Kleiner, Director of Administrative Services. When we were before you with the budget, we tried to put together the Division at no cost really to the City. What we found in organizing the Division and I can tell you that it is going very, very well; the Departments are all working together. This has been, so far, very worthwhile in how we run and operate within City Hall together.

But what we did realize that there is an office on the first floor that we are now using as the Administration Office and we did not have someone to occupy that office. As I am sure you aware I spend a lot of my time

downstairs in Assessing. So that office was unmanned and there wasn't someone there that could answer questions to Department Heads and people within the Division when they came in. So what we did was, Jen Deshaies in Risk had a position that she had hired the year before. This position was mostly clerical in nature although the position was working on a scanning project, scanning a lot of old documents and putting things to electronic file. We have borrowed that position in Administrative Services and she has really been the face that everyone sees coming in; helping us to manage and keep everyone together; organize division needs and assisting me which has worked out quite all. All of the Department Heads have really utilized her and she has been the main source of keeping our communication.

So what we decided to do in speaking with Jen Deshaies was move that position from Risk to Administrative Services. She can continue, this person, can continue to do some of that scanning for Risk and continue to do some things for our other Departments as well. But it is really better seated in Administrative Services for budget purposes. So that's a wash, that's taking it, the salary, the benefits will now hit Administrative Services but will not hit Risk.

I think we were overly optimistic in thinking that we would never print anything in Administrative services or have to buy a pen or any of that. So the other thing that we are asking is to use approximately \$5,500.00 again we would move it from the Risk Fund to Administrative Services to get us some bare boned supplies, other services So if we need to call in someone, having some professional help, that type of thing. And then a very low amount in equipment; we were lucky enough, we do have a copier now which is under IT's Budget. But we will have needs for some supplies and things like that to fit that. So it is a very low, low amount. We will watch it and see for our next budget cycle where it really needs to be. But both Jen Deshaies and I felt that this was not a large impact for \$5,500.00 from the Risk Fund.

Chairman Dowd

Ok questions?

Alderman Wilshire

I don't have a question but it sure makes sense to me that you would need someone that can kind of be your Admin or whatever role that person plays. It seems very doable this transfer, so thank you.

Alderwoman Kelly

Thank you. I just want to make sure I understand this. So everything is moving over from Risk or that \$5,500.00 is on top of what's moving over from Risk?

Ms. Kleiner

So it will all be coming out of the full \$72,870.00 will be coming out of the Risk Fund and going into Administrative Service's Budget. The difference is that the salary was a charge against the Risk Fund and it will no longer be a charge against the Risk Fund. So that's the difference with the salary.

Alderwoman Kelly

Thank you.

MOTION CARRIED

R-19-152

Endorser: Mayor Jim Donchess
 Alderman-at-Large Michael B. O'Brien, Sr.
 Alderman Linda Harriott-Gathright
 Alderman Richard A. Dowd
 Alderman Patricia Klee
 Alderman-at-Large Brandon Michael Laws
 Alderman Tom Lopez
 Alderwoman-at-Large Shoshanna Kelly
 Alderwoman Mary Ann Melizzi-Golja
 Alderman-at-Large David C. Tencza
 Alderman Jan Schmidt
 Alderman-at-Large Lori Wilshire

RELATIVE TO THE SUPPLEMENTAL APPROPRIATION OF \$110,000 OF UNANTICIPATED REVENUE FROM DEPARTMENT #170 "HYDROELECTRIC OPERATIONS", ACCOUNT #44900 "HYDROELECTRIC POWER GENERATION" INTO DEPARTMENT #170 "HYDROELECTRIC OPERATIONS", ACCOUNT #54290 "DAM OPERATING & MAINTENANCE SERVICES"

MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGEON THE QUESTION

Sarah Marchant, Director of Community Development

Good evening, thank you; this request is coming because we have actually made a lot more money than anticipated. So we budget for the dams based on a ten year running average rainfall. The revenues from the dams go directly into the general fund, the expense side is a budgeted expense account. It has been incredibly wet if you haven't noticed for more than the past year. Last summer was one of the wettest summers on record; we actually had Jackson Falls was also down for 3 months will go to the next one as well. Mine Falls had one turbine down since March and we over, I anticipate, at this moment we are ... I am guessing that before the end of this year we will be more than half a million dollars over budget in revenue. In the expense account we pay our operator for labor materials and we also pay them a percentage of revenue. So the percentage of revenue is where we are at this point stuck because we have made such a significant amount of money, more than anticipated, we don't have quite enough to finish out the year in the expense side. We've certainly made it on the revenue side. So that is what I am here before you for today. As well as last year we actually made so much that it kind of kicked us up into another payment, a small amount that had to be a higher rate, so that also wasn't hit this year's budget. So we are very lucky that the rain has been so efficient but it has caused us to under budget expenses a bit.

Alderman O'Brien

Is any of this revenue, can that be generated back into replacing that turbine?

Ms. Marchant

It directly goes to the General Fund. When we do the calculations, when we show you our projections, we include say the bonded debt as being paid off by revenue as well. So we wrap it back in but it does not directly go to the payment. All revenue from the dam goes to the General Fund and then expenses come out either through bonded debt or through our expense of the Operating Budget.

Alderman O'Brien

Different subject but I understand we had a good spring and for a long period of time lots of rainfall. So as we go forward, when you are starting to do your budget and everything, these numbers are going to inflate you. And yet next year we could have a drought, right?

Director Marchant

That's why we use the 10 year running average. So we do have 10 years of information about generation and we do use that. So I think that's a pretty good estimate, but we absolutely are going to have these years where it is wetter than anticipated and we are going to have the drought year where we will have revenue left. We will certainly have money left at the end of the year.

Chairman Dowd

So assuming that our colleagues in Concord are successful with net metering increase, how will that effect these revenue projections against expenses.

Director Marchant

It's a great question. So currently Jackson Falls is already net metered, Mine Falls is not net metered. Mine Falls when we bought it back, came with a long term power purchase agreement. That expires in 2024, so it will not in 2020 make a difference, but it will in 2024 if we could net meter, we would probably double the revenue that we bring in. For example right now we are getting about 5 point, point 57 cents per kilowatt hour at Mine Falls and we get point 9.point 9 cents at Jackson being able to net meter So we could almost double our revenue if we can net meter at Mine Falls at today's rates. So it would be very, very significant in the positive for the City.

MOTION CARRIED**R-19-153**

Endorser: Mayor Jim Donchess
 Alderman-at-Large Michael B. O'Brien, Sr.
 Alderman Linda Harriott-Gathright
 Alderman Richard A. Dowd
 Alderman Patricia Klee
 Alderman-at-Large Brandon Michael Laws
 Alderman Tom Lopez
 Alderwoman-at-Large Shoshanna Kelly
 Alderwoman Mary Ann Melizzi-Golja
 Alderman-at-Large David C. Tencza
 Alderman Jan Schmidt
 Alderman-at-Large Lori Wilshire

RELATIVE TO THE SUPPLEMENTAL APPROPRIATION OF \$200,000 OF UNANTICIPATED REVENUE FROM DEPARTMENT #170 "HYDROELECTRIC OPERATIONS", ACCOUNT #44900 "HYDROELECTRIC POWER GENERATION" INTO FUND #7064 "HYDROPOWER RESERVE FUND"

MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGEON THE QUESTION

Ms. Marchant

Thank you again. This is to replace, we have an emergency fund for hydro so when the turbine at Jackson needed major repairs and was down for 3 months, we were ready to be able to pull from that fund to do those repairs. You will recall, I was before you for a rather large bond request planning ahead for the long term replacement of the Jackson Falls turbine, repairs to the Mine Falls turbines and for the longer relicensing all those studies. This emergency fund is so incredibly important in case something else breaks. As I said last week or a couple weeks ago, we bought a really old house and when you buy a really old house you have to make some investments to get it up and going. So that is where we are at; we have 40 year old dams that have generally useful lives of 25 to 30 years so things are breaking. The long term plan with the bond is to be able to be ahead of it, to not be down for long periods of time and to be efficient in the way we are doing this. But we are down to just over \$60,000.00 in the emergency fund which goes quickly when you are working with massive equipment. So this appropriation should tide us through for quite a while we hope.

Chairman Dowd

When we have the new generator design built and ready to use, are we going to take the old one out and keep that as a spare?

Ms. Marchant

Most likely not, because it won't be exactly the same and there will need to be, from the evaluations we have all done so far, there are some significant amount of engineering and work around the concrete that exists in the Jackson Falls Dam that will need to be modified to make a new turbine fit. So I don't think it would be reasonable for us to be able to put this old one back in because it just won't fit anymore. And 40 years there has been a lot of pitting they call it, and basically the rotation, nothing is perfectly circular anymore, everything has just made a little bit of difference and without perfect geometry it makes a lot more resistance which means less power for us and more difficulty for all the machines to run. So as part of the rehab we will be fixing all of that work as well and so it would not fit back in.

Chairman Dowd

Ok so it wouldn't be economical to use in anyway.

Ms. Marchant

No but what would happen is this, one of the turbines, what we are narrowing it down to, if we did all this construction and engineering work, those turbines are more off the shelf than what we have now. So it certainly wouldn't take as long or wouldn't be as expensive to re-do one because we wouldn't have to, in theory, re-do all the hardcore construction work on the inside.

Chairman Dowd

So when they design it, are they going to design it so it is easier to maintain?

Ms. Marchant

Yes. We are reducing parts, right now we have a speed inducer, and the generator and the turbine. The new one will not have to have the speed inducer so that's one whole less component to break. Yes it absolutely is being designed to be more efficient, to be easier to repair, but also to maximize what we can get out of the site while still maintaining our license exemption.

Chairman Dowd

One last question, in the bonding, are we anticipating procuring any high failure replacement parts that we could have standing by in case they do fail?

Ms. Marchant

That's a great question. I don't know for sure, we usually do have those kind of supplies on hand but I will find out.

MOTION CARRIED**R-19-154**

Endorser: Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Linda Harriott-Gathright
Alderman-at-Large Brandon Michael Laws
Alderwoman Mary Ann Melizzi-Golja
Alderman-at-Large Lori Wilshire

ESTABLISHING AN EXPENDABLE TRUST FUND FOR APPROPRIATIONS FOR PARKING RELATED EXPENDITURES

MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGEON THE QUESTIONJohn Griffin, CFO

If I may Mr. Chairman, John Griffin CFO. I actually have a handout that I think would be helpful and then I can explain. So the handout that I provided explains kind of a step-by-step approach to creating what we don't have now which is an expendable trust fund for parking related expenditures. As you know, we have a fund that was created several years ago to fund the Downtown Improvement Committee's efforts related to parking revenue. The funding source for this would be what is now called the Traffic Violation Fund which really is a misnomer, it should be Parking Enforcement. So as you recall, the Parking Enforcement and Parking was transferred under the Leadership of the Economic Development Department and as part of that, that team has significantly reduced the cost of operation. So at the end of Fiscal 19, which is what we are in, we have about \$160,000.00 of excess revenue over expenses. I know that Director Cummings has reported on parking related matters throughout the last year or so. So what this is trying to do is as opposed to the revenues minus expenses simply going into the General Fund because that's the mechanics of how that works as a surplus is to capture, in a similar fashion, as the Downtown Improvement Committee funding is to take, at least this year, take those dollars and through the escrow process move money from appropriations not spent to this fund if you folks see fit to establish the fund. So that is kind of the mechanics of the initial year. Then the thought would be in Fiscal 21 what we do is we take the revenues actual minus the expenses from July today through the end of the year and budget that as a transfer. Very similar to the Downtown Improvements; so you actually know what the revenues are. What we found was with any kind of parking operation you do need money from time to time to what I refer to as parking related expenditures. It could be a study, it could be some infrastructure improvements, etc. So this would be another vehicle in which the parking team could operate. With regard that revenue, so as I mentioned it is about \$410,000.00 in revenue minus \$250,000.00 of expenses. There's a certain amount of money that is going to flow into surplus. So what I am proposing and what the Mayor is sponsoring along with Director Cummings is take that, you are going to see in the unlike escrows that will come before you in late August, you will see that money go into this fund.

With regard to the fund itself, what I've recommended, and the Mayor is in full agreement is to create Department 158 which is going to be entitled "Parking Enforcement". We don't have that now so it is going to be in the budget. So you will have revenue in a yellow page, you'll have expenses in the white pages, and it

would kind of mirror the showing that we have for parking operations. As you recall parking operations brings in \$728,000.00 and any excess of revenue above \$728 goes into the Downtown Improvement Expendable Trust Fund. The operations costs are about \$350,000.00 to run the Parking Operations, so the benefit of this will be complete transparency and he will have both side by side next year when you review the budget. They will be mirrored, so if you do have a budget book and you look at it, it has got the yellow page "Parking Operations Revenue" and you'll have the expenses by account, by two digit account and a little bit more detail on the other side.

So we thought this was an important step as we move forward with parking related efforts and initiatives and so forth and it will be a funding source. So with that, Mr. Chairman, I'd be happy to answer any questions you may have.

Alderman Clemons

Thank you. So this is a separate fund from what or these are separate revenues from what funds the Downtown Improvement Committee, is that correct?

Mr. Griffin

That's correct.

Alderman Clemons

And then the second question I have is what is the intended use of the, is there an immediate use or are we just building a surplus for something?

Mr. Griffin

It is my understanding at a high level without a fund such as this it is difficult with our budget situation, to even contemplate any types of initiatives such as maybe a study or someone to come in and take another look which we have done before of our infrastructure, surface lots, equipment, parking garages. You know, things of that nature, things that wouldn't be covered through the Operating Budget on the Parking Operations side and wouldn't be probably an initiative that the Downtown Improvement Committee would undertake. So maybe higher levels; we looked at possibly setting up an Enterprise Fund and so forth but it's just not big enough to have that type of accounting so forth. So we thought this would be the next best step.

Alderman Clemons

I certainly, you know the transparency of it I think is wonderful. I'm not so sure I agree with the escrow this year but I certainly agree with the fund and I agree with the setting this up. And I certainly would agree with starting in Fiscal 2021 part of it. So I will support the legislation and save my judgement for the escrow. But I think using the method that the Downtown Improvement Funds use where you have the actuals and can budget that because we already have captured that money, I think is perfect. So I do support most of this.

Alderman Schmidt

I actually know one of the issues that they need to spend this money on. I got a call from a constituent saying the elevator was broken on one of our parking garages. And I know that you just can't hand out a chunk of money you don't have for something like this and they were waiting until they had enough together for it. So I think it's a terrific idea to budget things like this in the future.

Alderman Wilshire

I'll support this but I like Alderman Clemons am not sure about the escrow, we'd have to wait and see on that, but I definitely support creating the Expendable Trust Fund.

Alderwoman Kelly

Thank you. Just for historical background I am wondering how we've handled these expenditures in the past without having a trust fund set up.

Mr. Griffin

Great question, John Griffin CFO. When I first arrived here in 2010 there was a bonded initiative called "City Buildings" that Mayor Lozeau sponsored and was approved by the Board of Alderman and the garages were on that list. We invested over a million dollars to eradicate the leaks; I mean if you think it leaks now it was very leaky back then both the High Street and Elm Street. So this is just another attempt to have money to do such initiatives as an elevator and so forth. So before, if there was an issue you would have to either fund it through the Operating Budget which has always been in existence, or you'd have to have a bonding event or an escrow. And escrow where you take appropriated money from a certain year, move it into the next year for a particular purpose. So things like elevators, I mean they have to be fixed you cannot not fix them for public safety and service etc. But historically that's where the money and funding had come from. Now the fund was called the Traffic Violation Fund years ago, early 90's; it was never meant to be a full operational accounting process. It was more like you needed parking tickets, so you printed them and you had some revenue coming in. So this is an attempt to get the parking operations together with the parking enforcement and operate them together through the budget process. Hopefully that answers some of the questions. Thank you.

Alderwoman Kelly

You said it was going to set up a new department? I know that parking has changed hands a couple times, now it is under Economic Development. Are we moving that? What's the story there.

Mr. Griffin

Good question, as you know in the Budget Book Department 166 is Parking Operations and it used to be referred to as parking lots which really didn't give it kind of a good name. So in the last few years we have used parking operations and that's staying the same under the direction of Director Cummings and manager Jill Stansfield. This same management it is just going to be in the budget as Department 158. That is the number we selected, but that is the parking enforcement side. So the two will operate together under the same leadership and direction that you are familiar with at this time.

Alderman Tencza

Can I just ask, maybe you touched on this, I didn't hear you. How much do you expect to transfer into the fund? Could you tell us historically how much we've had to spend on upkeep of parking operations even just this last fiscal year?

Mr. Griffin

The parking operation side, \$728,000.00 is the revenue and about \$350,000.00 to \$400,000.00 is the operations.

Alderman Tencza

Tickets, how much do we raise in tickets?

Mr. Griffin

Oh ok that's a good question. So most recent report that I have in front of me is \$408,000.00 for parking violation revenue and \$248,000.00 of expenditures. Now prior to Fiscal 19, Fiscal 18 was a wash, there was no excess revenue over expenses. So as Director Cummings and the Mayor had indicated, they looked at the operations streamlined some things, took out some expenses that really didn't belong there like snow towing. If you are familiar with that and that is budgeted, most recently that's the \$30,000.00 that Director Fauteux budgeted for snow towing where they literally take the vehicle off the street and bring it over to solid waste. So there hasn't been, over the last several years, any surplus of revenue over expense. We wouldn't propose this if it didn't turn around. Now with regard to the escrow it could be an "up to" number. The thought here is to at least get a sizeable amount in here but obviously there would be Board of Aldermen and the Mayor proposing the unlike escrows, you folks would have another discussion point. We have several expendable trust funds; one is the Downtown Improvement Committee money. We have the Welfare Expendable Trust Fund, the Snow Expendable Trust Fund all set up at certain points in the last 20 years for different reasons but they have kind of helped us, gives us a level of comfort beyond the General Operating Budget. So that's kind of what we see, we see Director Cummings is hopeful that these numbers will continue but it's all a question of how many tickets we've written. The revenue is about the same it was about \$410,000.00. but the expenses have gone down with some of the approaches they have taken.

Alderman Tencza

Thank you Mr. Chairman. And you know a couple of my concerns with these Expendable Trust Funds is that they do take revenue away from the General Fund. We've had discussions about how much \$100,000.00 can do for our Police and Teachers and Fire Departments. So I'm concerned if we don't put a cap on the amount of money that can be in this fund, especially where it rolls over from year to year that they could accumulate an excessive amount of money that we could be spending on other priorities in the City. My other concern is that some of those expendable trust funds like the Sidewalk Expendable Trust Fund, some of the quadrants of the City do have a significant amount of money and I know those were funded differently than this would be. I'd hate to see money just sitting around if we have other uses for it in the budget which clearly we do every year. So I would make a motion, Mr. Chairman, if it's appropriate now, just to create language in here that this Expendable Trust Fund shall be capped at \$100,000.00 in any given budget year.

MOTION BY ALDERMAN TENCZA TO AMMEND ESTABLISHING AN EXPENDABLE TRUST FUND FOR APPROPRIATIONS FOR PARKING RELATED EXPENDITURES BE CAPPED AT \$100,000.00 IN ANY GIVEN BUDGET YEAR

ON THE QUESTIONAlderman Clemons

Through you to the maker of the amendment, so just to clarify your motion, do you mean \$100,000.00 total like indefinitely like it will never have more than \$100,000.00 or do you mean per year we would budget no more than, so every budget cycle we would budget no more than \$100,000.00 each budget cycle?

Alderman Tencza

Thank you so I would mean that the fund has no more than \$100,000.00 at any given time. So if there's \$70,000.00 left in it in Fiscal Year 19 we would only appropriate \$30,000.00 into the fund to cap it at \$100,000.00.

Chairman Dowd

So before I call on Alderman O'Brien and Alderwoman Kelly and Alderman Wilshire, one concern I would have is this has a process for collecting funds to put in the expendable trust. Those funds would be collected. You

are attempting to cap it at a certain amount; well what do you do with the funds that you raise in excess of that? They have to go somewhere and that wasn't specified in your amendment.

Alderman Tencza

I apologize. My intent would be that the excess funds would go back into the General Fund.

Alderman O'Brien

Thank you. I'm not so much against probably capping, but it seems like \$100,000.00 has been determined as an arbitrary number. So I would be willing to probably table this to have further discussions on it to find out how the cap would work and if the \$100,000.00 is adequate? Or \$150,000.00, I really don't know. It sounds like something that we might need to take a look at. Again, the cap sounds like it is a good idea but I just want to make sure that there is funds available for those elevators and whatever else needs to be done and without having anybody here to defend whether the limit that the cap would be the limit if that's adequate enough. I don't know if we should jump into that decision right now.

Chairman Dowd

Two things before we table it, I think we ought to let everybody have a chance to speak.

Alderman O'Brien

Oh absolutely, I suggested I didn't make the motion.

Alderwoman Kelly

So my question was similar to Alderman O'Brien wondering if we could get some information on what types of projects we've seen in the past and what level the funding is. I like the idea of capping, I had the same reservations as Alderman Tencza because it is taking away funds that we could use for other things. And we do have a lot of expenses and a lot of departments who feel that they could use a little so I appreciate that. I don't know if this appropriate, but I wonder if capping what we put in each year would be better than capping what is in the fund. So if we say we're only going to put in \$50,000.00 every year then it would allow it to accumulate a little more depending on what kind of improvements we would need to make.

Alderman Wilshire

I would support the motion that Alderman O'Brien might make, because I would like more information. I don't think capping it right now without that information, I don't think that's the right way to go. I mean you are certainly entitled to make any motion you want. But I think I would go for Alderman O'Brien's tentative motion and get more information on it.

Chairman Dowd

Before we go too far, based on what discussion is right now, who would be the person that we'd be seeking this additional information from?

Mr. Griffin

I'd like to just offer a couple of thoughts and then the Mayor and Director Cummings could fill in. But we do have some successful expendable trust funds; the snow trust fund in particular that generally has a little over \$300,000.00 in it. Fortunately we haven't had to use it most recently. The Welfare amount is, as Mr. Mack had indicated, has \$340,000.00, \$350,000.00 in it. Those have worked very well over time. The Downtown Improvement Expendable Trust fund, you've seen that with maybe \$80,000.00 going in annually or \$120,000.00 depending on how much revenue we've garnered over the \$728,000.00. So thinking about this

and the purpose to set it up I think \$100,000.00 might be too low. However, I am very sensitive to the budget so when that transfer is made, taking a look at the revenue minus the expenses. Nothing in here says it has to be that number, the mechanics would suggest that it would be but in the budget process as the Mayor looks at all the departments and so forth, he may very well, if the number was 100 he might only fund 50.

Then you folks, the Budget Review Committee and the Full Board would have that approach. But the intent wasn't to limit it but it wasn't intended to grow to \$1 million or \$2 million dollars. And I think those are good points, I wasn't here when those expendable trust funds were created for snow and welfare, etc., but I am assuming that was part of the larger discussion; let's cap this thing so we can move dollars in there and be confident that they are there if we need them. So very good discussion. So Director Cummings and the Mayor would be the people on the operations side, Director Cummings on the Operation but the Mayor is the direct supervisor.

Chairman Dowd

Just a couple things, it was actually I believe Alderman Deane that did the one on plowing and that's because if we have an exceptionally bad winter the BPW had to come back to us to expand the budget which wasn't a good thing. So putting this money aside, it has been used, depending on the weather, very, very snowy winters somebody had to dip into it. The other thing or question is, in this Legislation who has the authority to expend the funds?

Mr. Griffin

The Mayor and Economic Development Director, the person in charge of parking.

Chairman Dowd

So it would not come back to the Board of Aldermen?

Mr. Griffin

It wouldn't; it would to the extent there's a contract that's over \$25,000.00 that would need to be approved by the Finance Committee. But we wouldn't need like Mr. Donovan's coming to you next to ask for money out of their reserve fund.

Chairman Dowd

The concern I have particularly with \$100,000.00 limit is we keep making marketing if you will of our parking facilities downtown, the parking garages and with the Performing Arts Center and other things coming into downtown, if we don't maintain the parking garages, we have a real problem. Because you can't 'sell a product and then not take care of it. In my experience, any kind of Infrastructure problem, we would have to have enough in this account to cover things that are particularly of an emergency nature, any major expenditure would have to be bonded probably. The question is, where do you draw the line and you can't get much for \$100,000.00. Even though it may sound like a lot of money but you can't get a lot. So that would be my concern.

Alderman Clemons

Thank you, I share your concern. I have a question in regards to how the mechanics again of how this funded. So it is going to be from what I'm reading on your Memo here, it's going to be very similar to the Downtown Improvement Committee in that these funds are already in the General Fund. Then through the Budget Process they get moved over to this? Is that correct?

Mr. Griffin

Yeah that's correct, John Griffin, CFO. We always have to remind ourselves we can't spend revenue, it has to be an appropriation. So in this particular case to the extent there's an affirmative showing of revenue over expenses, picture this, that's going to go into the surplus calculation that my team would do. What is going to happen on the appropriation side is we are going to move the money in to the fund. But it's known, we've captured that excess revenue in surplus. So if you take it through all the accounting process, it is already in the unassigned fund balance of the City until you folks appropriate it.

Alderman Clemons

Right so there are two nice things about that method. One if that is money we have that we know we have so it's already in the bank if you will. The second good thing about that particular process is that like the CFO said, if we have a year where you know let's say it's \$200,000.00 in surplus or whatever, and we decide that based on the needs of parking or the needs somewhere else for that matter, we don't want to appropriate all of that money in there, we can choose not to. Because it is money that is sitting in the City somewhere else already. So it's not like it is a projection it is money that we have already. So when you think about it from a budgeting perspective, you have to look at it like it is actually an appropriation. We are appropriating it to this fund so I would say on a year-by-year basis, it is a decision that is going to come down to the Board of Aldermen and the Mayor deciding is \$100,000.00 a good number; is \$50,000.00? What is it? What are our needs. And I would say that from that perspective, a cap on it might be unnecessary only because we already have control of that anyway because of the way that the Legislation is written.

So it's not an automatic. So I think there is a lot of control there already. But to echo some of the comments also made, I would also agree that I'd like to see a list of what the priorities are; because this came up similar earlier in the year when we had legislation before us to raise the parking fees. The question was brought to us, why? You know why are we raising the fees? And ultimately the Board decided to kill that legislation, again, we didn't get an answer to that and even tonight we still don't have an answer to, "OK we are going to create the fund", I think it's a great idea. There are obviously needs, the elevator in the garage and things like that, but to what extent. And so I would agree that maybe we get some of that information first and then consider what Alderman Tencza has proposed or what Alderwoman Kelly has proposed and look at this comprehensively.

Alderwoman Kelly

Comment and a couple of questions. I share the concern about upkeeping our parking lots, I think especially with the things that are going on downtown we need to be vigilant of that. What I am thinking is it is not necessarily a question of whether we would do those things or not, if we have this fund or not, we are still going to have to fix the elevator. We have to, it's more do we want to earmark the money for this specifically. Two questions for Mr. Griffin; I wanted to know are there any capped ETF funds now, I couldn't quite understand if you were saying that the snow trust fund was a capped fund.

Mr. Griffin

My understanding is that there are at least two I think the welfare and the snow was capped, but I could definitely get that information. Some of them there is just no mechanism to get any more money in them. So that's kind of why they don't grow. But I can get that information.

Alderwoman Kelly

And as a follow up if I could, the way that it is set up, we choose the calculation before, could we choose not to put any in?

Mr., Griffin

The mechanism is set up to transfer, it's kind of one of the last white pages before the enterprise funds. But there is a series of transfers. You could decide not to put money in or if the revenue minus expenses was so great, you could decide maybe 25% or 50%. We do have, and I think it was mentioned, make sure we get this on, there is the David Deane Skate Park Trust Fund that funds the skate park. That is the cell tower revenue, just whatever the revenue is, you move it in. Mine Falls and Hollman Stadiums, someone back had the foresight to say "OK if we are going to sell cell tower space and get revenue, let's move it in to fund those areas that may not get funding through the normal general fund process". So there is a lot of good things that have happened by having these things, but I totally understand trying to make sure that it is controlled in some ways.

Alderman Wilshire

I was here when we set up the snow plowing expendable trust fund and the welfare trust fund. I've been around for awhile I guess, that's all I'm saying. But we also have the Police Crime Expendable Trust Fund. I don't think there's anything in that fund at all. So hmm.... I kind of see what Alderman Tencza is saying that maybe that money could be used somewhere else and not all put in one place. I mean certainly having more Police presence downtown is what the merchants want. I'm ok setting up the fund, I just am not sure how it is going to get funded.

Chairman Dowd

I think if I was looking at a cap per se I would want to have a threshold of where you would jump to a bond. Of course that would also be something that would have at least a 15, 20, 25 year life span. But I think I agree with Alderman Clemons, we already have a mechanism for controlling the total amount that is in the fund. If it got too heavy we could stop putting money in the fund. So it probably equates to not necessarily having to have a cap; a cap could be more restrictive than we might want on this kind of a fund. So I don't know how the maker of the amendment feels about that. No pressure.

Alderman Tencza

None felt. I mean I guess I'd probably want to hear some more information too as well from Director Cummings about how much they are actually spending and the point you made Mr. Chairman about at what point would you bond versus pay it out of this expendable trust fund.

Chairman Dowd

So if you were willing to rescind your amendment, I would be willing to entertain Alderman O'Brien's motion to table.

MOTION WITHDRAWN BY ALDERMAN TENCZA**MOTION BY ALDERMAN O'BRIEN TO TABLE R-19-154
MOTION CARRIED**Chairman Dowd

Would you, we could set something up I think the next budget meeting is the 24th of July? But could you set something up with Director Cummings and if he'd like, the Mayor on just the questions that came up this evening relative to an excessive amount or whatever. Yes I had Alderwoman Kelly first, she's jumping out of her chair.

Alderman Kelly

I have a feeling you are going to say what I was going to say. I just wanted to make the note that we have asked in the past what the funds could be used for and I would like for them to come to that meeting with some semblance of things that are coming up and numbers connected to it so we that we can make a decision based on that.

Alderman Clemons

Yes similar to that vein, it might be helpful if we request Jill Stansfield to come as well because I think she can offer some more, on the ground perspective, if you will.

R-19-156

Endorsers: Alderman Richard A. Dowd
 Alderman-at-Large Lori Wilshire
 Alderman-at-Large Michael B. O'Brien, Sr.
 Alderman Linda Harriott-Gathright
 Alderman Patricia Klee
 Alderman-at-Large Brandon Michael Laws
 Alderman Tom Lopez
 Alderwoman Mary Ann Melizzi-Golja
 Alderman Jan Schmidt

RELATIVE TO AUTHORIZING THE TRANSFER OF UP TO \$140,925 FROM FUND #7073 "SCHOOL CAPITAL RESERVE FUND" INTO SCHOOL GRANT ACTIVITY "SCHOOL INFRASTRUCTURE GRANT FUNDS"

MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGEON THE QUESTIONChairman Dowd

Mr. Donovan would you like to come up?

Dan Donovan, Chief Operating Officer School District

Good evening, Dan Donovan Chief Operating Officer for the School District. So to give a little history on this, a year ago the State came up with what they call the Public Infrastructure Fund. You apply for various grants and if the State then grants you the grant then you agree to pay 20% and the State pays 80%. We basically fund the work ourselves and then we apply back for the 80%. So last year we were lucky enough to receive \$365,000 that was the total of all the grants. We used our deferred maintenance funds that we had at the school level, we used those for the 20% and then the State provided the 80%. We completed, I think there were 13 or 14 different projects. So there were more funds made available this year. The total of those funds, the total of the projects that we received were \$469,750.00; so once again we need to come up with our 20%. 20% of that is \$93,950.00 but most of these projects, almost all the projects we've received in this fund are school safety/security related projects. Last year they were mostly cameras and covering blind spots and fixing doors etc. This year, of the grants we put forward were for vestibules at the schools. If you've been to some of the newer schools that we've redone – Broad Street or Sunset, you get in, you have to buzz to get in, you get into the first door, but you're in an enclosed vestibule, you can't just walk into the school. But that only happens at two of our high schools and it happens at maybe 2 or 3 other schools. Most of the other schools, once you're buzzed in, off you go. So most of these projects are vestibule, we plan on putting vestibules in all the schools except for one that we might have a hard time doing that initially. So Mr. Smith, Plant Operations Director, said he probably needs another 10% on top of that \$93,000.00 to handle some engineering, architectural drawings to get this kind of work done. If you think about it, our schools are all different for the most part, there are a few that are alike. So we needed, and the other thing is we wanted to get going this

summer on a lot of these projects. You can't do vestibule projects during school time, it would be quite difficult to do that. So there were no funds available for the 20% so in speaking with CFO Griffin and talking to a couple of other people, the first question "Well are you going to have some excess in your Operating Budget this year". The last four years I think the total of the last four years excess in the Operating Budget was about \$7,000.00 combined. So typically I am very careful and the answer there is usually "No I'm not going to have any". This year I hope to have some, I don't know that answer yet. The summer pay rolls are just coming through for the teachers. The first one of those is tomorrow, I'll have some information there. And over the next few weeks we will be closing the books and I'll get a better sense on what we have. So my latest forecast shows that I'll have some of this \$140,000.00. So the suggestion, the Resolution is to take the money from our School Capital Reserve Fund, use it to get started on thee. Then hopefully if there is some extra funds in our budget and we will know that like I said sometime early August, then work with CFO Griffin etc. to maybe escrow some of that money to be put back into the Capital Reserve Fund so we won't use it. This School Capital Reserve Fund is really the only money we have in case anything, you know there are 17 buildings, roof blows off, all kinds of things can happen. We really just don't have any money. As you know, we are working towards this Middle School Project, which is going to be a significant cost, significant bonding. So that's basically what we would like to do through this resolution.

Chairman Dowd

Just a couple of additional things as I work pretty close with Mr. Smith. The vestibules that we are building are in accordance with guidelines from Homeland Security. You are not going to hear a lot about them, you are not going to hear a lot about how they are constructed for two reasons. But if you go to some of the schools that they've put in, Charlotte Avenue happens to be one of them, you will see that security is significantly enhanced in the school. The other things were the cameras and all of that are also suggestions of Homeland Security.

The other thing I wanted to mention is that we are working with the architects on the Middle School Project and we are touching two existing Middle Schools at least that is Pennichuck and Fairgrounds. Any money spent on security at the front of those buildings, if any of it comes out of this fund, it will not change in the final design, in other words, it won't be wasted. So the part that is strictly the security for the front door part of it would probably be involved with this money but it won't be something that that project in its end design would change. So what I am trying to say is it is not going to waste the money. I'm being very careful about that. But we do need to probably do the security enhancement before we get started on the Middle School Project. That's all being coordinated, and I think that as far as replenishing the fund, I think that is pretty important if they do have money left over. Their budgets are really tight year to year. But if they have money left over this is the only money that they have if they have a real issue. You can list 4 or 5 things it could be not only catastrophic if you will be something that if you want to keep school going you have to get them repaired right now. That is the quickest way is to use that account. So that is a very important account that haws been higher in years past but again with some limited funds coming down from the State these days, it's probably not going to grow for a little while. So I think it is important that it gets replenished if we have that opportunity.

Alderman Clemons

Yeah thank you. No I think this is, I think it's great and I especially like the fact that the State is paying 80% of this. So you know this is, I have had my disagreements in the past with some of the school security things that we've done but this is one of the ones that makes common sense to me. They are doing it in my wife's middle school, they are renovating that and this is one of the things that they are doing there and really it should be something that every school has. It is just common sense and I support it 100%.

Alderwoman Kelly

School safety is important I want to make sure that we get these projects taken care of and I think this makes sense. But I can't leave this alone and I just want to say I feel incredible disappointment as a mom, an elected official and a citizen, that bodies above us have failed to act on the epidemic of school shootings and we have to now take this money and make sure we are making our schools like fortresses.

Chairman Dowd

I think everybody would concur with that. The one thing that concerns me is that I don't want students going to school and fearing while they are in school. I want them to feel as secure as possible and this is no small measure in helping them feel more secure.

Alderman Wilshire

I am just going to echo what you all said. No parent should worry about sending their child to school; no child should fear going to school. So whatever improvements we can make for safety and security, I am 100% behind it.

MOTION CARRIED

NEW BUSINESS – ORDINANCES – None

TABLED IN COMMITTEE

R-18-102

Endorsers: Alderman-at-Large Lori Wilshire
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Richard A. Dowd
Alderman-at-Large Brandon Michael Laws
Alderman Jan Schmidt

APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE NASHUA BOARD OF POLICE COMMISSIONERS AND UFPO LOCAL 645 PROFESSIONAL EMPLOYEES OF THE NASHUA POLICE DEPARTMENT FROM JULY 1, 2018 THROUGH JUNE 30, 2022 AND AUTHORIZING RELATED TRANSFERS

- Tabled 1/17/2019

GENERAL DISCUSSION - None

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN

Chairman Dowd

I hope that everyone has a very enjoyable Fourth of July and have a safe weekend.

Alderman O'Brien

Ditto.

POSSIBLE NON-PUBLIC SESSION - None

ADJOURNMENT

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

The meeting was declared closed at 8:05 p.m.

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