

REPORT OF THE FINANCE COMMITTEE

JULY 5, 2005

A meeting of the Finance Committee was held on Monday, July 5, 2005 at 7:00 p.m. in the Aldermanic Chamber.

Mayor Bernard A. Streeter presided.

Members of the Committee present: Alderman-at-Large David Rootovich, Vice-Chair
Alderman-at-Large James R. Tollner
Alderman-at-Large David W. Deane
Alderman Robert A. Dion
Alderman Robert Shaw

Members not in Attendance: Alderman Kathryn D. Vitale

Also in Attendance: Alderman Richard LaRose
Carol Anderson, Chief Financial Officer/Comptroller
Katherine E. Hersh, Div. Dir., Community Devel. Div.
Scott Pollock, Superintendent of Streets
Mario LeClerc, Superintendent of Wastewater
Steve Dookran, City Engineer
Sue Jeffery, Risk Manager

COMMUNICATIONS

From: David G. Fredette, Treasurer/Tax Collector
Re: City of Nashua Cash Management Agreement

**MOTION BY ALDERMAN SHAW TO ACCEPT, PLACE ON FILE AND APPROVE THE TWO-YEAR RENEWAL ON THE CONTRACT WITH CITIZENS BANK
MOTION CARRIED**

From: Janice Tremblay, C.P.M., Purchasing Manager
Re: Contract for Project Management and Coordination for the Commuter Rail Project

MOTION BY ALDERMAN SHAW TO ACCEPT, PLACE ON FILE AND APPROVE THE CONTRACT WITH THE NASHUA REGIONAL PLANNING COMMISSION. THE 80 PERCENT FEDERAL FUNDING WILL BE THROUGH ACCOUNT #374-7269 (\$200,000). THE LOCAL SHARE OF NRPC'S IN-KIND SERVICES HAS A VALUE OF NO LESS THAN \$50,000

ON THE QUESTION

Alderman Deane

Thank you. When we passed R-04-134 there were four items that were supposed to be addressed before we moved forward. One was a site, which is suitable for development must be identified. Has that been done?

Katherine Hersh

My understanding is from that piece of legislation that there were all of those steps that were identified, but I did not understand that there would be any – what I understood is that we were not bonding for the TIF until all of those things were identified, but not that there was a specific order that we couldn't go forward at all. The money that is being proposed in this particular contract is Federal money that if we don't use will go to somebody else – will go back in the Federal coffers. It is available for us to use for this project if we would like to.

Mayor Streeter

Certainly the city's favorite site...

Katherine Hersh

We have identified a site. We have been working with Dow Chemical with regard to that site. They certainly are aware of it, and they have – it is a matter of finalizing their agreement with the future owner of that site before we can move forward with that. They are working on that. It is a complicated site. It is a complicated arrangement, and all of the pieces are moving along it is just that as we go forward none of these pieces are all going to be in place at the same time. We certainly from that legislation we can't do any bonding or finalizing of anything until all of the pieces are in place.

Alderman Deane

We are being asked to approve a contract.

Katherine Hersh

Yes.

Alderman Deane

Which means we are finalizing something. Am I misinterpreting this? I thought that when we did

this there was going to be a financial analysis done, a feasibility study, and that a site was going to be worked on – all of that was going to be brought forward to us in sections.

Katherine Hersh

And it is going to be brought forward to you. We are in the process of doing all of the legwork to put before the Board of Aldermen; both legislation to form the Tax Increment Financing District and also legislation to rezone a certain area as transit oriented development. When those pieces of legislation come in all the financial work will have been done. It is important from our standpoint though that the future owner of the site has reached agreement with Dow Chemical and that we can sit down with them and understand their perspective and goals in order to make sure that our financial package is accurate. That is really partly what we are trying to do with regard to that. We have run the numbers and we can comfortably generate the money that we had said all along, which is the \$14 million with a part of the district that we have identified. All of those numbers will come in with the legislation.

Alderman Deane

Out of the four pieces on the legislation number one is not completed or is in the mix of being worked on – this has been a long time and we haven't heard anything back from anybody and then we get a contract for \$250,000.

Katherine Hersh

I would be very happy to come and update the Board on a regular basis if that would be helpful. Quite honestly it is a long process. There are a lot of parts to it, and some of the parts – we are not really sure which parts are going to show up and all of a sudden be ready to work on as opposed to another part. For example we have a piece of legislation that is before the Massachusetts State Legislature, which supports the Commonwealth of Massachusetts working with the State of New Hampshire to extend commuter rail over the border. That is going along very, very well, but if that weren't then there would be other things that we would have to do along the way. It is a little hard to tell at the beginning and what things are going to happen. Everything seems to be moving along on track.

Alderman Deane

... tape inaudible – speaker away from microphone ... Where are we with that piece?

Katherine Hersh

Until Dow Chemical has an agreement with the future owner of the site we have nobody to negotiate with – nobody to negotiate a development agreement with. That piece is slowing us up a little - it is not slowing us up that piece just hasn't happened yet.

Alderman Deane

Is this section that you are asking – this contract that you are asking for tonight where does that stand with the items that are part of the legislation?

Katherine Hersh

I don't know that it is in the four items. It is the part of the management of the project that – actually it might be in the – there are three items in the second half of that. I don't have that legislation in front of me, but there were three items that were not the city's responsibility – for example the City of Nashua is going to enter into an agreement with Department of Transportation so that is being worked on.

Alderman Deane

I can read those to you. Number 1 was a project management agreement must be executed between the DOT and the City. Number 2 a Transit Authority must be established. Number 3 – development, operations, and management agreements must be confirmed with the MBTA and Gilford Transportation.

Katherine Hersh

This particular agreement that is between NRPC and the City didn't get on any list, but we are fortunate that NRPC is willing to and has the expertise to manage a lot of these pieces. In fact, they are currently managing the consultant and the engineering and environmental studies and all of those other parts to it. This was a way that we could compensate NRPC for the work that they are doing, and ensure that we will have that time allocated from them. If you look at this contract it is through December 31, 2008 so it gives us 3.5 years of their support on this. In the scope, it talks about they really do take the lead on all of the administrative work, which is organizing the meetings and managing the contracts with the consultants and that work, which is time consuming and very valuable to have them on board to do that.

Mayor Streeter

In essence, Alderman Deane the NRPC is the project manager as opposed to NH DOT. If you look under the specific tasks there are 15-20 specific tasks that need to be done before we see commuter rail. All of these do fit in as far as the TIF aspect Mrs. Hersh is correct we don't know yet who is in the process of purchasing the property, but each company that bid on the property knew the city's interest in a portion for transit oriented development and we will be working closely with them once the new owners are announced. In the meantime, and even following that there is a myriad of duties that have to be carried out by the project manager, and the project manager will be NRPC rather than NH DOT.

Are there any further questions?

Alderman Deane

Mrs. Hersh you stated that they will be on board for 3.5 years. What happens if we are not done in 3.5 years?

Katherine Hersh

They will continue to do the work I am sure. We leave money in the federal transit budget every year because if we wanted to as a city we could allocate more money for the match for city transit and for example we could improve headways – we could have half hour headways instead of 1 hour headways for our buses and things like that, but we need the match. Because of the amount of money that we put into the 505 account for the city transit we don't access all the Federal money that we have available to us if we wanted it.

Alderman Deane

Have we hired anybody else to do any part of this project to date?

Katherine Hersh

No.

Alderman Deane

So there is nobody else working...

Katherine Hersh

NRPC has. Parsons Brinkerhoff is the consultant that has been working on this project for a number of years, and they are doing the environmental study and one of the actually part of that contract was written such that there is a set amount of money set aside to assist the City of Nashua in negotiating the development with the future owner of the Dow Chemical site – to provide us with that expertise. When we come to you hopefully in August with this TIF legislation the analysis, the financial analysis of the TIF District was done by professionals through the contract that we have, that the NRPC has with Parsons Brinkerhoff.

Alderman Deane

So the firm that you just mentioned are they currently doing a financial analysis on the property for the TIF is that what they are doing?

Katherine Hersh

Yes.

Alderman Deane

They are looking at the value and ...

Katherine Hersh

Right.

Alderman Deane

And they are being paid for by the NRPC?

Katherine Hersh

Well it is Federal Transit money, but it is all being managed through NRPC. One of the things when we were able to finally get this project back on track it was one of the things that I had specifically asked for. I said we will need help in order to negotiate the development agreement for that site because it is not simple, it is not something that we have done before, it is complicated, and we need to make sure that it is done right. They put aside money in this budget specifically in that contract to help with this. It is actually about \$50,000, which is interesting I just realized and that is the match that NRPC is putting forth with this particular contract.

Mayor Streeter

Correct me if I am wrong Mrs. Hersh, but monies expended up to this point were NH DOT funds – they were federal funds, but they were channeled through NH DOT – this particular project will be overseen by the city and is usually in essence funds that have been allocated for this use by the city.

Katherine Hersh

Exactly.

Alderman Deane

Would it be possible to get an update of the project to date?

Katherine Hersh

I have actually been working on the memo for the TIF legislation like I say we are hoping to

introduce probably in August and so that is all – the first part of that is all done, and in fact what I did was I took the legislation, which is why I remember that there were 4 bullets in the beginning in the first half and 3 in the second half and I literally took each one of those lines and said here is the status of it so when it says that you need to designate the preferred site then I put that in italics and then underneath that I wrote up here is the status of our designating the preferred site. I can send that to you – in fact I can walk back to my office and print it if you want it. I have all of that update done for you.

Alderman Deane

Is the TIF legislation premature without the financial analysis being done by the firm that NRPC has hired? How far along are they with that?

Katherine Hersh

We have a pretty good handle on the financial analysis. We would like to have the future owner of the site already designated before we really go forward with it, however, we can go forward with that with some stipulations because there are a number of parts to it. We need to go to the County Commissioners, we need to go to the full Board, there are a number of parts to it so we don't want to go too long before we at least start having that discussion with the Board.

Alderman Deane

Thank you.

Alderman Rootovich

Are we not asking the NRPC to do too much in the course of reviewing and coming back to the Planning & Economic Development Committee with respect to the re-write of the zoning ordinances and .. is it too much on them to accomplish in the same period of time?

Katherine Hersh

I am very fortunate to be one of the representatives from the City of Nashua on the NRPC, and I am also on the executive committee, and I can say very confidently that Steve Williams is just an excellent Executive Director, and he has a full handle on this. In fact he has the full compliment of staff. He just hired an Assistant Executive Director who is his senior planner. She is the person who came in to meet with you and she is the person that is focused on the land use update. Steve himself is the person that has been working on commuter rail and he will not be giving that to any of his other staff. He is the person that will work with us and that has worked with us.

Alderman Rootovich

Thank you.

Alderman Tollner

Mrs. Hersh when was the last time someone from the city or from NRPC spoke with Dow Chemical and what has been our conversations over the last few months?

Katherine Hersh

We have had monthly meetings with them with regard to the demolition on the site – with the NH Department of Environmental Services, Dow Chemical, and the City. That has been extremely helpful. It is really good communication. Everybody is working together for the same goal so that is working out really well. We have had communication on and off with different people from Dow. For example the real estate broker, Mr. Minkarah will speak to him on and off. We have a pretty good handle and we are pretty comfortable about what is going on it is just complicated. There are environmental issues on the site there are legal issues it is not a straightforward thing to negotiate. We actually are comfortable that is really the real story and it just takes a lot to negotiate those things.

Alderman Tollner

So we meet with them once a month at least?

Katherine Hersh

At least.

Alderman Tollner

At the end of those conversations or what transpires in those meetings what type of written follow up or detail...

Katherine Hersh

There are minutes to every meeting. In fact if you remember we have a part time Brownsfields Coordinator and she is the person who has the expertise to be responsible for that.

Alderman Tollner

It says here that this contract can go as far out as 2008. The gist of it is that they are going to do all of the work so they could finish the work in 2 years, but they have up until approximately 2008 right?

Katherine Hersh

Right, and they are going to provide us monthly with an invoice, which articulates the time and materials for the project.

Alderman Tollner

Is this committee part of us giving the approval of this contract if we add a stipulation that we would like to get a written update or presentation every 6 months would that be a problem?

Katherine Hersh

No that would be great. In fact you will be hearing from us more frequently than that at least for the next year or so because it is when things are going to start to really pick up.

AMENDED MOTION BY ALDERMAN TOLLNER TO AMEND THE CONTRACT TO ADD A REQUIREMENT FOR THE BOARD OF ALDERMEN TO BE UPDATED EVERY SIX (6) MONTHS, BY PRESENTATION AND IN WRITTEN FORMAT, OF THE STATUS OF THE PROJECT AND THE EXPENSES TO DATE

ON THE QUESTION

Alderman Tollner

Do you see a problem with that Mr. Mayor?

Mayor Streeter

I don't see a problem in the request or with the NRPC honoring that request. I don't want to amend a contract without NRPC approving it, but certainly I think it could be passed with a stipulation that the reports as you indicated will be submitted on a regular basis.

Alderman Tollner

They are a vendor of ours in this case so they are working for us so I don't think they should have a problem with it.

Mayor Streeter

They shouldn't you are right.

Alderman Dion

Director Hersh are we still talking about the same site, the chemical site?

Katherine Hersh

Yes we are.

Alderman Deane

If I read this correctly \$200,000 is coming from the federal government?

Katherine Hersh

That is correct.

Alderman Dion

The contract is for \$250,000 so \$200,000 is coming from the Federal Government and the other \$50,000 comes from where?

Katherine Hersh

The NRPC.

Alderman Dion

It is not costing the City of Nashua any money for this contract?

Katherine Hersh

That is correct.

Alderman Dion

We had heard back when we discussed that site that there was possible contamination there. Have there been any tests to your knowledge taken over their soil pertaining to the feasibility of housing being built in that complex?

Katherine Hersh

There has been a significant amount of characterization of the site and there are parts of the site that would be from an environmental standpoint would be acceptable for residential, however, Dow has had concerns and one can understand from the standpoint of liability. Those issues have not been worked out and until we have a future owner of the site identified and we can sit down and begin to talk to them we will not know the answer to that – whether or not residential will be something that we can do on that site.

What we are looking at too is a larger area than the site as well. That is one of the things that we have really looked hard at in case we can't do residential on that site.

Alderman Dion

If I remember correctly when we first discussed this quite a while ago part of the plan was to have housing in that complex along with stores and that is what I am concerned about. I am concerned about whether the EPA would let whoever develops that site for housing build housing.

Katherine Hersh

You are exactly right, and in fact the legislation that the Board of Aldermen passed in December of 2004 specifically talks about residential as part of a mix of uses on that site. The concern at this point the biggest hold up from the standpoint of allowing residential on that site is really Dow Chemical because of their liability concerns. We have spent actually quite a bit of time and staff with the State Department of Transportation, Department of Environmental Services, Attorney General's Office looking at alternatives to maybe address for Dow Chemical those liability issues – insurance – we have looked at a lot of that and with our consultants. We are still – we really are ready when that future owner is identified to sit down and have some of those discussions. I can't tell you for sure what the end result will be.

I can tell you the property is worth a lot more in the future if residential is allowed on it. There is a built in incentive for the future owner see if that is not possible to put residential on it. The other part to it is that not all of the site has been used over the years by Dow Chemical for manufacturing of chemicals. Part of that property was purchased in 1987 and was never used for any manufacturing. If there is a way to separate that from the rest of it from a liability standpoint that is another issue that we have been looking at.

Alderman Dion

The owner of the property is still Dow Chemical. Now my question is this have they got that property on the market for sale as we speak?

Katherine Hersh

They had it on the market and they went through a process to identify their preferred future owner of the site and that is who they are negotiating with – that is my understanding.

Alderman Dion

So they are presently negotiating with outside people to sell that site?

Katherine Hersh

Right.

Mayor Streeter

It is my understanding Alderman Dion that there will be an announcement within several weeks who the new owners will be.

Alderman Dion

If that is the case Mr. Mayor why are we spending \$250,000 for a site that somebody else is going to buy and utilize?

Mayor Streeter

It has been our goal to use a portion of this property Alderman Dion for the transit station and so forth and the developers who have been in contact with Dow fully understand the city's interest in a portion of this property for the rail station.

Alderman Dion

Well we all know Mr. Mayor if that property gets sold to a developer that once the city gets approval and decides they want to put the depot there and the complex there they will hold you up for a lot more money wouldn't they?

Katherine Hersh

The city's intent at this point is not for the city to ever own the site. The city's intent is to have a development agreement whereby the train station becomes a part of the private development and that there are agreements as to – for example there would need to be additional parking spaces that are dedicated to the train as opposed to people that live there and shop there, etc. There would have to be agreements with respect to that. There may be for example there would be maintenance costs to that parking garage, but there may be revenues from that parking garage so we would have to have as part of the development agreement how that all fits together because part of what we want to be able to do is we want to take this whole project and we want to be able to have a revenue stream that supports the operation of the train for the long term because we don't have another source of money for that. We are trying to create a model that we don't have to come back to the State or the City or anybody else and say five years down the road we don't have any more money to operate this.

Alderman Dion

So the revenue stream you are thinking of is parking garage?

Katherine Hersh

As part of it yes.

Alderman Dion

Is there anything else?

Katherine Hersh

Actually there are other things, and that is all part of what Steve Williams and the consultants have been working on. I don't have all the details of all of those parts to it, but when we come in to you with a development agreement, which the development agreement has to come to the Board of Aldermen as well, and when we come to you with the development agreement all of that will be in there, and then you will make the decision as to whether or not that development agreement serves Nashua.

Alderman Dion

Thank you.

Alderman Tollner

I do have a question now just following up on Alderman Dion's questioning. If we believe the announcement will come in the next couple of weeks on who will be the new owner of the property what harm would it do to delay this vote on this contract two weeks? I am a little puzzled with how our relationship with the new perspective owner would be if we have certain designs for this property and tonight we commit to a contract of approximately \$250,000 fully understanding that a good chunk of that is going to be funded with Federal dollars, but it still is tax dollars. What would be the repercussions if we delayed this until we found out who the new owner was going to be?

Katherine Hersh

Our first site is the Dow Chemical site. If that site for whatever reason doesn't come through and we have every reason in the world to believe that is the site that it is going to be because Dow Chemical has been working with us, we have a pretty good idea of who the future owner may very well be, and they have indicated assuming that everything goes through that they are excited about it, but we don't have any reason to believe that it is not going to happen. If it doesn't happen that doesn't mean commuter rail is dead that means we just continue to find another alternative. We have been to Manchester, we have been to the Chamber of Commerce, we have been to the Board of Aldermen. They are extremely excited about this and ready to go. We have been to Concord. They are extremely excited about this and ready to go. This

Board has indicated that they believe that commuter rail is the right thing to do for the City of Nashua and for the State of New Hampshire. Although that site is important it is not a deal breaker. NRPC is crucial to going forward on this on commuter rail. It is not about the Dow Chemical site – that is an important part of it, but there are a whole lot of important parts to it. Getting Gilford to the table was an important part of it. There are a lot of important parts to it. The site is just one piece of it.

Mayor Streeter

I would say that 80% of the work that the NRPC is doing would be to continue to promote passenger rail coming to Nashua and to work with the regulatory authorities and work with the commonwealth, the NH DOT, and so forth, and at the same time obviously whoever the new owners are. I can state without any equivocation the new owners know that part of that property will be a transit-oriented development. Dow Chemical has told the potential owners that they discussed it with them that this is the city's goal and it is. I can't imagine the new owners saying that they don't want to have a transit oriented development there because the city could make it difficult for them.

Katherine Hersh

Can I add one more thing? You have the opportunity to vote on the zoning of that site as well. Right now that site is zoned General Industrial. We are not going to see somebody come in with a proposal for industrial on that site. It is not the highest and best use. The return for the investment is not there if it is industrial. In order for it not to be an industrial site you have to vote on the rezoning. That is one more piece where they need your support and your approval all the way down the line to redevelop that site.

Mayor Streeter

The new owners would also construct the parking garage, which could be used not only by commuters, but also could be used by patrons of the various businesses that would be located there. There are a lot of plusses. The new owners as you say they are excited that this will be a transit oriented development. I just can't imagine them backing out.

Alderman Tollner

I just think that the leverage that the city would have – we are only talking a couple of weeks – I think the leverage that the city might have with these new owners would be stronger if we waited a couple of weeks until we found out who the new owners are. There is no doubt in my mind that these new owners are going to want to have the rail and everything that we have spoken about tonight, but I also – there is a part of me that also thinks that if we approve this and start going forward with it and the new owners come in and they agree that the best use of the property is to embrace the rail and other things that we have spoken about – I also think that

they are going to be looking for the city to do a number of things just like any business or developer would when they want to put in a project. I would have to say this is a massive project. I still support the rail so that my mind on that hasn't changed. I just think that it would probably behoove the city to wait a couple of weeks and find out who the new owner is. The other question I have is maybe Mr. Mayor you know – are members of the Planning & Economic Development Committee, other Aldermen aware of who this new owner might be? Right now we are at a loss as far as who that individual or company might be.

Mayor Streeter

I am sure Dow Chemical knows who they are.

Alderman Tollner

The city does as well correct?

Mayor Streeter

I think the city has a general idea who they might be, but there has been no formal announcement, there has been no approaching the city indicating that Dow intends to sell to whomever, but this particular agreement goes far beyond the sale of the Dow Chemical property. This is focusing mainly on the reinstatement of commuter rail to our city. As someone said it is a massive undertaking. The new owners of Dow Chemical property will be working closely with the city, but NRPC will go far beyond that and will be working with Congress, the Federal Transit Administration regional office, etc. They are going to be doing the massive task that a project manager of the perspective that is outlined in these specific tasks.

I don't see how a hold up in this based on who is the new owner of the Dow property – as I said the five firms that bid on that property know full well that part of that property will be used for transit oriented development. That is all I will say on that point.

Alderman Tollner

If we voted on this contract two weeks from now would we jeopardize anything?

Mayor Streeter

We would be jeopardizing two weeks of work for the NRPC.

Alderman Tollner

But nothing other than that?

Mayor Streeter

Not to my knowledge.

Katherine Hersh

Again I would like to say that the expertise and the time of NRPC is really critical to this project. We are coming into very important and time consuming issues that are facing us right now, and if we cannot tie up Steve William's time on this he has got to find other funding sources in order to commit his time to because that is the way his agency works. For example, the environmental assessment is coming out the middle of July. It needs to be reviewed, the draft needs to be read, it needs two public hearings that are scheduled in the beginning of August. We have a meeting with Gilford that we need to set up. He is working with Congressman Bass' Office. There is a huge amount of work that he is doing. In two weeks we may not know the future owner of the Dow Chemical site. We have been waiting for a long time for them to come forward and finalize that agreement. It could be another month or six weeks. We have new funds that we need to apply for if we are going to not miss the round this year. Those are all things that he does, and we do not – he has done them and will do them as part of what NRPC does as part of this contract.

Mayor Streeter

In addition, the legislation in Massachusetts is winding its way through the process down there, and Mr. Williams is in touch with the different legislative committees. I have been in touch with both Governor Lynch and he has been in touch with Governor Romney to establish an agreement that we would both support for the extension of the MBTA into New Hampshire. These things don't just happen. We need someone there to work very closely with the staff of the Commonwealth and also with the staff of New Hampshire. Certainly I think that the NRPC is well qualified to do this, and they would be doing it anyway whether the Dow property is sold or not in the next couple of weeks. As I say I have every reason to believe there will be an announcement shortly and I think people will be pleased to learn who the new owners will be. I would hate to delay this agreement with NRPC because their working with the new owners is just a small part of the massive project that needs to be undertaken in the next few years.

Alderman Rootovich

Recognizing there have been no formal announcements as of yet, does the Mayor wish to share with the committee who those probable new owners may be?

Mayor Streeter

No I am not.

Alderman Rootovich

Mr. Mayor are you the only one in the City of Nashua that knows who that probable owner will be or are there other individuals in the city who know who that owner will be?

Mayor Streeter

I would imagine their legal counsel knows.

Alderman Rootovich

I am talking about our city either elected officials and/or city employees. Does anybody else know or have an idea who the probable owner will be?

Mayor Streeter

I am not aware of anyone.

Alderman Rootovich

I will ask Mrs. Hersh the same question.

Katherine Hersh

I know second hand of one party of the team and that is all I know.

Alderman Deane

Earlier there were remarks made pertaining to the party that was interested in purchasing the property – what would happen if they didn't much like the plan of putting the train station in there and dealing with the TIF and what not, and I believe Mayor that you stated that the city could make it difficult on them.

Mayor Streeter

I think Alderman Tollner put it more politely when he used the term leverage. Certainly the city would be working closely with the new owners of the property knowing full well it is our goal and knowing full well that they also are excited about having the train facility there as well.

Alderman Deane

So the city could make it difficult on them was just ...

Mayor Streeter

I would like to use the term leverage.

Alderman Deane

That is your explanation for leverage? Okay I was just wondering. Thank you.

On the amendment, through you Mr. Mayor to Mrs. Hersh – by amending this is there a problem – I understand the NRPC's timeframe in which to review things, so the amendment isn't going to cause a problem because of the amount of different components involved in the project?

Katherine Hersh

That amendment will be fine. In fact I am sure that they will be in more frequently than that.

Alderman Deane

Thank you. Thank you Mayor.

Mayor Streeter

Are there any further questions on the amendment?

MOTION CARRIED

MOTION BY ALDERMAN TOLLNER TO HOLD IN COMMITTEE

ON THE QUESTION

Alderman Tollner

I am in favor of this particular contract. Some of the questions that were answered – some of the answers that were given is I don't think that the city loses a heck of a lot by holding this until our next meeting and hopefully by then we are enlightened or have a little bit more information as far as who the new owner may be. I just think that puts the city in a better bargaining position with the new owners. I am in favor of it, but I just think it behooves us to hold it.

Mayor Streeter

How does the holding us of the passage of this contract affect the proposed new owners of the property? Certainly I think everyone is aware that the city is committed to bringing passenger rail into our community and that the preferred site is the Dow site. I am just trying to figure out what your rationale is in wanting to hold up a contract that needs to be executed for us to continue our strong efforts to bring passenger rail to the state. As you know when companies are dealing with other companies things could blow up, but certainly I am sure that the Dow people have – I know that they have made a decision, but the papers haven't been signed. IN the event that this preferred developer doesn't decide to come then they will probably negotiate

with someone else. In the meantime vital work needs to be done, and there is no better organization to do it than the NRPC. I fail to see how if you are fully committed to passenger rail as most of us are we are going to need the expertise of the NRPC regardless of whether the Dow property is sold or not.

Alderman Tollner

First of all I don't think by us delaying this two weeks we are going to lose the NRPC from doing the work. On the last page of this contract says that they will have a completion date no later than December 31, 2008 so if I was provided with some information that we are going to jeopardize this situation or we are going to suffer significant harm by delaying it two weeks then I would say let's go for it tonight. We are talking about two weeks, and I think you had mentioned earlier that within the next two weeks we should find out who the owner is. I would be more comfortable if we waited two weeks. If there is some compelling reason other than us getting started two weeks earlier than the motion dictates then I would be willing to change the motion, but I see not harm to the city by postponing this vote until our next meeting.

Mayor Streeter

Is there any further discussion?

Alderman Dion

I cannot support the motion to hold because I see no benefit to holding this for another two weeks. It could be two months before you find out who the new owner is so what are you going to do go from two weeks to another two weeks? What difference does it make who the new owner is? It doesn't make any difference. I cannot support a motion to hold.

Mayor Streeter

I certainly wouldn't support that either. It doesn't make a bit of difference who the new owners are, and it is a private business deal. I know that Dow Chemical in their communications to any number of developers that were looking at the site made it very clear that this is the preferred site for Nashua transit station. Certainly the work of the NRPC is vital to the success of the project – certainly not vital to the success of the sale of the property. I will not be supporting that motion. Is there any further discussion?

Division Taken
MOTION FAILED

Mayor Streeter

Are we ready for the question?

MOTION CARRIED

From: Janice Tremblay, C.P.M., Purchasing Manager

Re: Proposed Trade – Used Asphalt Equipment for New Asphalt Trailer for Street Department

MOTION BY ALDERMAN SHAW TO ACCEPT, PLACE ON FILE AND APPROVE THE EQUIPMENT FOR EQUIPMENT TRADE WITH IMMOBILIARE, INC., WITH NO DOLLARS CHANGING HANDS

ON THE QUESTION

Alderman Deane

I am glad to see we are getting a piece of equipment that has some significant value to our Street Department whereas this other piece of equipment has absolutely none. The truck was worthless, we could not use it to load anything into – I am glad you took the initiative Superintendent Pollock and went out and unloaded this thing and got something in return that we can actually use.

Alderman Shaw

I am at least curious what the motivation on the part of the other party to receive this equipment was.

Scott Pollock

The company is a real innovator in asphalt techniques. I think he has a new technique or a new product that he wants to heat asphalt for an asphalt like surface so he wants the infrared unit to be able to try that. I don't think he wanted to invest in a newer unit. He wants a lower cost one that he can play with.

Alderman Tollner

Is this the waffle iron?

Scott Pollock

I brought photos - I didn't know if this question would come up.

Alderman Tollner

Is this the one that would put on the asphalt and make it look like brick and stuff like that?

Scott Pollock

We can texture asphalt.

Alderman Tollner

Right – let it go.

Scott Pollock

There is someone local that does it very reasonably, and it doesn't make sense to own this expensive piece of equipment when there is someone local that can do it for me one day a year.

Alderman Tollner

I think this is an excellent idea, and I don't even think you need to do the brick anymore just paint the crosswalks. Thank you Scott.

MOTION CARRIED

From: Janice Tremblay, C.P.M., Purchasing Manager

Re: Purchase of Field Devices for Efficient Use of CityView Software during Field Assignments

MOTION BY ALDERMAN SHAW TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO INVERCENCE IN THE AMOUNT OF \$17,966.46. FUNDS ARE AVAILABLE IN ACCT. #590-23576 (\$11,900) AND #577-31050-7220 (\$6,476.46)

ON THE QUESTION

Alderman Deane

I had a question on the funding. It says prior year escrow. Which prior year is that?

Carol Anderson

I think it was from FY '04.

Alderman Deane

Mrs. Hersh what other costs do we have with this project that we are not seeing here?

Katherine Hersh

There are air cards and there is a connection cost. The connection cost for the year for these 6

devices I was able to take – that money has already been set aside from FY '05 so there isn't a cost in FY '06 for the connections. I have the money available to pay for them assuming I buy the devices. I don't need those connections if I don't have the devices.

Alderman Deane

Fiscal year '05 is over so Mayor have you approved escrows for departments already?

Mayor Streeter

Not yet, but it is a topic of discussion in the next couple of days Alderman Deane.

Alderman Deane

I don't know what we are going to have for escrows. Mrs. Anderson I contacted the Purchasing Department to find out how the city did on P.O. day, which is June 30th. The prior day, June 29th we did I believe a little over \$22,000 and on June 30th \$93,000. Everything was pretty much cleaned out on the final day of the year. I just want to know how you are going to plan on funding the connection costs as well as the air cards. What is the cost for the connection for one year for 6 units?

Katherine Hersh

I think it is \$57.99 per unit per month so .. \$6,800.

Alderman Deane

That is a lot of money.

Katherine Hersh

Actually we were originally told that the connections were \$80 a month per connection. In this case the Purchasing Department was able to negotiate a lower cost.

Alderman Deane

It is \$4,175.28. What about the air card cost?

Katherine Hersh

The air cards are \$20 each so \$120.

Alderman Deane

Per month per unit?

Katherine Hersh

No. The one time cost – just the card.

Alderman Deane

What does it do?

Katherine Hersh

It plugs into your tablet so that you are able to receive signals.

Alderman Deane

Do you have one of those Mrs. Anderson? That is your signal locater. Now I can continue Mr. Mayor?

Mayor Streeter

Please Alderman Deane.

Alderman Deane

Thank you. In your commodity code your prior year escrow of \$12,416 right I don't even see that number on this page, but I see an \$11,562.

Katherine Hersh

On the back of the page.

Alderman Deane

Is there a combination here of another ..

Katherine Hersh

I am not using all of either one of those accounts.

Alderman Deane

Those two accounts come to about \$24,000 right?

Katherine Hersh

I think it is \$17,900. In fact the remainder of those accounts is what is paying for the air cards and the connections.

Alderman Deane

So the \$11,490 is prior year escrow so you are taking \$11,490 out of the \$12,000?

Katherine Hersh

Right.

Alderman Deane

Is there a reason for that?

Katherine Hersh

It is just the way the numbers worked out.

Alderman Deane

Why would not just deplete that prior year escrow number?

Katherine Hersh

I actually don't know why the numbers worked out that way. I didn't do the bullet on the numbers. Any numbers and then the accounts I have to go through Carol to determine whether or not it is a legitimate cost in that account and it is Carol who will put that through.

Alderman Deane

If it is a legitimate expense or cost from the prior year? What was the money escrowed for – the \$20,000 was for communications right?

Katherine Hersh

Right for the software.

Alderman Deane

But this isn't software.

Katherine Hersh

Actually I sent you a correspondence in October, and said that I wanted to use the money for the wireless communications because that was what the – there was \$20,000 that was set aside when that money was escrowed was for additional costs associated with the new software. One of the things we talked about all along was getting the inspectors out in the field with wireless devices so that they are not having to come back in to get data or calling in for it.

Alderman Deane

So we can expect not to see any inspectors back in the building?

Katherine Hersh

Except two.

Alderman Deane

My next question is the new software, the Cityview and these devices, has somebody taken one of these devices over the river and through the woods down to the south end of town to see if they actually can get back here?

Katherine Hersh

Yes.

Alderman Deane

And we have no dead spots with them?

Katherine Hersh

I don't know that we have no dead spots, but they have worked on – that was a big concern for a long time, and my understanding is that the ability has improved out there. There is a new power – a new whatever, antenna or something out there that has improved the reception out there, and then if they can't get reception it is not that they lose their data it is just that once they – say they hit a dead spot, once they get into the live spot everything is stored and is put straight in....
tape flipped ...

Alderman Deane

... but a majority of the new work is out in the western section of the city and on the other side of Spit Brook Road and down into the back of Main Dunstable Road and ...

Katherine Hersh

My inspectors would not – I wouldn't be here if they weren't comfortable with this. They are my toughest audience because they have to use the devices and have to have them working. If they are not working then there are no disconnects – they have demoed these things significantly.

Alderman Deane

How long did they demo them for?

Katherine Hersh

We had one for 5 weeks that we demoed. We looked at Blackberries – we looked at all kinds of devices for different ways of doing that. The Blackberry is a lot lighter, but it is smaller and you can't see it as well, can you see it in the sun, how well does it do in the cold – we did a lot of demos.

Alderman Deane

And you want to buy six of them. Who are they for?

Katherine Hersh

They would be for code enforcement and for building inspectors.

Alderman Deane

How many for code enforcement?

Katherine Hersh

Right now we are proposing 3 for code enforcement and 3 for building/safety department, but they are all provided with the same software so say somebody is out they can just use it interchangeably.

Alderman Deane

How many inspectors do we have?

Katherine Hersh

We have 5 inspectors.

Alderman Deane

How many code enforcement inspectors do we have?

Katherine Hersh

We have two housing code enforcement and one zoning code enforcement so three altogether.

Alderman Deane

What is your balance at the end of these two accounts by the time you are done?

Katherine Hersh

I didn't add it all up, but I think it is pretty well depleted.

Alderman Deane

It is depleted?

Katherine Hersh

Because also included in those numbers are the air cards and the connections.

Alderman Deane

Out of the \$24,000 you are going to purchase the air cards, the connection costs for one year – then where will we be seeing that cost in the '06 budget under telecommunications?

Alderman Deane

That is correct.

Alderman Deane

Was that put in the '06 budget to begin with or are we ...

Katherine Hersh

It was an then it was zeroed out.

Alderman Deane

It was put in and zeroed out?

Katherine Hersh

The Budget Committee has zeroed it out. You requested the 1% that is what I took out because at that point I had a better handle on these numbers.

Alderman Deane

Then should we buy these if there is no money to make them work?

Katherine Hersh

Well they will work for a year and then we will have to come back and discuss it. I send my grant writer out all the time looking for funds for this type of thing anyway. Technology is one of those things that there is money out there for. It is not as easy to get as some of the other funding sources, but if we had a year's worth of devices out there in the field that would be very helpful for us.

Alderman Deane

Once you implement the use of these things we should start to see some efficiencies right?

Katherine Hersh

Yes. Right according to the Blue Ribbon Commission that was done a couple of years ago when we had the snow on the roof – where those roofs fell in remember the Mayor appointed a Blue Ribbon Commission, and they said we should be doing no more than 8 inspections a day per inspector. The Board of Aldermen approved the hiring of another inspector, which is why we have 5 inspectors instead of 4, and we are now up to 11 inspections a day. Now that is 11 inspections a day on average for the year, which means that in the summertime these guys are out there doing 15 inspections or 17 inspections a day. That is how busy it has become.

Alderman Deane

A lot of the inspections aren't thorough structural inspections.

Katherine Hersh

Right.

Alderman Deane

A lot of them are sort of nickel/dime things – is the foundation covered with asphalt yes it is, etc.

Katherine Hersh

And some of them are more complicated, but bottom line they set an average of 8 a day.

Alderman Deane

These things actually work ha?

Katherine Hersh

Yes.

Alderman Deane

And the inspectors are happy with them?

Katherine Hersh

They seem to be.

Alderman Deane

We are not going to find them as bookends in a month are we?

Katherine Hersh

Not if I have anything to say about it.

Alderman Deane

But they actually work and they have tested them and they have had them for 5 weeks and they tried one for 5 weeks?

Katherine Hersh

Yes.

Alderman Deane

Thank you Mr. Mayor. What do you think Mr. Mayor on this?

Mayor Streeter

I think they work.

Alderman Deane

These aren't laptops are they?

Katherine Hersh

They are more like paddles.

Alderman Deane

Are they like what the Police Department has in their vehicles?

Katherine Hersh

Actually they are. They are Panasonic textbooks.

Alderman Deane

Maybe we should get these under the Homeland Security Grant.

Katherine Hersh

We have tried that.

Alderman Deane

Chief Hatfield might have been able to help you on that. Thank you Mr. Mayor.

Alderman Tollner

I know these work. I guess I am a little concerned that we have enough money in the budget right now for them, but what I heard was that the monies to support this were removed from the budget. Under that scenario, any one of the three of you can answer it, but you are comfortable that you will be able to find money within that "division" to continue to fund this mechanism going forward?

Carol Anderson

I would say that for the '06 year Mrs. Hersh has enough with what will be requested as an escrow. After that time the cost should be approximately \$5,000 I believe a year and she told us

of greater efficiencies, but \$5,000 I would think you would be able to find that within the division to support that technology.

Alderman Tollner

Mrs. Hersh if you could just comment that you would agree to the statement that Mrs. Anderson made that you will be able to find this money within your division to continue to support that. I think it is a great idea, it is just I don't want to go start approving stuff that we know that the money isn't there and it is an addition when we sit down and do next year's budget if we ever get finished with this year's budget.

Katherine Hersh

I am very confident in FY '06 that the money is there, and I will do my very best to make sure that the money is in future years. It is obviously in our best interest to make sure it is in there in future years. I can't make a promise like that because I don't know what the Board is going to do. You might come back in and have to make some deeper cuts and that may not be feasible, but I will do my very best, and we are always looking for other creative funding sources.

Alderman Tollner

But within the budget the way it is today you should be able to fund it if that same scenario takes place in '07?

Katherine Hersh

Yes.

Alderman Tollner

Thank you.

Mayor Streeter

Is there any further discussion?

MOTION CARRIED

**MOTION BY ALDERMAN SHAW 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: Mario Leclerc, Superintendent, Wastewater Treatment Facility
Re: Emergency Repairs to Ash Street Sanitary Sewer

MOTION BY ALDERMAN DEANE TO ACCEPT AND PLACE ON FILE AND AWARD THE REPAIRS TO THE ASH STREET SANITARY SEWER LINE TO TDD EARTHWORKS FOR AN AMOUNT NOT TO EXCEED FIFTEEN THOUSAND DOLLARS (\$15,000)

ON THE QUESTION

Alderman Deane

Mr. Dookran I know we have a system that goes in and performs the video inspections. This is a 12" concrete line that has collapsed, and we are only looking to take 40" out of it?

Mario LeClerc

This is what I call a temporary fix. The Ash Street sewer is on our long-range plan for total rehabilitation. Unfortunately we have experienced a complete failure in that area, and this is just a temporary repair to restore flow through that area of the street.

Alderman Deane

It is a concrete line so what are we going to replace it with plastic?

Mario LeClerc

PVC yes.

Alderman Deane

We will put a couple of no hubs on each end and drop a ...

Mario LeClerc

That is what my understand is.

Alderman Deane

How many buildings are affected just one?

Mario LeClerc

I believe there are at least two structures; 90 and 92 Ash Street and any subsequent residences

upstream from that. We are out there three days a week removing solids from the line. It is constantly surcharged.

Alderman Deane

So you are jetting the lines out?

Mario LeClerc

We are actually just vacuuming them out.

Alderman Deane

The estimates that came in from TDD Earthworks \$10,000, paving \$2,500, and additional footage at \$117. The \$10,000 is to do the 40 feet of replacement work and the \$2,500 is to do the paving and the \$117 a foot is anything above and beyond the 40 feet?

Mario LeClerc

Correct. Without having a crystal ball we don't know if we are going to have to remove an extra 5 or 10 feet.

Alderman Deane

You are leaving a little contingency in there?

Mario LeClerc

Correct for like 20 feet.

Alderman Deane

There is a significant difference in the next estimate on the footage for replacement.

Mario LeClerc

Absolutely. Even in the base estimate there was a significant difference.

Alderman Deane

It must have been solid gold pipe. Thank you.

Mayor Streeter

Are there any further questions Alderman Deane?

Alderman Deane

No I would just ask the next time you have an emergency meeting of the Board of Public Works that I be notified. I would have attended if I had known.

Mayor Streeter

I apologize. I assumed that the Public Works Division notified all commissioners.

Alderman Deane

I am not a Commissioner I am an Alderman, but I am the Alternate Liaison and Alderman Plamondon is – I don't know what his availability is during the day. Thank you.

Mayor Streeter

I know that he was invited. The Board of Public Works did meet this morning and approved this.

Alderman Dion

To whoever can answer this question – where do we propose to get that \$15,000 from to pay for this project? I know it has to be done I just want to know where the money is coming from.

Mario LeClerc

I don't have the account number with me, but there is in our proposed '06 budget I believe it is \$160,000 for sewer repairs. We do carry a line item for this type of activity.

Alderman Dion

So that will come from this line item?

Mario LeClerc

Yes sir pending approval of the budget.

Alderman Dion

Did you say that you were planning to separate the sewerage over there?

Mario LeClerc

Maybe not a full separation, but at least there will be some other repairs for that sewer line because it ...

Alderman Dion

How long in the distance are we looking at?

Mario LeClerc

I don't have that information with me.

Alderman Dion

But it is in the plan?

Mario LeClerc

It is in our long-range plan to do several areas of the city.

Alderman Dion

Thank you.

Alderman Deane

Alderman Dion brings up a good point. As the Superintendent said how are we going to pay this bill when the budget hasn't been approved for '06 and we have no line item, which we should have a line item identified on here for clarity on what the funding mechanism is and the commodity code.

Mayor Streeter

I think that is a legitimate question Alderman Deane, but from my point of view this work needs to be done. It is an emergency.

Alderman Dion

Absolutely.

Mayor Streeter

I think that ...

Alderman Deane

I am not debating that Mayor I am just – I think it is inappropriate to be encumbering funds that aren't approved and don't have a commodity code associated with it. Is that too technical?

Mayor Streeter

Maybe Carol you can enlighten Alderman Deane.

Carol Anderson

During the month of July where we have until August 1st to pass the budget what we are able to do is operate at the same level – it would be the lesser of the '06 proposed or the '05 approved so your normal course of business continues on, but it is at those levels, the lesser of, and what we will do is we do have to encumber funds to maintain normal operations of the city. Come August 1st if we do not have a budget then we will be operating under the continuing resolution that we are preparing, and that will be introduced to you next Tuesday and will cover expenses of July and August. For the month of July you have that opportunity to operate at the lesser of.

Alderman Deane

Thank you.

Mayor Streeter

Are there any further questions?

MOTION CARRIED

UNFINISHED BUSINESS - None

NEW BUSINESS – None

-

WARRANT

MOTION BY ALDERMAN SHAW TO APPROVE WARRANT #24 IN THE TOTAL AMOUNT OF \$11,386,300.41 OF WHICH \$3,434,902.18 ARE ACCOUNTS PAYABLE, \$5,234,483.71 ARE PAYROLL AMOUNTS, \$7,639.56 ARE PREPAY AMOUNTS AND \$2,709,274.96 ARE WIRE TRANSFERS

ON THE QUESTION

Alderman Deane

Due to the long weekend and whatnot I had two questions for Mrs. Anderson – 341 that is a special revenue account as well as 342?

Carol Anderson

Yes it is.

Alderman Deane

What are those for?

Carol Anderson

341 would be in Community Services Division and 342 would be in the Public Health.

Alderman Deane

It was 341-03139 there was a check for \$544.50 out of that account for Martha's catering, and then there was another one out of 342 for Hannaford's for \$244 and WalMart for \$600. If you could check that out?

Carol Anderson

Sure I will do that.

Alderman Rootovich

I noticed there were two checks cut – one to Mr. Sansoucy for \$75,000 and one to Mr. Upton for \$35,370 totaling \$110,370. Does that pretty much exhaust that account right now?

Carol Anderson

Just about. We have a small amount of money in there that is being held, but not much. For the most part in account number 69907 that is just about exhausted. There will be no other funds expended until the '06 budget is passed unless it is part of the continuing resolution. I will be putting a small amount in that.

Mayor Streeter

Are there any further questions?

MOTION CARRIED

Mayor Streeter

The next item is discussion, but I would like to push that ahead of non-public so at this point ..

Alderman Deane

What about the resolution that is being held in committee?

Mayor Streeter

I have received no information that anyone wants to bring it up. Subject to no one wanting to act on it we are moving on to a non-public session.

MOTION BY ALDERMAN DEANE TO TAKE R-05-224 FROM THE TABLE

MOTION CARRIED

R-05-224

Endorsers: Mayor Bernard A. Streeter

**APPROVING THE “SECOND AMENDMENT TO CONCESSION AGREEMENT”
BETWEEN THE CITY OF NASHUA AND BKK NASHUA, LLC**

-

Alderman Deane

This resolution – Alderman LaRose came this evening and has his concerns with it as well as others. There was a group put together to discuss whatever is going on at the stadium with the Pride. It has been I think 5-6 weeks, and I don't know what has been accomplished. I know they had one meeting a week or so ago. By approving this Mayor we are also approving removing the bleachers and taking down the old announcing booth for the football – when the football used to be played there?

Mayor Streeter

That is not exactly – we are just approving ...

Alderman Deane

But if we approve this according to what you stated at the Board of Public Works meeting those bleachers will be removed from the stadium.

Mayor Streeter

The Board of Public Works has voted to remove them subject to the Board of Aldermen's approval of the ...

Alderman Deane

Of this Resolution.

Mayor Streeter

That is correct.

Alderman Deane

So that triggers removing the bleachers if we approve this. We received letters pertaining to the safety issues that those bleachers pose and how they are cordoned off. I am pleased to announce that I went into the stadium briefly last evening and those bleachers were packed and I didn't see them leaning to the left and I didn't see them leaning to the right. There were a lot of people sitting in them enjoying the beautiful fireworks display that was put on last evening for the citizens and their guests.

Mayor Streeter

Just one correction – part of the bleachers were quartered off.

Alderman Deane

There were people sitting in all of them.

Mayor Streeter

Well they were quartered off for safety reasons. If they were sitting there they shouldn't have been.

Alderman Deane

Well someone ran a piece of yellow tape in front of it – they ran a piece of yellow tape in front of

a lot of things yesterday, but ...

Mayor Streeter

The Fire Marshall did that.

Alderman Deane

I believe it was Public Works staff when I was down there that was doing it.

Mayor Streeter

It was at the request of the Fire Marshall. Please continue.

Alderman Deane

Alderman Tollner had mentioned that there was a possibility that the Pride may not have an interest in dealing with this item anymore. Could you fill us in on that Alderman Tollner if you know a little more about this than the rest of us?

Alderman Tollner

I don't know much more other than the fact that here it is July – I think the impetus behind this particular piece of legislation was as Alderman Deane just stated that they wanted to remove the bleachers. If we were to remove the bleachers then they would cut the attendance I think it is approximately 200 average attendance. I don't think the Board of Aldermen is in favor of taking the bleachers down. I think last night there was evidence that the bleachers are structurally sound otherwise the city would never have let people sit in the bleachers. I think the legislation that we are discussing right now there is no need to pass it only because if they are interested there is plenty of time to come back next year. From what I have been told they are not going to be taking the bleachers down this year.

Mayor Streeter

So you would move then to...

Alderman Tollner

Whatever the motion is ...

Mayor Streeter

Recommend that this not be adopted by this Board?

Alderman Tollner

There is no motion right now.

Mayor Streeter

There isn't, but it is on the table.

**MOTION BY ALDERMAN DEANE TO RECOMMEND INDEFINITE POSTPONEMENT OF
R-05-224
MOTION CARRIED**

Alderman Deane

Can I see a show of hands for those in favor that voted? Mayor are you in favor of this indefinite postponement?

Mayor Streeter

Yeah.

Alderman Deane

Thank you.

Alderman Tollner

Wow that was unanimous.

Alderman Dion

That is unusual.

Mayor Streeter

It is unusual for this committee.

Alderman Deane

I don't think so.

NON-PUBLIC SESSION

MOTION BY ALDERMAN SHAW THAT THE COMMITTEE GO INTO NON-PUBLIC SESSION

**BY ROLL CALL PURSUANT TO RSA 91-A:3,II(e) TO CONSIDER A PENDING MOTOR VEHICLE BODILY INJURY CLAIM
SECONDED BY ALDERMAN ALDERMAN DEANE**

A viva voce roll call vote was taken which resulted as follows:

Yea: Mayor Streater, Alderman Rootovich, Alderman Deane, Alderman Shaw

4

Nay: 0

MOTION CARRIED

The Finance Committee went into non-public session at 8:27 p.m.

**MOTION BY ALDERMAN SHAW THAT THE COMMITTEE SEAL THE MINUTES OF THE NON-PUBLIC SESSION BY ROLL CALL UNTIL SUCH TIME AS THE MAJORITY OF THE BOARD VOTES THAT THE PURPOSE OF THE CONFIDENTIALITY WOULD NO LONGER BE SERVED
SECONDED BY ALDERMAN ROOTOVICH**

A viva voce roll call vote was taken which resulted as follows:

Yea: Mayor Streater, Alderman Rootovich, Alderman Deane, Alderman Tollner, Alderman Dion, Alderman Shaw

6

Nay: 0

MOTION CARRIED

MOTION BY ALDERMAN SHAW TO COME OUT OF THE NON-PUBLIC SESSION AND RETURN TO THE SPECIAL MEETING OF THE FINANCE COMMITTEE

MOTION SECONDED BY ALDERMAN TOLLNER

A viva voce roll call vote was taken which resulted as follows:

Yea: Mayor Streater, Alderman Rootovich, Alderman Deane, Alderman Tollner Alderman Dion, Alderman Shaw

6

Nay: 0

MOTION CARRIED

The Finance Committee returned to its regular meeting at 8:40 p.m.

DISCUSSION

Mayor Streeter

I would like to take a couple of minutes to discuss R-05-245, which is raising the salary of the Superintendent of Schools to \$150,000. The figure as reported by the Telegraph would be close to 36% higher than the average salary paid to the New Hampshire public school Superintendents this year. I have grave concerns about the message the Board of Aldermen is sending to both our merit and union employees of our city. Passage of R-04-245 now allows the Board of Education to offer an annual salary up to \$150,000 at the same time that I am asking city employees to share in the fiscal burden our city faces as we approach FY '06 and FY '07. As you know in my FY '06 budget presently before you, I am proposing that merit employees not receive salary increases. In the same vein I will be suggesting to the city's 17 bargaining units that they follow suit and not receive wage increases in the first year of any future contract. I am also concerned to have learned through the Telegraph that the Board of Education plans to send 5 of its 9 members on an all expense paid trip to Texas to get and I quote "A well rounded picture of the would be Superintendent". I personally don't think reference checks have to be made in person by a five-member team, and furthermore 5 out of 9 member body is a quorum, and I don't believe they should be holding meetings in Texas.

Certainly all of this was done at the same time that the Board of Education proposes to institute a sliding schedule of fees for student athletes that is commonly referred to as Pay to Play. Those are just comments that I would like to make in the public discussion period.

Alderman Rootovich

Can I ask what line item they intend to take that money out of in their school budget?

Mayor Streeter

I have no idea Alderman Rootovich.

Alderman Dion

To your comments are you contemplating vetoing this legislation?

Mayor Streeter

That is one of the alternatives I have; to veto, to sign or to let it go without my signature. I am considering, seriously considering one of those options.

Alderman Dion

I hope you consider it hard because I wish you would for the sake of the taxpayers in the City of Nashua.

Alderman Shaw

I would request that the Mayor speak to the President of the Board of Education about that and I can tell you that some of the questions that the Telegraph raised if you haven't tried to pursue any discussion with the Board of Education – a number of members of the Board of Education are planning on paying their own way and have offered to do that already including the Board President, and I believe at least Mr. Kelley. I know that the question about having 5 members of that Board being together has already been posed to Attorney Bennett, and at least an initial investigation into that is being done by Mr. Bennett. Also I know that another part of the question put to Mr. Giuliano regarding reference checks on individuals that are for hired positions within the School Department typically have 3-5 members of the School District go for site visits. I think there is some information that you could gain from those conversations if you want to follow up with the Board President and Attorney Bennett.

Mayor Streeter

I certainly will, and I am glad to hear that those that are going will be paying their own expenses and that a quorum will not be going.

Alderman Shaw

I want to clarify I don't know that all members are paying for that I know that at least two of the members going had offered to and are planning on paying their own way. The verification of that is probably best made through the Board President.

Mayor Streeter

I will call her first thing in the morning. I think it send a very bad message to the valued and dedicated employees that we have in our city where we are asking them to tighten their fiscal belts and not accept raises and here we are raising the maximum salary of the Superintendent. Granted Superintendents throughout this country in districts this size can command more than \$150,000, but in this State it would be the highest and particularly at this time I think it send the wrong message to our employees who are going to take it on the chin because of the tight financial position we are in – they are at least going to be asked to do that. Those are my feelings at this point.

Alderman Shaw

The other thing that I believe the Board of Education is also pursuing is the contract that has performance based incentives to it that are very much along the lines of saving money for the School District and certainly the City.

Mayor Streeter

I am glad you mentioned that Alderman Shaw because one of the things that one of the candidates said that was quoted in the paper that this person would do an audit of the free and reduced lunch kids in this district. That audit has already been done. It has been done by the State. I wonder what prompted that comment. Certainly the State knows how many free and reduced lunch kids we have. It is reported annually by Mr. Conrad to Concord. It is my understanding that Concord does an audit annually on that. I am sure there are other cost saving measures that the candidate would make, but fortunately or unfortunately that was the one that was quoted in the paper.

Alderman Tollner

I think you may have already answered my question – you said you were going to get in touch with the Board President.

Mayor Streeter

Yes.

Alderman Tollner

–
Since the vote, have you tried to get in touch with some members of the Board of Education prior to tonight?

Mayor Streeter

No I haven't Alderman Tollner. It has been a holiday weekend.

Alderman Tollner

But you will try and let the Board know of the dialogue that you have?

Mayor Streeter

I will communicate with the President of the Board that I have some grave concerns that it is sending the wrong message to our employee workforce.

Alderman Tollner

Thank you.

Alderman Rootovich

With respect to the salary of \$150,000, Alderman Shaw mentioned incentive based pay – whatever salary or incentive based pay the Board of Education decides to give this candidate cannot exceed \$150,000. We talk about sheer salary it may be lower than \$150,000 it may be \$130,000 and then the incentive base being an extra \$20,000 based on performance. I just want to highlight that. I asked that question during the last Board of Aldermen meeting to Attorney Connell and he said that the Board did approve \$150,000 and whatever pay structure they decide to give the Superintendent it cannot exceed the \$150,000.

Alderman Dion

Just to go a little further, including the perks; the car, moving expenses, etc., this \$150,000 figure could very easily be over \$200,000 very easily. The benefits equate to about 1/3 of the salary usually in most businesses. You take it from there. I don't think any job in the City of Nashua is worth that kind of money.

Alderman Deane

Your veto power is 7 days after the legislation has been passed by the full Board of Aldermen?

Mayor Streeter

That is correct.

Alderman Deane

You have until the close of the business day tomorrow to veto the legislation or at midnight?

Mayor Streeter

Thursday at 5:00 p.m.

Alderman Deane

It was good to hear Alderman Shaw give some updates on some of the situations because what you read in the paper and the e-mails you get about the pay to play – I may add I did ask for the encumbrance report from the School District today from June 20th through June 30th, and quite a bit of it is sporting goods materials that they purchased. It looks like they are in good shape there.

I had another question for Mrs. Anderson too while she is still here. I see P.O.s cut for \$1.95. What is the administrative costs? How much would it cost us in this building to cut a P.O.?

Carol Anderson

It depends on the Purchase Order. Some of the ones that are open for \$1 – for \$1.95 you don't usually cut a P.O. for that amount. Purchase Orders are open on a blanket order for \$1 just to have it open so that you are not in a situation where you have no purchase order. That almost seems like there is some sort of a correction. We wouldn't process a P.O. for \$1.95.

Alderman Deane

The special revenue accounts that are set up – we have one for school sporting events such as gate receipts from Stellos, gate receipts from Holman, or gate receipts from the high school basketball gymnasiums for events – when those dollars are collected where do they go?

Carol Anderson

They stay within that account. They do not lapse to the general fund.

Alderman Deane

So the general public should understand that because I have had more people say that and they are being told this that the monies that are collected through donations or gifts or whatever or ticket sales to get into an event, that the money goes back to the general fund and that is not correct.

Carol Anderson

Those do not close out. The only time an account would close out is if that is the way it is structured when it is set up. As far as I know the ones that I have seen that I am aware of those monies remain in that fund.

Alderman Deane

So the gate receipts remain within the special revenue accounts that are used for supporting as the law states you can do with those funds or accounts – they have to be centered solely on the purpose for which the funds were received for going back towards a program for instance?

Carol Anderson

Yes. What they will do if it is a special revenue fund that automatically continues to roll over. If it is a special revenue account that are like a little shorter term – the money that you collect that

year the expenditures should nearly match that so it is just about a wash. Like the athletic fund that one will continue on almost like a revolving fund.

Alderman Deane

So the monies that are brought in from say like Nashua High School football games are put in that account?

Carol Anderson

I believe that is where it would be.

Alderman Deane

The monies that are gathered through vending machines in the school system where does all that money go?

Carol Anderson

I would have to check I don't want to state exactly what fund that goes into, but I will check that out for you.

Alderman Deane

It is my understanding that the Nashua School District is the largest customer of coca-cola in the State of New Hampshire – the largest customer. Bigger than supermarkets – the largest customer in the State of New Hampshire. If we are turning that kind of volume and they are charging – at the baseball program that I am involved in we charge \$1.25 and pay \$11.00 for a case of 16 oz product delivered so we are making almost \$16 on a case of soda. If you look at that profit margin and the amount of volume they move I would like to know where all that money goes. I am hearing this pay to play – I think there are plenty of opportunities to look around and find where this money is going and what it is being used for and hopefully we can help that situation out.

The other real disturbing thing and I heard this from a teacher was that they are mandated by the Principal in the school in which they work in to deplete their funds in their departments by year end – get rid of it all. I find that extremely disturbing and the mentality is I guess from what this fellow told me was that hey if we don't use it we lose it, and on the other hand we are hearing that they are cutting programs and wanting to close this and stop that and have the kids pay for this and that and they are stockpiling and doing that. I think if that practice was stopped and those funds were gathered together and they looked at other efficiencies or other areas where they could help fund some of these things that are proposed to be cut, a lot of the discussion and a lot of the heartburn that the Board of Education is having right now – nobody would be having it. I think there would be hopefully adequate funds to take care of some of

these programs that they are proposing to cut. When I hear something like that come from a teacher – I don't know the validity of it, but just hearing that I can't believe it. It is sad, and it goes on in this building too. I think when you get into a situation like we are in today and \$93,000 worth of probably absolutely non-essential P.O.s are cut in this building and the people are here until 7:00 p.m. filing all of this stuff and getting it loaded into the VAX or whatever so that it is for year end – somebody should have put the breaks on in this building and said there is \$100,000 we could have conjured up. One hundred thousand dollars was spend on the last day of the fiscal year on lord knows what.

Then everybody is trying – they have this big budget issue in one hand, but in the other hand it doesn't matter. It is business as usual. I kind of would have hoped that people would have stepped back from it and said maybe we shouldn't be doing this. If there is a copy machine payment due I can understand that because that is obligated, but when people are just out doing whatever with the last day of the year – there is no excuse for that. Unfortunately it is just a habit that people have had. I wish people had looked into that a little more before they allowed that to go on.

Alderman Tollner

I think it was probably around 6 or 7 years ago the Board of Alderman to answer your question about the gate receipts – passed legislation that any monies coming from gate receipts, and I think we kind of concentrated on football at the time, but I think it was most gate receipts would go into an account that we had created and was funneled back into the athletic programs if I am not mistaken. Originally those gate receipts were going every year into the general fund. We passed legislation to change that so it goes back into the program – really more like investing back into the athletic programs.

Carol Anderson

I don't mean it in a defensive manner, but just to bring some clarity to it – some of the purchase orders what has happened when you look at the school system is when you are nearing the year end like that they were going through a very tough year as were a lot of other departments, but particularly in the school with the cost of the heat and the electricity and what they did is they had to freeze a lot of their spending and that is not unusual. I worked in the district for 6 years and it wasn't a feeding frenzy it is just that you don't know sometimes – what will come up. It is no different than DPW when they don't know what type of winter they are going to have so they kind of hold off. It is the same thing with the Fire Department. Well that is what happened with the school district this year they had some very large expenditures they were trying to cover, and also without a district placement and didn't have that cost so they held back, and they didn't purchase things that they really needed. They tried to make due so some of those purchases – a significant number of those purchases were just because of that. I just wanted to make sure – it is the same thing with the city – sometimes what happens is you are trying to get everything done and we can't always let everyone know exactly where they stand at what point – we have certain accounts that you have to just watch carefully.

You try to do it in time and you try to get it done well before the end of the fiscal year, but it doesn't always happen. We just don't have the time. Like I said a lot of it isn't that it is a feeding frenzy it is just that they know they are going to need this material, they are not buying things that are extravagant it is just the timing. Like I said they just don't know exactly where they are going to end up with where these bills are coming in towards the end of the year on some items.

Alderman Deane

But Mrs. Anderson on the 29th of June there was \$22,000 in P.O.s cut. On the 30th of June there were \$93,000 worth of P.O.s cut. On the 28th there was \$2.2 million, but I believe \$2 million of that was part of the Seniors Activity Center project. If you look at the increase at year-end in the last day of the year and I bet you if you go back historically you will probably see that every year.

Carol Anderson

You do see more of it at the end of each year, but you also see it when we have what we call P. O. offs – there is a certain day every month where the purchase orders are cut off, and you see a lot more activity on that last day of each month so that is not unusual. I think that in the whole scheme of things when you are looking at the budget and at over \$200 million it sounds like a lot \$99,000, but in the whole scheme I think people have really tried to budget very closely and control that type of spending. I didn't see a lot of – I don't see every purchase order that is in Janice Tremblay's department, but what I did see for any transfers at all was very, very minimal this year, very minimal.

Alderman Deane

Here we are in the Budget Committee cutting \$2,000 or \$3,000 out of accounts. Whether these expenditures are essential or non-essential we are making the same reductions of what is being encumbered on P.O.s right now that as you are saying in the grand scheme of things it is only nickels and dimes or it is only small amounts next to \$200 million, but when we are sitting here scratching and looking for monies all over the place every \$100,000 counts. That is how I look at it.

Carol Anderson

I would not say that it is nickels and dimes – I didn't mean it in that intent. I am just saying that in fairness the people see the budgets being reduced – they know their budgets are being reduced and at the same time they have a level of service that they are trying to maintain, and they are trying to just keep their heads above, and if they can purchase something now that will help them they will do that because they don't know – we don't have a budget yet and we don't know when we will get one. The longer we go as we stated in committee before the longer we go the deeper that cut becomes if you make them deeper than what they are now. Some of it is a

reaction to that.

Alderman Deane

Thank you.

ADJOURNMENT

**MOTION BY ALDERMAN DION TO ADJOURN
MOTION CARRIED**

The Finance Committee meeting was adjourned at 9:00 p.m.

Alderman Rob Shaw
Committee Clerk