

PERSONNEL/ADMINISTRATIVE AFFAIRS COMMITTEE

OCTOBER 8, 2003

A meeting of the Personnel/Administrative Affairs Committee was held on Wednesday, October 8, 2003 at 7:04 p.m. in the Aldermanic Chamber.

Chair James R. Tollner presided.

Members of the Committee present: Alderman-at-Large Paula I. Johnson
Alderman Timothy B. Nickerson
Alderman Robert A. Dion

Members Not in Attendance: Alderman Stephen C. Lamos, Vice Chair

Also in Attendance: Alderman-at-Large David W. Deane
Alderman Brian S. McCarthy
Carol Anderson, Chief Financial Officer/Comptroller
David Fredette, Treasurer/Tax Collector
Rick Seymour, Deputy Director, WWTP
Jim Mealey, Deputy Director, Administration, DPW
George Crombie, Div. Director, Dept. of Public Works

Chair Tollner

Alderman Lamos as some of you have already probably read is away on travel. He did send a memorandum to the Board and I will introduce that under communication to ask for an exception. Did everybody get a copy of that either via e-mail or memo in your box?

Alderman Nickerson

It was actually on our desks tonight.

COMMUNICATIONS

MOTION BY ALDERMAN DION THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR THE INTRODUCTION OF A COMMUNICATION RECEIVED AFTER THE AGENDA WAS PREPARED
MOTION CARRIED

From: Stephen C. Lamos, Alderman Ward 8
Re: Support of Proposed Amendment to O-03-173

MOTION BY ALDERMAN DION TO ACCEPT AND PLACE ON FILE
MOTION CARRIED

From: Board of Public Works
Re: O-03-173: Reducing the Flow Charge Rate for the Calculation of the Sewer User Fee
from \$1.67 to \$1.22 per 100 Cubic Feet

MOTION BY ALDERMAN NICKERSON TO ACCEPT AND PLACE ON FILE
MOTION CARRIED

APPLICATION TO LICENSE HAWKER'S, PEDDLER'S, ITINERANT VENDOR'S LICENSE - None

- APPOINTMENTS BY THE MAYOR - None

- UNFINISHED BUSINESS - None

NEW BUSINESS – None

- MOTION BY ALDERMAN TOLLNER TO TAKE FROM THE TABLE THE
APPOINTMENT OF OLGA HINES
MOTION CARRIED

Ethnic Awareness Committee

- Olga J. Tines (New Appointment) Term to Expire: December 31, 2005
83 LedgeWood Hills Drive
Nashua, NH 03062

- Chair Tollner

If you would be kind enough just to state your name and address for the record. Thank you very much for coming tonight. I think you have a neighbor, the City Tax Collector, back there. He lives in the same development as you do. Olga if you could take a second and tell the committee why you have interest in serving on the Ethnic Awareness Committee and if you have had an opportunity to attend any of their meetings, and how you came to be introduced to the committee and whether you have an understanding of the time commitment.

Olga Tines

I got introduced to the committee via my pastor, Reverend Perkins, who I believe chaired the committee at one point. She has talked about it. I have been aware of the activities of the committee every since she chaired it, and maybe even a little bit before that. Sharron Rowlett, who is the current chair also is someone that I have known through different projects in the community so I am pretty well aware of the time commitment. I have been to probably 3 meetings since the

summer, and I have a feel for who they are and what they do – what they see as their charter. I am interested because I am a resident of the city. I have been here since 1985. I think that when you look at ethnic awareness and just how the city is growing and changing managing that is more than a notion. I think it takes some thought and careful consideration and planning. I have experience in that area. I have worked in major fortune 500 companies and have had various roles where diversity and managing diversity has been a part of those roles so I think I have something to bring as a citizen of the community, but also professional experience as well.

Chair Tollner

Thank you. Are there any questions from committee members? First of all I want to thank you for your willingness to serve. We do appreciate that. Thank you for contributing to the betterment of the citizens in the city.

Olga Tines

I must also add I did some training for the Cadettes for the police department about 5-6 years ago I think over in one of their classes over in the jail cell. Happily it was my first and only time in jail.

Chair Tollner

Do you have any questions of us before you go?

Olga Tines

No just I think I am curious to just make sure that you all have an opportunity to make sure that you know who I am.

Alderman Dion

Olga I would like to thank you for volunteering your time to do this. Nashua is blessed with a lot of people that volunteer, and I certainly appreciate you volunteering to do this.

Olga Tines

It is my pleasure.

Alderman Dion

I am sure you will do a good job.

Chair Tollner

How the process will work is we will vote tonight on your appointment, and then it will be sent to the full Board and the full Board will vote on that, and the Aldermanic Office will get in touch with you as

far as when it will be on the agenda. It very well may be on this Tuesday night's agenda since this is a light agenda tonight, but either Sue or Dawn will get in touch with you and let you know and that way you have a choice of either coming that night, being sworn in at a full Board of Aldermen meeting on TV if that entices you to come down that night or you can go to the City Clerk's office at any time and the people in the City Clerk's office will swear you in.

Olga Tines

Thank you. I look forward to hearing from you.

Chair Tollner

Thanks very much.

MOTION BY ALDERMAN TOLLNER TO RECOMMEND THE APPOINTMENT OF OLGA J. TINES TO THE ETHNIC AWARENESS COMMITTEE FOR A TERM TO EXPIRE DECEMBER 31, 2005
MOTION CARRIED

MOTION BY ALDERMAN TOLLNER TO TAKE FROM THE TABLE
O-03-173

ON THE QUESTION

Alderman Tollner

This has also been assigned to the Board of Public Works. We just approved a communication from the Board of Public Works that they approved unanimously reducing the rate to \$1.20.

MOTION CARRIED

O-03-173

Endorser: Alderman-at-Large David W. Deane
Alderman-at-Large Paula I. Johnson
Alderman Stephen C. Lianos
Alderman Kevin E. Gage
Alderman Scott A. Cote

REDUCING THE FLOW CHARGE RATE FOR THE CALCULATION OF THE SEWER
USE FEE FROM \$1.67 TO \$1.22 PER ONE HUNDRED CUBIC FEET

MOTION BY ALDERMAN TOLLNER TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Dion

Mr. Chairman we have to make an amendment first. The original ordinance says \$1.22. We have to change that to \$1.20.

Chair Tollner

Why don't we have some discussion first because I think we have an answer to that. Rick, George, Jim Mealey, Carol, Dave Fredette if you would like to come up. I look around the Chamber tonight and I see 5 Aldermen I think that have seen the two previous presentations. Alderman McCarthy hadn't had an opportunity to see it. Prior to the meeting I had a discussion with Alderman McCarthy given the fact that he is the only one here that hasn't seen it. I think the one question that he had is he wanted to take a look at the financials and make sure that the numbers work. Then also to put it in perspective I think Alderman Deane had some comments on the legislation with respect to \$1.20 or \$1.22. Hopefully after those discussions we can take care of this.

Alderman McCarthy

One of the things I am concerned about is even if \$1.20 is the right number now for expense rate what I want to understand is what the long term steady state cost is and what are we going to do to the rate as we go on. We have a comfortable fund balance in wastewater at the moment. I would expect that rather than extinguish that in any quick manner and then have the rate go back up we would want to make sure that we ran it down to a rate that is reasonably sustainable so that we don't give people sticker shock later on to get back to where we should have been. I basically just want to understand what the trend is going to be with the rate over time and how that is going to work after we reduce it.

Chair Tollner

I think we have seen some matrixes and graphs to I think respond to your question pretty effectively.

Jim Mealey

In response to Alderman McCarthy's concerns I can tell you that what our goals were in establishing this and utilizing the model were to stabilize the rate, maintain the reserves at a reasonable amount, and that amount is about \$9.5 million, but not keep money in the bank that we didn't need either. What we ended up recommending was a 20% decrease, which allows us in our model to go out about 5-6 years at that reduced rate and then if things stay exactly the way we anticipate right now we would probably need a 10% increase 5-6 years out and another 10% increase another 2-3 years after that and then a final increase to get to the point where our revenues are equal to our expenses for the year and then we would have a very stable rate. Now obviously things can change during the time when we would evaluate this each year, but we are confident with we're not selling out – what we are doing is we are allowing us to stabilize the rate and not have very many increases coming in the future.

Alderman McCarthy

At the \$1.20 rate what would our average bill be?

Jim Mealey

Well right now if it is the \$296 that we have been using we would be at about \$237 for the next 5-6 years.

Alderman McCarthy

I am not sure I understood that. From an average homeowner in Nashua what am I getting now for a sewer bill?

Rick Seymour

The average right now is \$296. This would bring it down to \$237.

Alderman McCarthy

And what would it be – that is what it would be after this rate change?

Rick Seymour

Correct.

Alderman McCarthy

What would it go back up to at the – the 10% increase is a 10% increase in the flow rate...

Rick Seymour

It would be 10% of that \$237 so you are up to \$261 at that point for another couple of years and then \$287 and going out as far as 2013/2014 we understand that a lot can change in that time, but you are at 3015 and if you take the net present value out there that is still well below what we are paying right now.

Alderman McCarthy

So ten years from now we would have a rate that is not much higher than it is now.

Rick Seymour

Exactly.

George Crombie

That was one of the reasons why we looked out ten years because it was important for us not to –

you could really slash the rate right now, but 4-5 years out you would hit that wall and we want to make sure -- with this system there were two goals that we had; number one to be able to do the work that needs to be done, the second thing is that we didn't hit that wall down the road. That was very important to us as we developed the rate.

Alderman Deane

I don't know who can answer this question -- maybe George -- I had a question on the project cost other than what was given to us -- we got a document from Rick Seymour January 2003 from Metcalf & Eddy then we got the other one a month or so ago. What do you anticipate spending in the streets for -- once you do your I & I study and you find out where you are having major infiltration problems and there are already areas that have been clearly identified -- I believe that interceptor that Alderman McCarthy had brought up where Corning was going to build is pulling ¼ of a million gallons of water out of our drinking supply a day is an area that needs to be addressed, but once the I & I study comes in the cost for doing those repairs to reduce what you are currently treating now that is just groundwater leaking into and pipes that have issues -- what do you anticipate spending on a yearly basis to address some of those problems?

Rick Seymour

We budgeted about \$1.5 million over 10 years for a total of \$15 million. What we are doing now is a study of the sewerage system. We have a new video camera that allows us to go into the sewer system. Most of the system we are seeing is in fairly good shape so there is not a whole lot of big problems. There are some drainage problems. There are some other problems that we are looking at. For instance the Marshall Street area and several others, but we are looking at identifying any problems, getting a priority list together, determining what the costs are going to be, and then moving from there. It is not something that we can project -- it is hard to project future costs or hard to detect exactly what is in the sewer system. A lot of areas of the system haven't been looked at, but areas that we have looked at are in fairly decent shape as far as infrastructure is concerned. One of the concerns 4-5 years ago was that they had done some video taping in the French Hill area and found that some of the pipes did not have any bottoms to them, but that was a very isolated incident. It was extrapolated to look at the whole city and everyone looked at it and said wow the whole system must be bad, which is really isn't. It is really in fairly good shape from what my crews tell me.

As I said we are going to be looking at a systematic approach to analyze through our comprehensive management program for the collection system to look at problem areas, identify them, prioritize them, try to cost out what we can do -- we have also included in this year's budget some fairly inexpensive ways to treat infiltration, i.e., we have bought a grouting machine that we never had before that we can do inline grouting without having to dig up the street. We are also looking at some other inexpensive ways of treating some problem areas that we have. Hopefully we can keep the costs to somewhere around \$1.5 million, deal with the problem areas that we have on a systematic priority basis, and get our best bang for the buck.

Alderman Deane

When do you think that study will be done and the list prioritized?

Rick Seymour

I don't think it will be done for a few years. What happens is that doing the videotaping of the sewers is a very laborious long term project, and the crews are out there everyday just working on the Marshall Street site. There is a limited amount of work that we can do, but what we are doing is concentrating on the problem areas right now. Some areas we know don't have problems. We don't think we have a big I & I problem because originally when the M & E study was completed they did a lot of work on the portion of the city that is outside the CSO portion. That they found there is not an exorbitant amount of infiltration and II. There is some. It is significant in certain small areas, but it is not overblown problem at this point in time.

Alderman Deane

What about the areas that have consistent backup problems where whether the pipe is sagged or too small or – when the system was built it was built to handle X amount of gallons of flow and as the city grew the pipe never grew, and now...

Rick Seymour

Those are problems we are going to address. What we are trying to do now is get a handle on some immediate problem areas and then we are going to work to some areas that we think have problems. We will continue to look at the system. Like I said we have video camera now that gives us the ability to be out there 300 days a year to really get a good prognosis of what is going on in the system, which we didn't have years ago. We went out for contract it would be a hit or miss one week here one week there where we would have to drag in a contractor to do work. We also have a more active sewer cleaning program where we have crews out there – 2 vacuum trucks with crews that are doing some pretty intensive maintenance and cleaning that wasn't as aggressive in the past – more concentrated.

Alderman Deane

But there are areas that you know now because you currently maintain them during heavy rainstorms or whatnot.

Rick Seymour

Like I said we are going to prioritize those, cost them out, and look at the best-cost alternative for those particular areas. We will come before the Boards with a list of priorities once we get our list together.

Alderman Deane

The \$1.5 million you have scheduled what are you going to spend that on the first year? Do you already have something in mind?

Rick Seymour

We have some ideas – we don't have any concrete list and numbers no. We know for instance this year we have money set aside for the Ledge Street area. We knew we had problems on Ledge Street. We put money in this year's budget for Ledge Street – sufficient money to do sewer separation and sewer rehab for that large problem area and we know it is a problem area. Last year we did put money aside for that. That is kind of an indication where we are going to go.

George Crombie

We are looking right now at the Marshall Street area what we are going to do down there.

Jim Mealey

I just wanted to add we have looked at if that \$15 million – even if you double that \$15 million what the impact on this model would be and what it would mean is 20% would still be a reasonable decrease, but it would slide those 10% increase probably a couple of years forward so instead of going 5-6 years where we wouldn't need an increase it would be 3-4 years where we would have to start those increases.

Alderman Johnson

I just want to go back to the Marshall Street area because when I was campaigning I spoke with several people who were having problems on that street. Didn't we just repave, redo that whole area that there are problems now on Marshall Street?

George Crombie

Yes.

Alderman Johnson

What happened that ...

George Crombie

Good question. We have had to go back on two areas now that were done before this team was in place. We had to go back on the whole area by Sargent Avenue and now we are back on the Marshall Street area. What we are trying to do is we have solved the Sargent Avenue area and now we have to figure out what happened down on Marshall Street.

Alderman Johnson

When was Marshall Street done? It looks almost like it is brand new.

George Crombie

It was under construction – I came in 1999 and it was under construction at that time.

Alderman Johnson

It looks almost brand new the sidewalks and everything so obviously the residents over there keep it well kept. I know they were telling me about some of the backups in some of the driveways, which I know I did call it in. You are talking about if we drop the rate to \$1.20 we are going from \$296 to \$237 and in the next 5-6 years we will have to increase it by 10% that will bring it to \$261. Now if we left it with the original ordinance that was introduced at \$1.22 can somebody give me an idea of where we will be at in the next 5-6 years with an increase and maybe we wouldn't have to increase it as much?

Jim Mealey

I haven't run that. I can just in working with these models what it probably would do is maybe push out one more year. You are retaining about \$80,000 more each year so it might push out instead of 5-6 years it might be 6-7 years before you would have to do that increase.

George Crombie

I think the other thing you have to look at is the cost of money over time and one of the things that this rate decrease does is it puts the money back into the homeowner's hands, which they have a much better ability to invest or use than we do if we are not using it or we don't need it.

Alderman Johnson

I am not going to dispute that, but what I am looking at in the future is that in the next 5-6 years what happens if by chance we use up more than we needed to use that something catastrophic happens because you never know when something is going to break out there – a pipe – and all of a sudden we don't have and then we have to say instead of a 10% increase we have to give you a 20-30% increase because the numbers aren't that far off from where the original legislation that was sent to committee in May till now. The difference is so minute, but in the long run it could actually be a little bit of a buffer than can kind of hold you just in case something catastrophic happens because I would hate to be the person that comes back to the taxpayer and says you know what instead of 10% there is 20% because we didn't have a little buffer in there. I think it is all well and good – when you add it up I would like to give as much as I can back to the ratepayer here who pays these rates because it is their money, but on the other hand I don't want to have to be the one who turns around and says we're going to have to really whack you because we had something happen. That is why I asked you to run the numbers on that.

Alderman Deane

I just wanted to hit on that a little bit – maybe Carol could answer this being an enterprise fund – if we were to leave that \$.02 in there and put it into a line item for a contingency or whatever where we have issues like the issue that we just had where we were doing some excavation work and we ran

into asbestos, the cost of that obviously the \$80,000 some odd a year if it was left in there perhaps it could be put aside separately to deal with those types of issues. We just spent almost ½ a million finding what our forefathers buried unfortunately and the \$80,000 or \$87,600 I don't think it is a lot of money. I know when we start getting into finding contaminants that are unknown because you are dealing with the unknown and the cost escalates – I wouldn't have any issue with just leaving the legislation where it is, but maybe – if they had gone this route and Rick had the \$1.5 million in there and he had figured a project and got into it and all of a sudden they ran into the same issue 33% of what you had budgeted for that project of replacement or separation or whatever you were doing with that money for that you would have been gone – with what you would have figured initially. You are obviously going to run into that because you are digging where people have been before unfortunately and years ago it was free fill and unfortunately it is all over the place and nobody knows where it is. There wasn't nay documentation kept of wherever it is buried.

Chair Tollner

Alderman Deane you would be more comfortable leaving it at \$1.22?

Alderman Deane

Correct.

Chair Tollner

Are there any other questions from the committee members?

Alderman Dion

I don't really have a question Mr. Chairman, but I would like to make a statement. I like the presentation that was made by the Board of Public Works. I liked the last one and I liked the one previous to that where the 5 scenarios were brought out and I really am comfortable with the last session that we had – the way it is going to be done now. I have no qualms with reducing it to \$1.20. I have no problems with that and that is recommended by the Board of Public Works.

Chair Tollner

I don't think – I can't speak for the Board of Public Works, but I would assume I think safely that the Board of Public Works wouldn't have a problem if we approved this at \$1.22. What I am trying to do is get some consensus from the committee members so that when it goes to the full Board we can pass it. I am comfortable with either \$1.22 or \$1.20. What I would like to do is recognize that there are two of the endorsers of this legislation that presented it at \$1.22 and the conversations that I had with Alderman Lianos before he left town was that he was comfortable with the \$1.20 he would also be comfortable with the \$1.22 – so surveying the Personnel Committee that would make a unanimous vote if we were at \$1.22 and my main objective is to get it to the full Board as a good compromise.

Alderman McCarthy

I guess the only question I have for the staff is do they have any strong objection to it remaining at \$1.22.

George Crombie

Well we are usually accused of having too much money. I don't know how many times I have heard that in the last year that we are the big spenders. I know we have come in and we have saved \$100 million, we recommend a rate of 20% and the Board wants to go up with it that is up to the Board, but our recommendation is the \$1.20. It is a policy issue.

Chair Tollner

Thank you.

Carol Anderson

I just think that one of the other things as George has indicated, but when you go out like that on some of those projects they are projecting what the costs are, but there is also the situation where some of the costs come in lower and I am thinking of Tamper Street or whatever it is there that valve came in \$60,000 or \$65,000 lower so there are contingencies either way, and I think that would help to offset that \$80,000 per year or \$82,000 so that was just another item to consider. Thank you.

Alderman Nickerson

There are several dates mentioned in the legislation as far as the effective date and so forth. Obviously we are passed the dates that are listed in here. Would we need to amend those seeing the delay of this legislation at all or can we still deal with the rate being effective July 1?

David Fredette

No the date July 1st is actually still good because we always bill three months in arrears so the October bill that would go out for the residential is July, August, and September, and we bill it in October so that July 1st is still a good date.

Alderman Nickerson

When are those bills going to be created and when does that ...

David Fredette

It happens towards the end of the month – end of October.

Alderman Nickerson

So that is based upon this legislation being approved at the next meeting of the Board of Aldermen?

David Fredette

Right if it doesn't get approved October 14th then the bills would go out for the old rate.

Chair Tollner

I will talk to Sue and I will make sure it is on the agenda for Tuesday night.

Alderman Nickerson

I just want to make sure that we're making it so that you can do your practices and your policies.

David Fredette

The commercial bills would be treated a little differently because they are billed based on actuals. We do residential differently based on the ordinance, and commercials they have already been billed for July, August, and September so they would get credits in their future bills is what they would get because they have already been billed for those months.

Chair Tollner

Just before we take a final vote for the public's information a little chronology – the legislation was drafted on May 8th, it was sent to the Personnel Committee on May 15th, in the midst of that the Board of Public Works was having discussions with the feds on a new consent order/new arrangement, recognizing that we held this particular piece of legislation in committee for about a couple of months give or take a week or two, we had our first presentation the first week in September, we had a second presentation September 28th, which I have to commend the city staff, George, Rick, Jim Mealey, Carol, Dave that was an excellent presentation the one that we saw about a week ago – very thorough, very direct – then we are here tonight for a final vote. I would also like to commend the efforts of those same individuals on gaining this new consent order for the city. Reading all the information from Metcalf & Eddy and EPA and New Hampshire agencies, they all are praising the arrangement and the agreement. I also think that should be recognized as well. On behalf of the city I appreciate all of the effort that you put forward because that saves the taxpayers an incredible amount of money that we would have been faced with.

Are there any last comments?

MOTION CARRIED

HELD IN COMMITTEE

Resolutions

R-02-71

Endorser: Alderman-at-Large Paula I. Johnson

SUBMITTING TO THE VOTERS AT REFERENDUM THE QUESTION OF
WHETHER
THE CITY SHALL USE ALL AVAILABLE MEANS TO TERMINATE THE BROAD
STREET
PARKWAY PROJECT

R-03-266

Endorsers: Alderman-at-Large David W. Deane
Alderman-at-Large James R. Tollner
Alderman-at-Large Paula I. Johnson
Alderman Stephen C. Lamos
Alderman Scott A. Cote
Alderman Kevin E. Gage
Alderman-at-Large Steven A. Bolton
Alderman-at-Large David Rootovich

OPPOSING A WATER RESOURCES EDUCATIONAL CENTER PAID FOR BY
SEWER
USER FEES AND REQUESTING THAT THE MAYOR INFORM THE EPA OF THE
CITY'S
WITHDRAWAL OF ANY PROPOSAL TO DEVELOP A WATER RESOURCES
EDUCATIONAL CENTER AS PART OF A CONSENT DECREE

Ordinances

O-03-189

Endorser: Alderman-at-Large James R. Tollner
Alderman Marc W. Plamondon

PROHIBITING THE SALE TO OR POSSESSION OF SPRAY PAINT BY A MINOR

O-03-204

Endorser: Alderman Marc W. Plamondon

AMENDING THE LICENSING REQUIREMENTS FOR OPEN AIR CAFÉS THAT
ENCUMBER SIDEWALKS

DISCUSSION

ADJOURNMENT

MOTION BY ALDERMAN NICKERSON TO ADJOURN
MOTION CARRIED

The meeting was declared closed at 7:43 p.m.

Alderman Timothy B. Nickerson

Committee Clerk