

## REPORT OF THE FINANCE COMMITTEE

NOVEMBER 15, 2005

A meeting of the Finance Committee was held on Tuesday, November 15, 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 David W. Deane  
Alderman-at-Large James R. Tollner (@ 7:13 p.m.)  
Alderman Robert A. Dion  
Alderman Kathryn D. Vitale

Members not in Attendance: Alderman Robert Shaw

Also in Attendance: Alderman-at-Large Steven A. Bolton (@7:25 p.m.)  
Alderman-at-Large Paula I. Johnson (@ 7:35 p.m.)  
Alderman Marc W. Plamondon (@ 7:42 p.m.)  
Amy Gill, CSO Storm Water Engineer  
Jay Minkarah, Economic Development Director  
Janice A. Tremblay, C.P.M., Purchasing Manager  
Susan Jeffery, Risk Manager

Mayor Streeter

Alderman Shaw indicated he is on business.

## COMMUNICATIONS

From: Stephen M. Bennett, Esq., Deputy Corporation Counsel  
Re: Vehicle Towing Services Agreement

**MOTION BY ALDERMAN VITALE TO ACCEPT, PLACE ON FILE AND AUTHORIZE THE CITY TO ENTER INTO THE ATTACHED VEHICLE TOWING SERVICES AGREEMENT WITH THE NASHUA TOWING & RECOVERY ASSOCIATION**

ON THE QUESTION

Alderman Deane

I would like to say that I did attend a few of the meetings, and there were a lot of differences ironed out between the City and the Association. I think one of the good things was they have retained a site that is fenced and lit and vehicles are no longer going to be hauled down to the landfill, which gets rid of a liability that we had. I think Sue Jeffery could probably comment on that a little more.

Susan Jeffery

That is the highlight of our contract. There were some other changes in reference to CDL compliance and certification of the drivers, but the main change is that the impound lot will no longer be located at the landfill. The Association has their own lot. The only thing that will be going to the landfill are the snow tows.

Mayor Streeter

I want to thank you Sue and David and the members of the Association who met to discuss this and Rich Reine and everybody involved. It was a pleasant experience. I think we have resolved the situation to the best of our ability.

**MOTION CARRIED**

From: Janice A. Tremblay, C.P.M., Purchasing Manager  
Re: Bid Summary and Contract Award for Two 48-Inch Mowers  
Required by Park Recreation Department

**MOTION BY ALDERMAN VITALE TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO J.R. ROSENCRANTZ IN THE AMOUNT OF \$10,458. FUNDS ARE AVAILABLE IN ACCT. #552-64192**

**MOTION CARRIED**

From: Janice A. Tremblay, C.P.M., Purchasing Manager  
Re: Contract Award for Design Services for the Mine Falls Park  
Phase III Improvements Project

**MOTION BY ALDERMAN VITALE TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO MCFARLAND-JOHNSON, INC. IN AN AMOUNT NOT-TO-EXCEED \$110,100. SOURCE OF FUNDING IS ACCT. #352-6514**

ON THE QUESTION

Alderman Rootovich

I assume Mr. Minkarah is here for this.

Mayor Streeter

Actually Mrs. Gill.

Alderman Rootovich

Could you give us a couple – I will allow you more than 25 words, give us a highlight of some of the significant acts this will involve?

Amy Gill

Good evening. Some of the project that will be designed during this phase includes the bridge at the north South Street entrance that will connect the land side over to the dike side of the canal. Also there will be improvements to the boat ramp next to the gatehouse as well as bridge repair to the six bridges that are 16-30 years old throughout the park. Also includes improvements to the entrance Whipple Street Park as well as paths that lead down to and into the athletic fields. Then also entrance signs – we are looking to design and have installed nine (9) entrance signs that designate name entrances to the park.

Alderman Rootovich

This has nothing to do with a scope of study with respect to the bridge that is between the two high schools?

Amy Gill

No that is a different study.

Nick Caggiano

It is just a pedestrian bridge that we are putting at the 7<sup>th</sup> Street. What our intent is there is to open up the inner city to be able to get across the canal, experience the cove, and actually be able to bike all the way to Stellos if they have to for games or things like that.

Alderman Vitale

By the boat ramp is that going to take care of some of the erosion that happens right around that area also?

Amy Gill

What we are looking to do Alderman Vitale is relocate that ramp somewhat as it directs now out towards the damn area - as well as right now cut open area into the riverbank, and we are planning on making a more formal boat ramp with a concrete entrance. Traffic flow too – we are going to try to improve that.

Mayor Streeter

Are there any further questions? I wish to comment that this grant was a result of Senator Gregg's continued interest in Mine Falls Park. We thank him and his family for providing him with the love for this park in the city.

**MOTION CARRIED**

From: Janice A. Tremblay, C.P.M., Purchasing Manager  
Re: Amendment #2 to H.L. Turner Group Contract related to  
Nashua Riverwalk

**MOTION BY ALDERMAN VITALE TO ACCEPT, PLACE ON FILE AND INCREASE THE VALUE OF THE EXISTING CONTRACT WITH H.L. TURNER GROUP BY AN AMOUNT OF \$6,950. FUNDS ARE AVAILABLE IN ACCT. #773-53095-3726**

ON THE QUESTION

Alderman Deane

I have a question and a concern. If you look in the third paragraph on the coversheet that Janice Tremblay gave to us, it states "In addition to services covered under the contract, H.L. Turner Group has completed a number of items not covered under the original." The way I am reading this is they have gone ahead and done things prior to this being approved, and now after the work has been completed, a majority of it – there are a few other items left for them to do that they have agreed upon, it is being brought in for us to approve. My question is what happened.

Jay Minkarah

The work that they did was work that we asked them to do so that the project could continue, which I would be happy to run through, but at this point what we are looking to do is add to the existing contract so that they can continue to provide us additional services, which are above and beyond what we contracted for. If I have the exact figure right they were contracted to cover I believe it was 10 project meetings. As an example we have already gone beyond 10 project meetings. In order for them to continue to provide construction administration services we need to increase the contract amount.

They have done services that are above and beyond what we had contracted for, but what we

are seeking is the additional funds so that they can (due to project delays, which I can explain) continue to provide construction administration services to us throughout the project so that we can see this project through. I would be happy to go through what has caused the delays as well as the work that they have done.

Alderman Deane

I see the list that is here of the .. the items that are listed that were not covered under the original have nothing to do with the additional \$6,950 that they are asking for to cover the remaining tasks?

Jay Minkarah

What they did was – to some extent it is because they have billed us for some of the work that was done in excess of what was originally contracted for. When I say that originally contracted for we contracted with them to do the design of the riverwalk. That is one of the items that was covered. We brought back to them after the design part was completed, changes that were necessary. If you want me to get into the details – basically the principle change – I will speak to it because it affects both contracts – was there is a utility pole out there on the riverbank right now. The original site plan had that pole moved about 4.5 feet. When we got into construction we discovered that Public Service did not want the pole moved, and moving it was much more difficult than we had appreciated. To remedy that situation we asked Turned to redesign a portion of the counter walk for the riverwalk that went around that pole. Design of the riverwalk was within the scope of the project, but more time was put into it than they had anticipated.

Basically although there are a few other factors I think that are detailed there, that is the principle one. That lead to about a four-week delay in the overall project, and that does affect both of the contracts. That delay was for the design work waiting for the time for it to be prepared and approved when construction basically ceased.

Mayor Streeter

Not one penny will be over the original estimate for the bond issue correct?

Jay Minkarah

Correct.

Alderman Deane

That doesn't matter. We had an issue with Public Service down at East Hollis Street with the fire station. We had a five-week delay, and we had no till to return to to get monies with contractors that thankfully the construction management firm we hired was able to talk with these people and coax them into staying and moving along and getting remedies. Correct me if I am wrong,

and I know this is our first TIF, but this is the second time monies have been expended prior to approve of the Finance Committee. The first time was with the foundation for the building over there and now this work has been done and the people want their money. The next one is we are paying \$21,440 is being asked for to deal with the delay of the phone pole plus it was raining. Do we pay extra for rainfall delays in contracts now? When we had the same thing at the fire station we couldn't pay anybody any more money down there. I just think they should have come back to the Finance Committee with the change prior to the work being done so that we all understood what was going on. This is coming in after the fact – the work has been completed and these people weren't able to work and the engineer on the project is more than willing to give away the city's money for the change orders he thinks is perfectly appropriate. Why don't we take the money out of his contract and pay the \$21,440 to the folks that were affected if he is that adamant about it?

I just think it is wrong. I think this whole process is coming unglued. I think it should come back to the Finance Committee when problems like this occur. I know it is miniscule, but this sets the precedence because you could look at the rest of what goes on in this city and if there are changes that have to be made why can't other departments do this just bring things in after the fact? This is the second time on this very project that something has been brought in after the fact.

#### Jay Minkarah

I disagree with the characterization that this is being brought in after the fact. The work that was done was part of the design work, which is what was contracted for, and we continued to draw funds that were allocated for this contract. What we are seeking and yes the project has taken more time and there was more work to be done than was originally anticipated – the funds that we are seeking though are not to compensate for work that was done in the past they are so that H.L. Turner can continue to provide us construction administration services through the end of the project. We are seeking funds so that they can continue to serve us not to cover something that was done in the past. I think that we did bring this to this committee as soon as we could.

#### Alderman Deane

Mr. Minkarah I had asked you earlier about some of the tasks that were completed and whether this \$6,950 included some of those, and you stated that it did. Unless I heard you wrong I guess it didn't, and I will stand corrected because you just got done telling me this money will cover their estimated 10 more times on the project, and that is what the \$6,950 is for?

#### Jay Minkarah

The \$6,950 is to cover their costs through the rest of this project.

#### Alderman Deane

So it has nothing to do with all of these items that were not covered under the original contract? They are doing those for free?

Jay Minkarah

The reason those are itemized is because that is what has eaten up what is already allocated under the project. The reason why we are coming back to you for additional funds is because the project has taken longer, it has been more complicated than anticipated, and we need additional funds to continue to have H.L. Turner provide us with construction administration services until this project is done. We are looking for another four weeks.

Alderman Deane

Thank you.

Alderman Dion

Mr. Chairman if I may through the Chair I would like to ask Jay a couple of questions.

Mayor Streeter

Please.

Alderman Dion

Jay these two change orders amount to about \$28,400 somewhere in that vicinity. That is a lot of money. This \$28,000 is this going to come out of the bond money that has been appropriated for this project or is this in addition to the bond money that was allocated?

Jay Minkarah

This would come out of the bond money. With all of the contracts that we have approved to date, out of the original \$1,135,000 we have \$91,766 remaining under the bond. If both of these changes to contracts are approved we will have \$63,776 remaining so we will not be exceeding the original bond amount.

Alderman Dion

Are you telling me that \$63,000 that is left will be enough money to finish the project as planned?

Jay Minkarah

I see no reason why it wouldn't.

Alderman Dion

Something tells me this will end up being an addition. I have that feeling.

Jay Minkarah

I don't see a reason why. I couldn't say for sure, but I can't anticipate a reason why we would eat through the remaining \$63,000. There are a few remaining items that were originally anticipated such as, for example, park benches that were anticipated for the project, there are some lighting fixtures that we would most likely be looking to incorporate into the riverwalk, but nothing that I could imagine would consume that remaining \$63,000.

Alderman Dion

So in other words what you are telling me is that the \$63,000 assuming these few change orders get okayed, will finish the project as planned?

Jay Minkarah

Yes.

Alderman Dion

Thank you.

Mayor Streeter

Jay in the event that there are additional expenses I think what Alderman Deane said is correct – just alert the Finance Committee ahead of time although you don't anticipate the use of these monies that aren't spent. If you do do that then I think the committee would appreciate advance notice okay?

Jay Minkarah

Certainly.

Mayor Streeter

Anything else Alderman Dion?

Alderman Dion

No that is it. Thank you Mr. Chairman.

**MOTION CARRIED**

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

Re: Change Order #1 to Pilot Construction Contract for Nashua Riverwalk Project

**MOTION BY ALDERMAN VITALE TO ACCEPT, PLACE ON FILE AND APPROVE CHANGE ORDER #1 IN THE AMOUNT OF \$21,440 TO THE EXISTING CONTRACT WITH PILOT CONSTRUCTION, INC. SOURCE OF FUNDING IS ACCT. #773-01310-3726**

ON THE QUESTION

Alderman Deane

Does the contract state that the city is responsible for delays caused by unusual amounts of rainfall experience in the month of the construction? I find that absolutely ridiculous as a reason to pay extras. The utility pole was one thing because for some reason it couldn't be moved. I realize we had eight days of rain in a row in October and then we had the 60 mph winds that day – why are we paying someone extra for that?

Jay Minkarah

The rain caused a delay in the project, and we felt that we would not hold Pilot responsible for additional days on the contract – that because it was such an unusual rain event that we are not compensating them for any of their costs in that time, but we have lost a total of about five weeks on this project – we are about five weeks behind on the project. What they are seeking additional funds for in the contract are for four weeks of fixed costs, which were related to the pole. We did relieve them of I believe it was four days that were requested because of the rain. Our contract period I believe was supposed to end October 23<sup>rd</sup> originally.

Alderman Deane

Thank you.

Alderman Rootovich

When you say we relieved them who relieved them?

Jay Minkarah

I shouldn't say we relieved them. We felt it reasonable to agree..

Alderman Deane

Who is we?

Jay Minkarah

Myself and H.L. Turner. Obviously that hasn't occurred yet because we are requesting that approval here this evening.

Alderman Rootovich

I don't know if I got an answer to the question that Alderman Deane asked with respect to the language specifically being in the contract -- they could come back and ask for additional monies if the project was delayed, i.e., for rain or any other cause beyond our control. He questioned specific language. Is there language in there that says that?

Jay Minkarah

No.

Alderman Rootovich

We took it upon ourselves based on what we felt was reasonable?

Jay Minkarah

Yes primarily because the – when Pilot bid on this project and the timeframes were established it was based on that pole being moved. It was not Pilot's responsibility to move the pole. That is a change in circumstances from when this project was originally bid. The fact that the project had to be redesigned and the redesign of that project was not included in the bid specifications was not something that they could of anticipated. The responsibility for moving that pole was not theirs, it wasn't within their contract to have to deal with that pole – it wasn't supposed to be there. That is why we thought it was reasonable to request the additional costs to cover the time that they basically weren't able to do anything, but still had fixed costs. It was not something that they had caused.

Mayor Streeter

Just for the TV 16 audience, the fixed costs were rentals, portable toilet, supervision, project management, temporary fencing, and barges. Those are costs that had to be paid whether they were working or not.

Jay Minkarah

That is right.

Alderman Deane

If they had finished the project ahead of schedule would we have seen a reduction in the contract costs?

Jay Minkarah

I don't believe we would have seen a reduction in the contract costs no because there was a date by which they had to have it finished. I would say although it is somewhat unrelated that we are getting a credit because in going through the project and the work that was done there was a significant amount of concrete that was originally budgeted that is not going to be necessary. We are anticipating that we will be getting a credit for about \$24,000 from Pilot. That would also be a change to the contract.

Alderman Deane

The other question I have Jay is can you explain the utility pole? H.L. Turner did the design and they did the design with the utility pole being removed and found out after the fact that the utility pole couldn't be moved or they wouldn't move it or... why couldn't they move that?

Jay Minkarah

I think it is one of the complications that we have with this contract – H.L. Turner was under contract with the city to design a portion of the riverwalk. The site plan for the property was designed by Hayner/Swanson for Jackson Falls LLC. The site plan that was designed by Hayner/Swanson showed that the utility pole was going to be moved so when H.L. Turner designed their plan for the riverwalk they designed it on the assumption that the pole was moved. It wasn't a Turner error in other words, that was supposed to be moved according to the Hayner/Swanson plan.

What we discovered was, and I can't say necessarily whose fault it was, but I would say there was probably not enough due diligence done on the part of whoever designed the original Hayner/Swanson plan, they moved the pole – it looked like it was a little more convenient, certainly a better location to relocate it to, but looking into the logistics of it was something that I don't think was done sufficiently, and perhaps there should have been more inquiry into Public Service and how they felt about that pole being moved.

Alderman Deane

Why wouldn't H.L. Turner then back charge Hayner/Swanson and get the money from them?

Jay Minkarah

Because H.L. Turner doesn't have any kind of contractual relationship with Hayner/Swanson. They wouldn't have any means of charging them for – the developer of the Jackson Falls site did assume the costs associated with that pole, but the design work was done for us.

Alderman Deane

So H.L. Turner just took it for granted that pole would be moved and it wouldn't be an issue, and come to find out it wasn't moved and it was an issue and now we have to pay extra for the design work and the delays.

Jay Minkarah

To an extent yes.

Alderman Deane

Thank you.

**MOTION BY ALDERMAN ROOTOVICH TO HOLD IN COMMITTEE UNTIL THE FIRST FINANCE COMMITTEE MEETING IN DECEMBER**

ON THE QUESTION

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Alderman Rootovich

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I don't think there is a time commitment at this time, and based on additional expenditures that may or may not be needed and based on a credit that you said might be coming back to us we can wait a while and see what happens with the project, and then bring this back up at our next meeting in December.

**MOTION CARRIED**

Alderman Tollner

Can I ask a question of Mr. Minkarah before I leave? Jay if we were to approve this \$21,000 what impact in addition to this is Pilot bearing? If we vote on this \$21,000 I am not sure that they would be left whole with everything that is going on there. What are they incurring as far as expenses or deficits or does this cover every single thing? Is there any sharing in this situation?

Jay Minkarah

Oh definitely. They had originally submitted for a higher amount of about \$28,000. We took issue with basically some of the suggested additional costs. In other words, some negotiation went back and forth.

Alderman Tollner

Okay so they originally submitted a figure of roughly \$28,000 and then we are down to \$21,000 right now. If I could ask one other question Mr. Chairman?

Mayor Streeter

Please.

Alderman Tollner

Do you perceive any problem – I know we have already made a motion and it has been approved to hold in committee, but is there any problem with us doing what we just did?

Jay Minkarah

I certainly hope not. Maybe perhaps perception wise there might be, but at this point we are just – we have expended, maybe I could be corrected if I am wrong, but I believe just over half of what we have in our original contract amount so there are still substantial funds remaining to cover any invoices that might be coming in. I think we have paid just around \$400,000 and some out of the \$860,000 sum that is remaining. We would not have a problem in meeting any invoices that would be coming in the short term.

Alderman Tollner

Thank you.

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

Re: Purchases of Breathing Apparatus for Nashua Fire Rescue

**MOTION BY ALDERMAN VITALE TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO INDUSTRIAL PROTECTION SERVICES IN THE AMOUNT OF \$19,390. FUNDS ARE AVAILABLE IN ACCT. #335-64192-6350 (\$9,890) AND #532-64094-6701 (\$9,500)**

**MOTION CARRIED**

From: Janice A. Tremblay, C.P.M., Purchasing Manager  
Re: Change Order #1 to Contract for Emergency Erosion Control  
Related to Farmington Road Outfall

**MOTION BY ALDERMAN VITALE TO ACCEPT, PLACE ON FILE AND APPROVE CHANGE ORDER #1 IN THE AMOUNT OF \$7,500 TO COLEMAN CONSTRUCTION. SOURCE OF FUNDING IS ACCT. #792-01310-3792**  
**MOTION CARRIED**

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WARRANT

**MOTION BY ALDERMAN VITALE TO APPROVE WARRANT #9 IN THE TOTAL AMOUNT OF \$10,195,310.88 OF WHICH \$1,876,307.52 ARE ACCOUNTS PAYABLE, \$4,751,339.84 ARE PAYROLL AMOUNTS, \$118,637.56 ARE PREPAY AMOUNTS AND \$3,449,025.96 ARE WIRE TRANSFERS**

**MOTION CARRIED**

DISCUSSION

-  
NON-PUBLIC SESSION

-  
**MOTION BY ALDERMAN VITALE THAT THE COMMITTEE GO INTO NON-PUBLIC SESSION BY ROLL CALL PURSUANT TO RSA 91-A:3,II(e) TO CONSIDER A GENERAL LIABILITY CLAIM**

**SECONDED BY ALDERMAN ROOTOVICH**

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

-  
Yea: Mayor Streeter, Alderman Rootovich, Alderman Deane, Alderman Tollner, Alderman Dion,  
Alderman Vitale

6

Nay: 0

**MOTION CARRIED**

The Finance Committee went into non-public session at 7:30 p.m.

**MOTION BY ALDERMAN VITALE TO COME OUT OF THE NON-PUBLIC SESSION AND RETURN TO THE REGULAR MEETING OF THE FINANCE COMMITTEE  
MOTION SECONDED BY ALDERMAN TOLLNER**

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

Yea: Mayor Streeter, Alderman Rootovich, Alderman Deane, Alderman Tollner, Alderman Dion, Alderman Vitale

6

Nay: 0

**MOTION CARRIED**

The Finance Committee returned to its regular meeting at 7:52 p.m.

**ADJOURNMENT**

**MOTION BY ALDERMAN ROOTOVICH TO ADJOURN  
MOTION CARRIED**

The Finance Committee meeting was adjourned at 7:53 p.m.

Alderman Kathryn D. Vitale  
Committee Clerk, Pro Tem