

# Jim Donchess

Mayor • City of Nashua

February 11, 2022

To: Sue Lovering, City Clerk  
Kimberly Kleiner, Director, Administrative Services  
John Griffin, Chief Financial Officer  
Steve Bolton, Corporation Counsel  
Bobbie Bagley, Director, Public Health and Community Services  
Matt Sullivan, Acting Director, Community Development  
Tim Cummings, Director, Economic Development  
Jennifer McCormack, Director, Library  
Kevin Rourke, Chief of Police  
Brian Rhodes, Chief, Nashua Fire Rescue  
Lisa Fauteux, Director of Public Works  
Dr. Garth McKinney, Superintendent of Public Schools (Interim)

CC: Kevin Burgess, Chairman, Board of Fire Commissioners  
James Tollner, Chairman, Board of Police Commissioners  
Linda Laflamme, Chairman, Board of Library Trustees  
Jennifer Bishop, President, Board of Education

Re: FY2023 Budget Preparation

Dear Directors, Chairmen, and Commissioners,

We continue to face budgetary pressures in wages, benefits, and the purchase of other goods and services necessary to operate the City efficiently and effectively. Given the anticipated results from the current revaluation, we need to control costs and deliver services at a reasonable cost to our taxpayers. The three year average of the CPI-U Northeast is 2.3% for FY2023. I am requesting that we use a **two year average** and that you present your respective proposed FY2023 Budget with an increase based upon the calculation shown below.

Calculation:

Multiply the 2.3% by 2 years to derive 4.6%. Subtract the amount that your budget increased in FY2022 by 4.6% to derive the percentage increase available to be used for FY2023.

The increase in the Police Department's budget in FY2022 was 3.2%. Therefore, the Police Department should present its FY2023 Proposed Budget with an increase of no more than **1.4%** (4.6% minus 3.2%).

The increase in the Nashua Fire Rescue's budget in FY2022 was 2.9%. Therefore, the Nashua Fire Rescue Department should present its FY2023 Proposed Budget with an increase of no more than **1.7%** (4.6% minus 2.9%).

# Jim Donchess

Mayor • City of Nashua

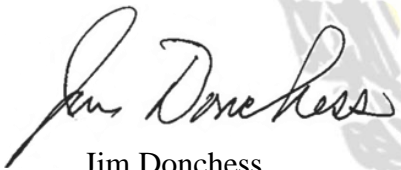
The increase in the Department of Public Works budget in FY2022 was 0.1%. Therefore, the Department of Public Works should present its FY2023 Proposed Budget with an increase of no more than **4.5%** (4.6% minus 0.1%).

The increase in the Nashua School District budget in FY2022 was 1.6%. Therefore, the Nashua School District should present its FY2023 Proposed Budget with an increase of no more than **3.0%** (4.6% minus 3.0%). Should the Nashua School District and the Nashua Teachers Union reach an agreement that includes the adoption of the new HMO health plan before Open Enrollment begins, the cost of benefits for FY2023 will be reduced \$2.3 million. In order to achieve the \$2.3 million savings in the cost of benefits during FY2023, the Collective Bargaining Agreement must be reached and approved by the Board of Aldermen and the Nashua Teachers Union by the start of the FY2023 Open Enrollment Period which begins on April 15, 2022. Therefore, if the Nashua Teachers Union and Board of Education agreement is reached and approved by the April 15 deadline, the School District's FY2023 Proposed Budget can increase by \$2.3 million above the 3.0% guideline noted above.

The remaining Divisions and Departments, referred to as "City Hall" had a (-0.7%) reduction in their FY2022 budgets as a group. Therefore, these Divisions and departments should work together again this year to present their FY2023 Proposed Budgets below the two-year, 2.3% average.

Thank you in advance for your time and cooperation in developing your respective FY2023 proposed budgets.

Sincerely,



Jim Donchess

Mayor, City of Nashua

cc: Board of Aldermen