

## BUDGET REVIEW COMMITTEE

AUGUST 23, 2021

A meeting of the Budget Review Committee was held Monday, August 23, 2021, at 7:35 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:       Richard A. Dowd, Chairman  
Alderman-at-Large Ben Clemons, Vice Chair  
Alderman-at-Large Lori Wilshire  
Alderman-at-Large Michael B. O'Brien  
Alderman Jan Schmidt

Members not in Attendance:       Alderman-at-Large Shoshanna Kelly  
Alderman Ernest Jette

Also in Attendance:               Alderman Skip Cleaver  
Alderman Elizabeth Lu  
Alderman Linda Harriott-Gathright  
Alderman Patricia Klee  
Mayor Jim Donchess  
CFO John Griffin  
Steve Bolton, Corporation Counsel

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### ROLL CALL

### PUBLIC COMMENT

#### Fred Teeboom

First of all I have commented in the public hearing about these two surplus resolution of \$5.2 million of frivolous spending that should not be allocated to new spending of the most frivolous nature. Also there are two supplemental appropriations that add to a million dollars. The total of these add to \$6.2 million which should go to fund balance to offset taxes.

I sent the Committee a memorandum (no audio)...I was talking about the surplus of \$5.2 million. I talked about the \$1 million supplemental appropriations all of which would go to fund balance. Then there's the matter of \$77.4 million in grant money that got kicked around. It got added to the budget I think it was August 3<sup>rd</sup> thereabout and the budget got adopted. Now there's a resolution to transfer this to a non-lapsing account. That's fine. You can transfer that around because you already adopted it.

The spending cap requires you to keep track of these things. You are reducing the general fund by \$77.4 million for this resolution because you're transferring the money out of there into another account – a non-lapsing account. The only way to reasonably keep track of the spending cap using NRO 5-145 E. I mentioned this before. Write it down. It requires you to list the amount of money above the spending cap or below the spending cap. So the problem is not the Aldermen. Hopefully the Aldermen keep track of it and the public ought to keep track of it as well and I keep track of these things.

Finally I want to talk about this holiday. I'm not going to comment on the wisdom of having another holiday and talk about Martin Luther King Day.

#### Alderman O'Brien

Thirty seconds.

#### Fred Teeboom

But it says \$45,000 is the impact. The city's payable is \$149 million. Certainly if you let the entire city off for one

day, my estimate is close to half a million. Now this Ordinance does not state the amount impact for affiliated personnel – union personnel.

Chairman Dowd

Time's up Mr. Teeboom.

Fred Teeboom

That should be stated before you approve this Ordinance, you've got to get the financial act together. This is the Budget Committee. You've got to get the budget stuff together before you pass this to the full Board and the affiliated costs about a half a million bucks for this one day is missing in the analysis. Thank you.

Chairman Dowd

Anyone else that would like to be heard in public comment?

Laurie Ortolano

Laurie Ortolano, 41 Berkeley Street. As far as your agenda with the addition of the new holiday, I understand the importance of the holiday. I'm not belittling it whatsoever but it is a significant monetary cost to continue – to add the day. You know it seems like we should look at other ways to make reductions if we're going to fund this holiday and add it into a day off for everyone in the city. It's just a very expensive thing to ask the taxpayers to fund.

The other issue is if this NRO that Fred points out which I was not familiar with 545 E if I have the number correct because I'm going to look it up requires us to maintain a list and under the spending cap I hope we have that list available and you're looking at it. I do think that a lot of this money that gets moved around should be returned to the taxpayers to keep the impact on the tax rate as low as possible. Like I said before I think at the other hearing, we just seem to be able to allocate all of this additional money to projects that you feel are important but I rarely hear the Budget Committee or the Aldermen as a group looking to say I don't know how often I've heard you say let's bring this money back and put it in the taxpayers pocket. It's just something I don't hear spoken often and I think you need to do it a bit more. Thanks.

Chairman Dowd

Anyone else who would like to be heard in public comment? Seeing and hearing no, I'll close public comment.

COMMUNICATIONS

Chairman Dowd

I'd like to waive the rules to allow for a piece of communication that was received after the agenda was prepared.

From: Fred S. Teeboom  
Re: The Cap is Back – Financial Compliance

Without objection, Chairman Dowd accepted and placed the communication on file.

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS

**R-21-158**

Endorsers: Mayor Jim Donchess  
Alderman Jan Schmidt  
Alderman-at-Large David C. Tencza  
Alderman June M. Caron  
Alderman Skip Cleaver  
Alderman-at-Large Lori Wilshire

**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**

**MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Alderman Schmidt

Thank you. The Business and Industrial Development Authority has been working on Renaissance for 12 years or something like that. It has changed a great deal over time. Thank goodness because a piece of land that we thought was going to be available is not available. The piece of land that we were hoping to use for recreation is going for the second build on the Renaissance. So we need a place and we need to put aside some money for this for the east side of Nashua, for the kids, and the adults to actually use the outdoors and this would be a great addition over there. Thank you.

Alderwoman Lu

Do we have any perspective place for this development?

Mayor Donchess

Director Cummings is here too. (inaudible) there is a State (no audio) I'm sure you know lacks park space. There's one little kind of pocket park but really for that neighborhood no very satisfactory park or open space. So that's one possibility. Certainly there are others probably more expensive involving the acquisition of land but those are some of the ideas that have been discussed.

Alderwoman Lu

Thank you.

Chairman Dowd

Anything additional Director Cummings or?

Tim Cummings, Director of Economic Development

No Mr. Chair. That's everything I would say.

Chairman Dowd

As I understand it since they are not developing a park or field on their property, that if we as a city look to develop a park down the stream, we will have this money set aside to fund it otherwise we'll have to come up with the funding somewhere else. As was stated by the Mayor, this portion of the town has very little in the way of recreational facilities (no audio)...athletic field, or park.

Mayor Donchess

Yes Mr. Chair.

Alderwoman Lu

I don't understand how a trust fund differs from – is this lapsing? A trust fund does not lapse, correct?

Chairman Dowd

Are you talking about the money that...

Mayor Donchess

Correct. That's correct.

Alderman Lu

Okay. I just wondered is there a benefit to this rather than keeping it in contingency?

Mayor Donchess

Well contingency does lapse.

Chairman Dowd

Right.

Alderman Lu

Oh I see.

Mayor Donchess

That's part of the operating budget and unexpended money just goes to surplus at the end of the year.

Alderman Lu

Right. Okay. Thank you.

Chairman Dowd

Any other questions? Seeing no other questions.

**MOTION CARRIED**

**R-21-159**

Endorsers: Mayor Jim Donchess  
Alderman Patricia Klee  
Alderman Richard A. Dowd  
Alderman Thomas Lopez

**RELATIVE TO THE TRANSFER OF THE FY2022 ORIGINAL ADOPTED BUDGET CONTINGENCY FOR GRANTS  
AND CORRESPONDING OFFSETTING REVENUE INTO A NON LAPSING GRANT FUND  
MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Chairman Dowd

Is there anyone who would like to speak to that again just to clarify for people?

John Griffin, CFO

Certainly Mr. Chairman. John Griffin, CFO. As you may recall on July 1<sup>st</sup> this Board appropriated the \$77 million of anticipated grants into a few accounts in the general fund. I mentioned at that time a little bit clunky how that works because grants generally they don't lapse. They're for a specific purpose. They are provided to us by the State and federal governments. So in working with the Legal Department, we recommend the transfer not the reduction of the overall appropriations that you have made. The transfer is to non-lapsing accounts.

The benefit here is just like the Human Affairs Committee of this city, when you review the grants there will be grants coming before you for the stated purpose along with the appropriation that we will keep track of through this process. SO this would be a good way to move the funds from a lapsing situation into the non-lapsing. Thank you.

Chairman Dowd

Are there any questions?

Alderman Klee

Thank you Mr. Chair. It's not so much a question. I guess it's a question of comment. Just so that (no audio) or our matching portion of those funds and when those grants actually do come in. Do I have that correct?

John Griffin, CFO

That's correct. If we kept it where it is, the appropriations would lapse so the beauty of this transfer is you will be able to use these funds when they come in. You'll accept and appropriate and you can use them at the appropriate time for your projects.

Alderman Klee

Thank you. Again just want to make a comment on that. Four years ago we were approved for the grant. We're finally being able to kick it off this fall and I know it's going to go well over a year into another fiscal year so I do appreciate this. Thank you.

Chairman Dowd

Any other questions?

Alderwoman Lu

Thank you. Do we receive – let's see, I'm sorry – where would we find an annual report of this type of an account of the balances?

John Griffin, CFO

There's balances that are tracked (no audio) when we get the money in. When you folks appropriate the money (no audio)

Alderwoman Lu

Is it (no audio) annually?

John Griffin, CFO

We're working on it. (no audio) but not only the (no audio) capital projects funded by debt or a whole host of things to complement the (no audio)

Alderwoman Lu

...this committee discussed a moment ago. (no audio)... I guess.

John Griffin, CFO

If I may Mr. Chairman.

Chairman Dowd

Yes go ahead.

John Griffin, CFO

The expendable trust funds are included in the budget book annually. If you recall, not only are the balances included but at a certain point in time, let's say March 31<sup>st</sup>, but also the description of the purpose of the expendable trust fund as

well as the agent to expend which is a big thing whether it's an office or the city like the Mayor or the Board of Aldermen. Alderman Dowd he plans on visiting me at some point to review a lot of the expendable trust funds that have been created. It literally fills up a page. So those are the balances for the expendable trust funds.

So for example when the 750 goes into the expendable trust fund that you recommend for final passage, that balance is going to be there shown annually. Any expenses out of it will reduce the balance but it will gain some interest although small, it will build up a balance with interest as well. Those particular expendable trust funds are funded by appropriations. There's other expendable trust funds funded by donations. We have less of those but they serve a very good purpose because they were created by the Board of Aldermen over the last several decades. We have those reports and we can share.

Chairman Dowd

Also something spent out of expendable trust does it not have to come back before the Board of Aldermen for a final expenditure?

John Griffin, CFO

Mr. Chairman the critical component of when you approve (no audio) and then I would approve that. That doesn't have to come back to you folks.

Chairman Dowd

Any other questions? (no audio)

**MOTION CARRIED**

**R-21-160**

Endorsers: Mayor Jim Donchess  
Alderman Jan Schmidt  
Alderman Skip Cleaver

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

**MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE**

(no audio)

**MOTION CARRIED**

**R-21-162**

Endorsers: Mayor Jim Donchess  
Alderman Richard A. Dowd

**RELATIVE TO THE RE-APPROPRIATION OF FISCAL YEAR FY2022 ESCROWS**

**MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Chairman Dowd

Is there anyone that would like to speak to it?

Mayor Donchess

Mr. Chair I could give you an overview. May I?

Chairman Dowd

Yes go ahead.

Mayor Donchess

Well first of all before I get into the specific escrows, I should say at the beginning just to address some of the comments made during public comment. What you don't see here is that the tax rate projections that we are doing assume that you eventually approve a \$4 million transfer into tax relief which is something we do every year. So there's \$4 million. That will come in a separate resolution. There's no proposal to appropriate that \$4 million or otherwise spend it other than for tax relief.

Now looking at these escrows, there are probably 80 percent plus are in some fairly – of the money that's allocated here within the escrows are within several categories. First CERF. That's the Capital and Equipment Reserve Fund. Now we budgeted – what that is is money to replace equipment which needs to be replaced and is wearing out. We budgeted nothing – zero – for equipment or capital equipment reserve fund in the annual budget that we passed a month or so ago. This is a practice that we have adopted over the last few years. We use surplus that we generate through unexpended appropriations and through surplus revenue to fund CERF. So \$3 million here of the 5.2 you see on lines 20 and 21 goes to capital equipment reserve fund. In other words, the purchase of equipment – police cars, garbage trucks, and other pieces of equipment that need to be replaced and which appear on the capital equipment reserve fund schedule which was passed by you as part of the budget. So over half of it goes to that purpose.

Then we have one category that helps us increase revenue. This specifically would be for the Jackson Falls Dam and there is a line 23 there's \$100,000 to do the interconnection between the dam and the electric system. This is something that Eversource is requiring if we want to make revenue out of that dam and therefore this will bring in – if we didn't do this, we would lose a lot more revenue than \$100,000. There are a whole group of these that match federal and State grants. Several of these items match those grants and will get us a payback of 4 or 5 times depending on the type of the grant. There is one that is line I think 26 to fund the cost of the matching funds for the Locke Street grant. That's for expanding sidewalks on Locke Street. (no audio) French Hill make the school much more pedestrian (no audio) \$100,000 for a hydroelectric fish ladder grant. Now this is something that the federal delegation is trying to pass through Congress. The grant is for approximately \$1 million. The fish ladder is something that we are under pressure to build (no audio) \$40,000 to match another potential federal grant that the congressional delegation specifically Senator Shaheen and Congressman Kuster are seeking to help pay for the upgrade of the rail trail east walking path. That, again, would be in the vicinity of \$1 million and this would provide the match money for that if we are successful.

Now in terms of those federal grants that seem like they may come through but may not, if they don't this money just lapses to the surplus next year. It won't be spent for anything else unless you were to approve a different approach. So we've looked at CERF capital equipment replacing equipment – the \$3 million. We've talked about the \$100,000 which is going to enable us to generate revenue off the hydroelectric dam. We've talked about some of the grant matches that you see in here. There are also some safety items. There's \$130,000 for the replacement of the garage doors at the barn or the Public Works garage – that's line 4 or 5 if you look carefully. Public Works believes that is a danger to the employees. This garage is 40 plus years old – 45 years old and the garage doors which are very heavy are wearing out and they're afraid that sometime one or more of them will fall and hit someone. So they really want to replace those.

There's another safety item which has to do with the wiring of the traffic boxes – the fiber. That would make sure that those operate correctly which they're not doing now. So that's another category. Then there's vital needed really almost urgent repair category and that one would include line 11 I believe – \$150,000 for the roof at the stone house in Greeley Park. Now that is wearing out, close to failure. It should have been done probably a long time ago but those, again, are funds that Public Works did not expend this year and they want to direct those into making sure that the roof at the stone house doesn't collapse, or fall in, or fail in some other way.

So when you take those categories all together – the Capital Equipment Reserve Fund, in other words equipment purchase that we need to do every year, the revenue creation line for the dam, all of these grant matching both State and federal, when you take the safety related improvements and when you include them, the infrastructure improvement of the roof out at Greeley Park, that takes up 80 percent or more of the money. There's one more thing I wanted to mention, there is \$100,000 for police overtime which goes into another expendable trust fund so that if there is any significant big crime or anything like that, murder where sometimes an extraordinary amount of overtime is required, there is a reserve account that enables the Police Department – I think with CFO Griffin's approval to have the available funds to pursue that kind of an investigation. So when you take all those things together, I mean yes there other smaller items but those account for 80 percent or more of the money. There are other items which either I, or Mr. Cummings, or Ms. Kleiner depending on what the question is could address but I think that gives you an overview of the major categories and the major items within the list that you see here.

Chairman Dowd

Thank you Mayor. Any questions?

Alderman Clemons

Thank you. Not really a question just a comment. I always say when the escrow process comes around this is just smart budgeting. This is money we've already taken from the taxpayer so its money that we've already collected and we're redistributing it to projects that we couldn't do for the prior year with money that we saved you from the prior year for other things that we did do. When they say that this city is well run, that's a good example of it. We wouldn't have these savings if the city was mismanaged to be able to do these things. I think this is smart budgeting and I certainly support it.

Chairman Dowd

Any other comments?

Mayor Donchess

To second Alderman Clemons, we did just have our AAA bond rating reaffirmed by Standard and Poors and they cited strong management practices for which I give CFO Griffin a lot of credit. That was part of the report. So I think we are on strong financial ground both in terms of overall approach and in seeking these escrows.

Chairman Dowd

Any other comments? I will say by the way we did have a major crime recently in the city and they'll need that \$100,000 sooner than later. If there are no other questions relative to R-21-162...

Alderman Lu

I have a few questions. May I?

Chairman Dowd

Sure.

Alderman Lu

Thank you. Just a couple of questions really. I thought that – why are we earmarking money for disc golf at this point? I know that it was presented and it was decided against so I don't – but, let me just say how did we save \$662,000 in salaries and wages last year? I had a hard time understanding. I know that we did lose a couple of division heads – department heads. I'm assuming that that was conserved of estimating that resulted in that much savings and wages. Am I correct?

John Griffin, CFO

I could at least take a shot at the Department of Public Works group. We budget fairly effectively for snow storms in the city which is something that's rarely done especially in Massachusetts. Snow and ice is usually to the tax bill the next year. So whenever you see a proposed escrow for a different purpose in the top part of this group, they're using salaries and wages that they did not have to spend on snow cleanup.

Alderman Lu

Okay. All right.

John Griffin, CFO

The other thing, the School District for example had some savings in salaries and wages. So they returned a rather healthy surplus to the city. As you can see, the first line of the unlikes in the second half of the schedule (no audio) return a sizable amount to the city for surplus.

Chairman Dowd



Follow up question?

Alderman Lu

Yes I do. Yeah I have about four questions. Would that be okay?

Chairman Dowd

Go ahead.

Alderman Lu

Line number 26 shows from department hydrants. I just wondered is that the Street Department or the Wastewater (no audio)?

John Griffin, CFO

So I can answer that Mr. Chairman. They hydrants is the annual bill to Pennichuck Water Works for the hydrant services.

Alderman Lu

What department is that paid out of?

Mayor Donchess

It has its own budget, doesn't it?

John Griffin, CFO

Yes it does. This is a budget that's grouped in with street lighting.

Alderman Lu

Okay. Oh yeah.

John Griffin, CFO

Generally speaking, we try to be once again conservative on the estimate and to have I believe the number is almost \$3 million for hydrants so coming in at \$90,000 savings, appropriations not spent is pretty close. Then we take advantage of that to apply it for something on line 26 that we would like to fund.

Alderman Lu

Okay. Just a couple of other questions. I asked this last year and I don't remember how do we get a surplus in debt service? Is that just (no audio)?

John Griffin, CFO

We try to take (no audio) which it usually does saves interest costs or defers some bonding. We generally get surplus. I guess in summary, it's not an exact science and since I've been here for 11 years we've never had to come back to the Board to ask for more debt service. So (inaudible) use strategically embed an estimated cost. See Treasurer Fredette's semi-annual presentations. He always overestimates the interest amount and traditionally comes in well under that.

Alderman Lu

The reason I ask is I thought I remembered asking Treasurer Fredette at one point whether we ever defer payments and he said every payment includes principle and interest. But that's all right. I'll accept it as a conservative estimate.

John Griffin, CFO

Yeah that's a great – one point of clarification is the first payment of any debt that's sold is generally interest only. So a lot of the debt service that you see when you analyze the budget book - the details in the budget book for those (inaudible) you're going to see an interest only and then principle will start to be paid.

Alderwoman Lu

Okay but sometimes we defer interest?

John Griffin, CFO

We defer principle but not the interest. The very first – the bonds we're selling tomorrow, next year the principle doesn't kick in until Fiscal 2023 the payments. There is a first interest payment but it's rather detailed.

Alderwoman Lu

All right thank you.

John Griffin, CFO

You can save debt service in a budget if the interest rate for the sale is less than what you've projected.

Alderwoman Lu

Okay thank you. On line number 1 the transfer from school to IT – and I'm talking about the unlike request the Board of Aldermen approved to fund a budgeting and planning software. Don't we have that already? It seems to me we have (no audio) interware, MHC, Citrix, SHI, Syntex, Alpine, Nitro, Infor, Admins.

Mayor Donchess

Is Ms. Kleiner in?

Alderwoman Lu

I thought we had a budget in planning software.

Mayor Donchess

Is Ms. Kleiner or Mr. Miseirvitch here? I was thinking they were going to be on. They can explain...

Alderman Klee

Ms. Kleiner is on. I think she's trying to be recognized.

Mayor Donchess

Maybe she has to be opened up.

Chairman Dowd

Ms. Kleiner.

Kim Kleiner, Administrative Services Director

Good evening. The software that you see there located in that line is an additional software that would be purchased to assist with the budgeting and planning. It's through the office of the CFO. It's in the IT budget as we often are the implementers of the software and we are working with the office of the CFO both here and Mr. Donovan at the schools.

Alderwoman Lu

I'm sorry. I thought I heard you say that it was in the budget but this is an escrow process so that would not be in the budget. Is that correct?

Kim Kleiner, Administrative Services Director

I may have been misunderstood. It's not that it is in the budget, it's an additional budgeting and planning software tool.

Alderman Lu

Is this just something that is going to compliment what we use now? Just trying to look for money we can save.

John Griffin, CFO

Mr. Chairman if I may.

Chairman Dowd

Mr. Griffin.

John Griffin, CFO

Maybe you recall but I'll refresh everybody's memory. Last year we put a like amount in to fund budgeting and planning software especially for the School District which literally was relying on spreadsheets, and access databases, and so forth, and so on. We invested in a what I call a "proof of concept" where we contracted with Workday Adaptive. Workdays is a large ERP player. Adaptive actually was a standalone budgeting and forecasting company with 3 to 500 clients. We don't have budgeting and planning software. Most of the analysis that the School District does and what I do is Excel spreadsheets.

The proof of concept was we developed a situation where we could take our Infor Lawson data that you review and move it into Workday Adaptive to provide the basis of forecasting, planning, etc. The success we had was under the direction of Dan Donovan and Mr. Danielson. They're actually going to be able to produce their budget this coming year. Based on that proof of concept, these funds are to program the city side of data to put into the budgeting and planning and it's a budgeting and planning piece of software that can use what they call Office Connect – the suite of Microsoft Office such as PowerPoint, presentation type material that will provide a situation where we can rely more on analysis of budgeting and forecasting than the traditional accounting department that we've relied on.

It's a good thing for the city. We actually prior to my arrival we actually bought the Lawson budgeting and planning software but they were taken over by a larger company called "Infor" and we never were able to implement that particular software so we're looking forward to this year getting us to a point where we can do the budget with this particular software. Now the beauty of this software is its cloud based. We don't need to house it internally on our servers. In addition to that, it's pretty intuitive so you don't need IT support so you'll have the financial and budgeting people working with it predominantly and then we can possibly roll it out to the department heads.

Alderman Lu

Okay thank you CFO Griffin.

Chairman Dowd

All set?

Alderman Lu

So is that Enterprise Resource Planning by the way – the proof of concept?

John Griffin, CFO

Well the ERP that's what we implemented back in 2012/2013. This is a module that can integrate with our Lawson information. Enterprise Resource Planning I always wondered of that term but that's a holistic approach to accounting, financial analysis, purchasing, payroll, human resources. ERP is that whole suite of software that helps you run the organization more effectively and efficiently.

Alderman Lu

Well I was referring to the invoice that we pay in the Finance Department – Enterprise Resource Planning. It doesn't ring a bell?

John Griffin, CFO

That particular invoice doesn't ring a bell but we did have invoices paid to Workday Adaptive. Thank you.

Alderman Lu

Thank you.

Chairman Dowd

All set?

Alderman Lu

Yeah I'm all set. Thank you.

Chairman Dowd

Any other questions? If not, the motion on the floor is to recommend final passage of R-21-162.

**MOTION CARRIED**

**NEW BUSINESS – ORDINANCES**

**O-21-067**

Endorsers: Alderman-at-Large Ben Clemons  
Alderman-at-Large Shoshanna Kelly  
Alderman Linda Harriott-Gathright  
Alderman-at-Large Lori Wilshire  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman Patricia Klee  
Alderman Thomas Lopez  
Alderman-at-Large David C. Tencza  
Alderman Jan Schmidt  
Alderman-at-Large Brandon Michael Laws  
Alderman Skip Cleaver

**RECOGNIZING JUNETEENTH AS A CITY HOLIDAY AND REVISING THE HOLIDAY SECTION OF THE UNAFFILIATED EMPLOYEES PERSONNEL POLICIES**

**MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE**

**ON THE QUESTION**

Chairman Dowd

Before we get into it, I had suggested it get referred to Budget so that there could be some discussion on potential costs. Personally I think this is a great holiday, and it's a federal holiday, and this is making it a city holiday which is fine. Unlike some of the public comment we heard, it is not just going to be granted to everybody in the city. First of all, all the unions would have to negotiate this particular holiday into their contract. If they are now allocated 9 holidays that they select out of 12 days, using that as an example, then the less the negotiations give them an extra holiday there won't be any costs for this holiday for that union. Right now we're talking about giving it to the unaffiliated employees and I don't see that – unless it's part of the legislation, I think it is – who's the other people that's going to get this?

Alderman O'Brien

Well it would affect Deputy Chiefs on the Fire Department because they're unaffiliated as well.

Chairman Dowd

No unaffiliated but I thought there was a union that was tied to this?

Steve Bolton, Corporation Counsel

No only unaffiliated.

Mayor Donchess

Mr. Chair I could just say one thing on the cost. So currently we have 11 holidays and 9 are designated for unaffiliated. So there's two sort of floating ones. Sometimes it's the day after Thanksgiving or other things. This increases the number of holidays to 12 for that group of unaffiliated employees. But still with only now it would be 10 designated. The 9 that are there plus – Fourth of July, etc., Christmas, Thanksgiving. If you amended it to say 11 holidays and we have 10 designated, you would not increase the cost at all but you would I guess put pressure on us to figure out which other day we would need to not have as a holiday. That is one approach that you could take.

Chairman Dowd

So the way I see it...

Mayor Donchess

This is for only unaffiliated. You can assume that other employee groups would be seeking to...

Chairman Dowd

So I'm going out on a limb in suggesting that the others would want this in this contract. It doesn't mean we have to give them a paid extra holiday. They get to pick which days they get paid for because it would also have implications relative to overtime especially with police and fire. It wouldn't be in any of the collective bargaining units' contracts unless it's negotiated in. It could be added to the wording and they could have say 9 out of whatever the list is and they could decide which ones they want to take but we wouldn't be giving them an extra paid holiday. The other approach is if they were willing to give up something in negotiations for that extra holiday, then we'd have to evaluate or whoever is negotiating would have to evaluate whether it's a cost benefit to the city to do that. I just wanted to get that on the record here in budget so when this goes back to the full Board everybody will have a good idea of the cost implications of this holiday. The way we're approving right now has no cost implications other than they are unaffiliated. Any questions?

Alderman Clemons

Yeah and that is the way that I understood this as well. It's kind of one of those things where we want to make sure in my opinion for bringing this forward was to make sure that obviously we're honoring the holiday but in addition to that, we need to make sure that at least in my opinion that we're aligned with the federal holidays as well. So it tackles that which we can't do without legislation. So those are the two major reasons that I brought this forward along with Alderman Gathright and Alderwoman Kelly. I think it's a good opportunity for the city to start really celebrating this in the appropriate manner and I think it aligns us with the federal government as well.

Chairman Dowd

I don't think it will impact the celebration of that important date either. Any other questions or concerns?

Alderwoman Lu

Would it be a good idea to know what the affiliated what it would cost if the affiliated members of the staff were to receive it?

Chairman Dowd

(no audio)...the hourly rate was that we were trying to compare a cost to but it would be a significant cost for any union if they got paid for that extra holiday. That would have to be negotiated in as part of their contract and it couldn't take effect until they negotiate their next contract.

Alderwoman Lu

Unless they did a sidebar, right?

Chairman Dowd

Well we'd have to approve any sidebars and typically they don't normally do holidays and things through sidebars that I'm aware of. It's usually something they're trying to correct.

Alderwoman Lu

Okay thank you.

Chairman Dowd

That would be a significant negotiation through a sidebar. Any other questions? Seeing none.

**MOTION CARRIED**

TABLED IN COMMITTEE - None

GENERAL DISCUSSION

Alderman Wilshire

I would like to take the opportunity to thank CFO Griffin for the excellent AAA rating. I know that you and your staff work very hard and I wanted to take a moment to personally thank you for that.

Chairman Dowd

Yeah that was an outstanding report. It's significant in the rates that we're having to pay for bonds which is extremely low. Yes Treasurer Fredette does be very conservative.

John Griffin, CFO

Yeah maybe Mr. Chair I could add a little bit of color. We were on the call a couple of weeks ago with a pretty diligent analyst from Standards and Poors and as we went through the city's response to the pandemic, choices we made, strategy to make sure we protected the city as best as possible, plans as the Mayor indicated to buy down the tax rate, put money into the general fund unassigned fund balance, it was a pretty good conversation. There wasn't any materially negative but the one thing she did ask was the NH Retirement System costs. She firmly believed we can handle it but in her report as you read, she called out the NH Retirement System a burden and we know that.

Chairman Dowd

We're going to have that group before us really shortly.

John Griffin, CFO

It's our home game, right Alderman O'Brien? Thank you very much for those words and really appreciated by not only the direct staff but everybody else that enables us to have an unmodified opinion. For over a decade, CAFR recognized by the GFO way is a good product and it all goes together. We have a great team and (no audio)...it's actually one of the things we look forward to annually.

Chairman Dowd

Excellent. Any other general discussion item? Seeing none.

PUBLIC COMMENT

Fred Teeboom

Yes, well all I can say...

Alderman O'Brien

Mr. Teeboom your name and address please.

Fred Teeboom

Fred Teeboom, 24 Cheyenne Drive. After the public comment listening to the debate, all I can say is spend, spend, spend. When it got to the question on these escrows, nobody mentioned the \$200,000 for the legal services for the school, nobody mentioned this golf card thing whatever that is for \$70,000. That's number one.

Number two is you need fixing anywhere, it's the IT Department. This internet speed is terrible that you have. I have 56.8 mega second download. 11.92 second uploads and I'm paying the standard Comcast fee. I don't know why you can't have a decent internet.

As far as the holiday if you don't think the unions don't come everyone one of them ask for the additional holiday, you don't think that's happening. You don't live in the United States of America. Every union is going to come up and ask for equal holiday and that's going to cost from my calculation half a million dollars because the payroll in the city paying a ton of overtime, not extra time, just to extend payroll regular is \$142 million. It's right in the 2022 budget. So there's a spending cap. The spending cap is back and you have to start acknowledging the fact that it is. You have to start looking at NRO 5-145 E. Stop putting these resolutions for supplemental appropriations what the amounts are of the appropriations above and below the cap. I don't want to go back to court all over again. Thank you.

Chairman Dowd

Thank you Mr. Teeboom. Anyone else?

Laurie Ortolano

Laurie Ortolano, 41 Berkeley Street. I'd like to talk to you about getting the support of the aldermen to encourage this city or request that the Municipal Records Committee convene to discuss how our city records are stored. This has been a big concern to me when it's come to access to information and there's been a lot of Right-to-Know stuff going on. This committee has not convened in over 10 years. I've had a good number of e-mails with Sue Lovering asking her to work with the Mayor, the Treasurer, and the Assessing Department because those are the individuals that are supposed to be on the committee called out by your statutes. She's not willing to do it.

The way this city is set up is every department seems to be in charge of putting their own schedule and records together. It is a huge issue and Fred Teeboom mentioned IT. I think you've got a lot of work to do in your IT Department in upgrading it but also and having it be responsive to the issues we're seeing like with e-mails. You know the responses to these Right-to-Knows are ridiculous. I sent you all a letter and showed you that the city finally released the training material for Right-to-Know training that was done with city employees. It was only done optionally for those that waned to attend. The city fought us tooth and nail – the legal office – claiming it was attorney/client privileged information. When you see what was released after two months and thank you to Alderwoman Lu and Commissioner Pappas because if there hadn't been two people with some courage that could reach out and ask the Legal Department to provide the information so that they could look at it to make a determination, I don't think we would have ever had this released. I was going into court with a lawsuit that was getting support from my NH Right to Know Coalition group to push it to try and see what this information was. The way the information is written if you look at it, it's really focused on not providing information to citizens. It's a focused paperwork that shows how to protect the city versus how to share information with citizens that are our public records. It's very frustrating to me that I still go through this.

There's a lawsuit going in soon on failure to get minutes. It took two months...

Alderman O'Brien

Thirty seconds.

Laurie Ortolano

We shouldn't have to fight like this and I would really like members of the Board to request the city convene the Municipal Records Committee so that we can access to our information and we don't have to keep going into court looking for help. The city legal office Attorney Bolton is dumping millions of city dollars on this stuff and there's no accountability from his office on this. It's a disgrace. Thank you.

Chairman Dowd

Anyone else for public comment? Seeing and hearing none. I'll close public comment.

REMARKS BY THE ALDERMEN - None

POSSIBLE NON-PUBLIC SESSION - None

ADJOURNMENT

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

The meeting was declared closed at 8:43 p.m.

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



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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