

A special meeting of the Board of Aldermen was held Monday, August 23, 2021, at 7:01 p.m. in the aldermanic chamber as well as via Zoom teleconference.

President Lori Wilshire presided; City Clerk Susan Lovering recorded.

Prayer was offered by Deputy City Clerk Allison Waite; Alderman June M. Caron led in the Pledge to the Flag.

To join by Zoom – please refer to the agenda or the website for the meeting link and telephone number.

Let's start the meeting by taking a roll call attendance. When each member states their presence, please indicate if participating via Zoom state why you are not meeting in person and whether there is anyone in the room with you during this meeting which is required under the Right-To-Know Law.

Deputy City Clerk Waite called the roll and asked them to state the reason he or she could not attend, confirmed that they could hear the proceedings, and stated who was present with him or her.

The roll call was taken with 11 members of the Board of Aldermen present: Alderman Michael B. O'Brien, Sr., Alderman Patricia Klee, Alderman Richard A. Dowd, Alderman June M. Caron, Alderman Benjamin Clemons, Alderman David C. Tencza, Alderwoman Elizabeth Lu, Alderman Jan Schmidt, Alderman Skip Cleaver (Zoom), Alderman Linda Harriott-Gathright, Alderman Lori Wilshire.

Alderwoman Shoshanna Kelly, Alderman Thomas Lopez, Alderman Ernest Jette, and Alderman Brandon Michael Laws were recorded absent.

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

President Wilshire turned the meeting over to Alderman Richard A. Dowd.

Chairman Dowd

This evening we have three public hearings on three pieces of legislation that will also be coming before the Budget Committee later this evening.

PUBLIC HEARINGS

R-21-158

ESTABLISHING AN EXPENDABLE TRUST FUND FOR RECREATION FACILITIES FOR EAST SIDE OF NASHUA, FUNDED BY APPROPRIATIONS, AND MAKING A SUPPLEMENTAL APPROPRIATION OF \$750,000 INTO THE EXPENDABLE TRUST FUND

Chairman Dowd

Is there anyone here that's going to explain this?

Tim Cummings, Economic Development Director

Yes Mr. Chair. Tim Cummings. I'm participating via Zoom. If I may?

Chairman Dowd

Go ahead.

Tim Cummings, Economic Development Director

Thank you Mr. Chair. Again, Tim Cummings, Director of Economic Development. The legislation before you R-21-158 is a piece of legislation that had come about due to the most recent sale of what has been traditionally known as the "Renaissance Project". This is the Phase II which was about \$1 million to the city. Of that \$1 million, we are seeking to put \$750,000 into an account that will be used for recreational purposes. We don't have a project in hand as of right now. We are looking to set aside that money so it's clearly identifiable so both the residents in and around that area of the city and other (audio lost). Thank you. I'm not sure if you heard my explanation. I was just about wrapping up. Should I start over?

Chairman Dowd

We heard most of it. Just the end part.

Tim Cummings, Economic Development Director

The \$750,000 would be set aside for a recreational project that we don't identified as of yet. This was an original tenant or promise that we made as I understand it when we first endeavored to redevelop that land which was a decision made I would say about 10 or 15 years ago and we're just trying to fulfill the original obligation. That is the genesis behind that piece of legislation.

Chairman Dowd

Okay. Are there any questions from any of the aldermen on this legislation?

Alderman Tencza

Director Cummings can you tell us was this – or remind us – was this a requirement of the sale or is this something that was just the city decided that it would do to supplement the fields that weren't able to be developed over at that project?

Tim Cummings, Economic Development Director

It became a requirement. I would not suggest it was in the original legislation for the master development agreement. We've amended that document quite a few times. One of the last times we amended it, we amended it so that our recreational field – something for like soccer or something like that wouldn't necessarily need to be placed on site but within the area so it could be used. So it's just staying true to that original amendment.

Alderman Lu

Thank you. This \$1 million was from the sale of did you say the Sanders Street?

Tim Cummings, Economic Development Director

I did not say Sanders Street. What I said was Renaissance.

Alderman Lu

Oh, the last parcel. I just wondered because did the developer pay extra for that to include \$770,000 toward the recreational facilities? I came on the Board after a lot of this had happened. But looking back on it, I noted that that was at some point the intention. In the end, did they pay above market value for that parcel or is that \$1 million fair market value and we as the city is putting \$750,000 toward the recreation fields? Which of those two is it?

Tim Cummings, Economic Development Director

I'm not sure I understand the question.

Alderwoman Lu

All right. I'll rephrase if I could.

Chairman Dowd

Yes go ahead.

Alderwoman Lu

Was my understanding that at some point in the intention of the master development agreement that the Renaissance development group – I know it's not called that – were agreed to contribute toward the recreational facility. Have I got that right?

Tim Cummings, Economic Development Director

I believe they were supposed to provide one on site.

Alderwoman Lu

Did we waive that at any point or did that remain part of the agreement?

Tim Cummings, Economic Development Director

We gave them the ability to develop the land without having to provide that on site with the understanding that the monies that came from the purchase would be used towards a recreational purpose.

Alderwoman Lu

Okay. So this is essentially what we had planned?

Tim Cummings, Economic Development Director

Yes. Correct.

Alderwoman Lu

Thank you.

Chairman Dowd

Any other questions?

TESTIMONY IN FAVOR- None

TESTIMONY IN OPPOSITION

Fred Teeboom

First of all, I sent the Budget Committee a letter that you should have on your desks or in an e-mail that points out that there is now a spending cap in place. (no audio)

Chairman Dowd

You're on mute.

Fred Teeboom

It would be nice to point this out during the questioning period. Second of all, it seems to me that the public should comment before the Aldermen comment. Anyway, you got my memorandum on this and the spending cap is in place so the ordinances that apply to the spending cap to the extent that they don't violate or they conform with State law requires you to meet NRO 5-145 E. Any supplemental appropriation needs to state in the Resolution the amount that is under the cap or over the cap. I did not see any amount in this Resolution stating the amount under the cap and over the cap. That's got to be fixed before you can pass it onto the full Board.

The second comment is there's a \$750,000 that should go to surplus. I don't understand why there's this need to spend this money that hasn't even gotten a purpose yet. This should be transferred to the fund balance and be used to offset the taxes which are now 3 ½ percent larger this year. So this should NOT be appropriated. This \$750,000 should lapse into fund balance. Thank you.

Chairman Dowd

Anyone else who would like to give testimony in opposition? Seeing and hearing no one.

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

Chairman Dowd

I will close the public hearing on Resolution R-21-158. We'll be addressing this further in the budget meeting.

Alderman O'Brien

A 7:15 p.m.

R-21-160

**RELATIVE TO THE SUPPLEMENTAL APPROPRIATION OF \$250,000 INTO EXPENDABLE TRUST
FUND ESTABLISHED FOR THE BUSINESS AND INDUSTRIAL DEVELOPMENT AUTHORITY**

Chairman Dowd

Mr. Cummings.

Tim Cummings, Economic Development Director

Yes thank you Mr. Chair. Tim Cummings, Director of Economic Development. The legislation before you essentially seeds an account that would be used by the Business Industrial Authority over the coming years for future projects. (no audio)

Mr. Chair I'm getting reports everyone on line can hear me.

Chairman Dowd

Okay now we can hear you again.

Tim Cummings, Economic Development Director

(no audio)...is a portion of the million dollars that came in from the sale that recently occurred. This is something that I think would be very good for Nashua because it would allow us to work on additional projects with our BIDA that we have in place.

Chairman Dowd

Again are there any questions from the Aldermen to Director Cummings?

Alderwoman Lu

Thank you. Director Cummings what projects do you have in place? I know that you've met twice this year but I don't know if you're meeting. What projects are being developed? Is it possible to know that?

Tim Cummings, Economic Development Director

(no audio) is their priority to develop future projects.

Chairman Dowd

Does that answer your question?

Alderwoman Lu

I think so. Yes thank you.

Chairman Dowd

Any other aldermen? There is no one in the chamber for public comment so I'll open up to the people on Zoom.

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION

Fred Teeboom

I'm in opposition for the same purpose and the same reason before. Again, this is a supplemental appropriation. This has to meet the requirements of NRO 5-145 because you're doing a supplemental appropriation and you're subject to the ordinances related to REPORTING of (no audio) none of which is stated in this Resolution.

Second of all, the \$250,000 which has no purpose yet just like the \$750,000. The spending craze just continues on this Board of Aldermen if you pass this. This should go to fund balance and part of it should be used to offset taxes which is going to be over 3 ½ percent this year. You're putting this into projects that have even no project. This is insane. It's ridiculous. It's unacceptable. Thank you.

Chairman Dowd

Thank you Mr. Teeboom.

TESTIMONY IN FAVOR – None.

TESTIMONY IN OPPOSITION - NoneChairman Dowd

I'll close the public hearing on Resolution R-21-160.

Alderman O'Brien

Hearing closed at 7:20 p.m.

R-21-162**RELATIVE TO THE RE-APPROPRIATION OF FISCAL YEAR FY2022 ESCROWS**Chairman Dowd

Mr. Griffin

John Griffin, CFO

Thank you Mr. Chairman and members of the Committee. John Griffin, CFO. This particular piece of legislation historically was not a supplemental appropriation but our legal team, finance team felt it worthy of one re-appropriates prior year escrows for a different purpose a supplemental appropriation is warranted. As you can see from the legislation, the Mayor proposed approximately \$5.3 million of unexpended appropriations into various items. As the Mayor indicated during the budget process, there really wasn't enough room to properly fund CERF – our Capital Equipment Reserve Fund. Fortunate that due to maybe a light winter or a few other things coming into our hands, we can put \$3 million in CERF coupled with the million dollar balance we're projecting, we should be able to end Fiscal 2023 fund the very important pieces of equipment and other things that are funded by CERF.

The remaining funds as we'll see during the Budget Committee for other one-time purposes to include sharing of matches with American Rescue Plan projects as well as other expendable trust fund deposits that we know to include the Police Department, overtime, etc. Those funds are broken down into the operating budgets where the appropriations were not spent and what's referred to as "other or multiple departments" where unlike escrows we're able to fund these projects.

The Mayor also requested that I send to you the like for like escrows that the Mayor is able to appropriate. We appropriated about \$5.2 million of like for likes. Mainly about half of it is to fund capital projects that are ongoing – very important to the city and the other due to the pandemic there was programming, projects, and other initiatives that were not able to be executed during the last year and half. So those have been appropriated and the sum total of the appropriations is about \$4.95 million. We'll definitely get into it during the budget review but the first thing the Mayor does is he asks me what is our expected revenues that exceed budget. That number is about \$5.8 to \$6 million. So we will be able to buy down the tax rate as we normally do every year the first meeting in September. There could be other appropriations not spent as we clear up all the books and make the final journal entries but I'm in complete support of this proposal having vetted all the projects with the team of directors and other contributors along with the Mayor. So thank you.

Chairman Dowd

Thank you Mr. Griffin. Any questions from the Aldermen although we'll be getting this in more detail on the budget meeting. Do you have a general question relative to the ordinance?

Alderwoman Lu

Thank you. I just wanted to – if you could just go over for me once more. Did you say there's \$5.8 million

revenue expected above the budgeted revenue for 2021?

John Griffin, CFO

John Griffin, CFO. That's correct Alderwoman Lu. Predominantly our strategy has been to be very conservative in our estimate of motor vehicle revenues and once again we were able to have a healthy surplus over budgeted revenue which is called out in our most recent Standard and Poors rating which we're very proud of. So that's a large part of it and then there's other revenues that contribute up to the \$5.8 million. Thank you.

Alderwoman Lu

Could I just ask a follow up?

Chairman Dowd

Follow up.

Alderwoman Lu

And I'm just trying to understand this process better. So with the escrows, those are appropriations that came in below our projections – expenses that came in below, right?

John Griffin, CFO

That's correct. So we look at the anticipated appropriations not spent in every department. We determine whether they're worthy on a like for like basis to move forward. Some don't move forward and others do. Then the difference to fund all these other projects that were not included in the original Fiscal 2021 budget, we were able to fund these with a re-appropriation approval of the Board of Aldermen. The direct answer is these are appropriations that have not been spent. So they were budgeted amounts – haven't been spent.

Alderwoman Lu

Okay. Thank you.

Chairman Dowd

All set?

Alderwoman Lu

Yes I am thank you.

Chairman Dowd

All right thank you. Any other questions? All right.

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION

Fred Teeboom

I have a question. Is this surplus money?

John Griffin, CFO

John Griffin, CFO. To the extent the appropriations have not been spent, they would be considered surplus if they're not redirected to fund other important activities in the city. Thank you.

Chairman Dowd

Does that answer your question Mr. Teeboom?

Fred Teeboom

I didn't hear the answer. Could you repeat? A simple yes or no. Is this surplus money?

John Griffin, CFO

This is surplus appropriations.

Fred Teeboom

Exactly. Exactly. This money should go directly to fund balance and part of it used to a rainy day money when you really need it, and part of it to offset the taxes because they're going to be over 3 ½ percent this year. Now the capital spending is totally out of control with this thing. In the back of this Resolution, I'm holding it up, you have it on your desks, and you should have it at home, is a table that's almost illegible. The font is .2 font. I'm not going to spend my 3 minutes trying to analyze this list. Just to give you an idea of the stupidity in this spending. To fund a disc golf, I have no idea what that is, for \$30,000; to fund the cost of the School Department legal matter which is the school plenty of money to take care of their legal problems - \$200,000; to fund the cost for cell phone stipends for employees - \$7,000; to fund the 2022 Your Voice, Your Choice – I have no idea what it is - \$50,000; and the Elm Street Middle School which I thought with plenty of bonding over \$100 million if I remember right through the school – yet here's another \$75,000 to do more studies. This is a complete waste. This and the other million dollars adds to \$6.2 million should all be placed in the fund balance. I sent you an e-mail on this question. If this is appropriated...

Alderman O'Brien

Thirty seconds.

Fred Teeboom

...serious, serious problems. As far as this 3 minutes, I don't think it's legal to contain public comments to 3 minute limit - the clerk and that's another problem. The big problem is it is between these two resolutions subject to this public hearing and that's why there's a public hearing for the public to say we don't want you to start misspending this kind of money. We talked about \$6.2 million.

Alderman O'Brien

Time Mr. Teeboom.

Fred Teeboom

Apply this not defined, not allocated, and stupidity like (no audio)

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION

Laurie Ortolano

Laurie Ortolano – 41 Berkeley Street. Thank you. I just want to piggyback off of what Fred Teeboom has said and there’s not many public people out here. It’s been something that has (no audio)...I’m just pointing out that Fred Teeboom made a comment about this money that surplus that seems to be divvied up and distributed among a lot of pretty high cost projects. I don’t understand in this city why money isn’t returned back to the taxpayers or put into a rainy day fund and looked at differently on distribution. You know we end up with – we have a tax increase. I think we understand what’s coming next year with the re-evaluation and redistribution between commercial and residential properties. I don’t understand it. I know I came from a small town that was only 7 – 8,000 but there was so much attention put into returning money to the taxpayer and in the city it seems about we always have a new project we get to look at to go spend it. I don’t understand it. I wish there were more people out here to talk to it frankly but there aren’t. I think you as a group should be doing a better job about looking at how you distribute this money versus what you put back and give back to the taxpayers. Thank you.

Chairman Dowd

Is there anyone else that wants to speak in opposition? Seeing and hearing no one. We’ll close the public hearing on R-21-162 at 7:35 p.m.

ADJOURNMENT

MOTION BY ALDERWOMAN O’BRIEN THAT THE AUGUST 23, 2021, SPECIAL MEETING OF THE SPECIAL BOARD OF ALDERMEN BE ADJOURNED, BY ROLL CALL

A viva voce roll call was taken to adjourn the Board of Aldermen meeting which resulted as follows:

Yea: Alderman O’Brien, Alderman Klee, Alderman Dowd, Alderman Caron, Alderman Clemons, Alderman Tencza, Alderwoman Lu, Alderman Schmidt, Alderman Cleaver, Alderman Harriott-Gathright, Alderman Wilshire	11
Nay:	0

MOTION CARRIED

The meeting was declared adjourned at 7:36 p.m.

Attest: Michael B. O’Brien, Acting Clerk

Fred S. Teeboom
24 Cheyenne Drive
Nashua, NH 03063
(603) 889-2316
fredtee@comcast.net

August 23, 2021

Nashua Budget Review Committee

Copy: Mayor Donchess
Nashua Board of Aldermen
CFO John Griffin
Accounts Manager Rosemary Evans
City Attorney Steve Bolton

Subject: The Cap is Back—Financial Compliance

All:

Effective 20 August, with the adoption of SB52, the Nashua Spending Cap (Nashua Charter 56-c) is fully operative. This means all Nashua city charter and ordinance provisions consistent with the New Hampshire tax/spending cap laws are again in effect.

In particular, Nashua NRO Article XXVIII **Municipal Budget Control** par. 5-145, E states,

“Resolutions to adopt the annual budget, and resolutions to supplement the budget, shall state the accumulated sum of all appropriations of the combined annual municipal budget and also state the dollar amount under or above the limit established by City Charter Section 56-c. If the dollar amount is above the allowed limit, requiring an exemption under City Charter Section 56-d, the maximum dollar amount eligible for exemption under City Charter Section 56-d shall also be stated.”

Several resolutions to amend the adopted FY22 city budget have been referred to the Budget Review Committee:

- R-21-159 is a transfer of **\$77.4 million** from the FY22 appropriated General Fund to a newly established non-lapsing fund, and reduces the General Fund by an equal amount.
- R-21-158 is a supplemental appropriation of **\$750,000** into a newly established non-lapsing Trust Fund.
- R-21-160 is a supplemental appropriation of **\$250,000** into a newly established non-lapsing Trust Fund.

These resolutions need to comply with NRO 5-145, E for purpose of keeping track of the dollar amounts that are appropriated above or below the spending cap of Nashua Charter 56-c.

I expect the Budget Review Committee will instruct the city's financial department to provide the requisite calculations so these resolutions can be amended in compliance with NRO 5-145, E.



Fred S. Teeboom