

REPORT OF THE FINANCE COMMITTEE

FEBRUARY 1, 2006

A meeting of the Finance Committee was held on Wednesday, February 1, 2006 at 7:00 p.m. in the Aldermanic Chamber.

Mayor Bernard A. Streeter presided.

Members of the Committee present: Alderman-at-Large Steven A. Bolton
Alderman-at-Large Fred S. Teeboom
Alderman-at-Large David W. Deane
Alderman Robert A. Dion
Alderman Daniel L. Richardson
Alderman Richard P. Flynn

Members not in Attendance:

Also in Attendance: Alderman-at-Large James R. Tollner
Alderman Mark S. Cookson
Alderman Greg Williams
Maureen Lemieux, Division Director, Administrative Services
Carol Anderson, Chief Financial Officer/Comptroller
Janice Tremblay, C.P.M., Purchasing Manager
Sue Jeffery, Risk Manager
Scott Pollock, Superintendent of Streets
Brian Morrissey, Asst. Fire Chief of Operations, NFR
Michael Mansfield, Asst. Fire Chief of Special Oper., NFR
Steve Dookran, City Engineer
Jeanne Walker, Wastewater Project Engineer

COMMUNICATIONS

From: Janice Tremblay, C..M., Purchasing Manager
Re: Consulting Services Related to Employee Benefits

MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE AND APPROVE THE THREE-YEAR CONTRACT TO GROUP BENEFITS STRATEGIES. THE FIRST YEAR'S CONSULTANT FEE TOTALS \$54,000. SOURCE OF FUNDING IS 308-83025-6105

ON THE QUESTION

Alderman Teeboom

On the memorandum itself, there are five firms that were interviewed, and the firm that was unanimously selected was none of those five. I am sure there must be a typo.

Mayor Streeter

I think John R. Sharry, Inc. is in essence Group Benefits Strategies is that correct?

Maureen Lemieux

Yes that is correct.

Alderman Teeboom

So Group Benefits Strategies is the same as Strategic Benefit Advisors?

Maureen Lemieux

No as John R. Sharry.

Alderman Teeboom

John R. Sharry is the same as Group Benefits Strategies?

Maureen Lemieux

Yes. If I may, when you look at the contract, the contract is with John R. Sharry, Inc. doing business as Group Benefits Strategies.

Alderman Teeboom

There were no costs assigned to each of these firms so on what basis, if not low cost – it didn't say this is a low cost award. There were no costs provided from any of these firms that bid this job – if you could just clarify on what basis this firm was selected to pay \$54,000 to the first year?

Maureen Lemieux

If I may, these were for professional services, and what we typically do here is when we issue an RFP we have the bidders send their proposal to us, and then in a sealed envelope we have their costs. We had five firms that responded to our RFP. We did interview all five. There were different things that were interesting enough in all five of the proposals that we really thought that it was important to talk to all of them. We selected this firm unanimously at the end of the day, and then opened all of the price proposals. We were actually quite surprised and quite happy to see that the cost for this firm actually compared quite favorably to at least several of them. I don't know that we ever really sat down and decided who was the absolute lowest, but this was very much on the low end. Some of the others were much more expensive than this firm.

Alderman Teeboom

The selection was made not from price; the selection was made based on qualifications?

Maureen Lemieux

Based on qualifications.

Alderman Teeboom

Isn't that kind of unusual? Aren't you also supposed to look at price?

Maureen Lemieux

That is not the way that we were doing this. If somebody's price was cheaper but if they weren't well qualified. This year this is projected to be a \$29 million account just in health benefits alone. Then when you add on the long-term disability life insurance this is about \$30 million worth of business so even though someone's proposal may have been \$10,000 - \$15,000 less than someone else we were doing all of this based on qualifications.

This firm – if I could just go on because I know you were unable to be here the night that I brought Mr. Sharry in last week to meet members of the Board, he actually contracts with about 200 municipalities. His strength is in dealing with municipalities and union negotiations. We feel that he really is going to be a very good fit for the city.

Alderman Teeboom

Thank you. Looking at this consulting agreement on the services, what I am interested to see included unless it is already included, a study or a tradeoff or a consideration or maybe report back to why it is cost effective to be self insured as opposed to being commercially insured. I know I have heard everybody say the previous consultant is it cheaper to be self insured and he said absolutely, but I have never ... and I have heard you say well we put the bids out – I have never seen the facts, the figures – I would like to see facts and figures behind – have a study done by this individual who mostly does self insurance from what I read – I would like to include if not in the service A-H or include an item J – that he actually looks at self insurance versus commercial insurance. Can we add a paragraph? How would we handle that?

Sue Jeffery

We could probably add that.

Maureen Lemieux

I don't know that we actually even need to add it.

Mayor Streeter

We could put it as one of his duties. We can't re-write the contract here tonight, but ...

Susan Jeffery

We could have him do that as just part of a regular analysis...

Alderman Teeboom

Yes and then come back to us and report on that. I am extremely interested in this. There is an awful lot of questioning to me during the election campaign about this very issue. This has been a very big issue with the cost inflated like \$9 million. People keep asking me why are we self-insured. I think it is important to understand and understand the basis for the question.

Maureen Lemieux

If I can I just respond – what I think Alderman Teeboom I think your request really fits well right in with Section B, and having it stated so that he would assist in preparation of RFP specs and seek quotations for health, that enables us to seek whether they are commercial insured rates or self insured. That certainly will be part of his contract. We did go out to bid last year so that everyone who didn't know this is aware, and our prior consultant – I know at least I have one page of analysis of what the totals were, but we did receive bids from Anthem and the Health Trust, and the Health Trust bid was very difficult to decipher, and we don't really think that we really understood – they wanted more information and it wasn't really a great bid, but the Anthem bid was going to be at least \$1.5 million more than the project costs to be self insured this year. Our costs, at least half way through the year, are running even at a rate that is a little bit less than what was projected so the commercial insurance for this year it appears would have been far more expensive for the city.

Alderman Teeboom

I would still like to see the figures.

Maureen Lemieux

Sure.

Alderman Teeboom

One final point, this contract is for one year with two-year renewals. What happens after the third year? Is there an automatic renewal after the third year or is it up for bid again?

Maureen Lemieux

It will be up for bid again.

Alderman Teeboom

Thank you.

Alderman Dion

Thank you Mr. Chairman. I have several questions to Mrs. Lemieux. The consultant that we had prior to this new consultant that is being proposed, how much were we paying him a year?

Maureen Lemieux

I actually pulled the information – we didn't pay him the exact same amount each year, but I have the numbers from FY '00. Beginning in 2001 there was only one year where we paid him less where the lowest amount was \$122,000.

Alderman Dion

For how many years?

Maureen Lemieux

Per year.

Alderman Dion

Per year we are paying \$120,000?

Maureen Lemieux

Yes.

Alderman Dion

And he had a three-year contract?

Maureen Lemieux

No he was working more on a fee for services. It wasn't an annual contract.

Alderman Dion

I see. Now Maureen I know that there have been two committees at least – Mr. Arel chaired one and I believe Alderman LaRose is chairing the present one, to look into the feasibility and the cost savings, if there are any, of putting our health insurance out to bid to different insurance companies. Where do we stand on this issue?

Maureen Lemieux

Most of our union contracts state that we have to offer either Anthem Blue Cross or Harvard. Until such time as there is a change in language in the contracts we cannot put our insurance out to bid to carriers beyond those two companies. We could and have a third company come in, but no carrier would bid on it because they wouldn't get much of the business. As far as putting it out to bid to other carriers, and virtually I think the only other one is Sigma in the State of New Hampshire – there would be no point in Sigma bidding on it. What we did do is go out to see what Harvard and Anthem would charge us to be commercially insured. That is about all we can do right now.

Alderman Dion

Are we in the process of doing this with Harvard and Anthem?

Maureen Lemieux

We did it. We got the quotes back last March I believe it was. It certainly appears that for this year being self-insured was significantly less expensive – probably to the tune of at least \$2 million that we saved by staying self-insured this year.

Alderman Dion

What you are telling me is that the labor contracts specifically say those two insurance companies?

Maureen Lemieux

Yes.

Alderman Dion

We can't change the contracts until negotiations begin. You're telling me that Blue Cross/Blue Shield if they took it on the cost would be heavier to the city as of last March?

Maureen Lemieux

Yes.

Alderman Dion

Have there been any talks with them since then?

Maureen Lemieux

No. It is really quite a complicated process for them to prepare a bid for us even though Anthem is the one that administers all of our Blue Cross claims, which is 75-80% of our employee base is insured with Anthem. Even though they have all of that information, for them to prepare a commercial quote for us it is a significant amount of work for them. What we decided to do last year when we saw the disparity in the figures, if this year if our self insured costs this year had increased by more than we expected we would have taken another look this spring at commercial rates. Because our self insured claims, at least so far this year and we are only six months into the year, are tracking at the rate that they are I don't think that it would be worth it because at some point they just won't even choose to bid. What we will probably do is every 2 or 3 years at the most. Maybe 2 years, but not more than 3 years in between when we would go back and ask for commercial quotes.

Alderman Dion

Well I see no relief in sight on that issue. The object of my questions is that if we were insured with insurance companies instead of self-insured we wouldn't have to be paying these consultant fees would we?

Sue Jeffery

Even if we were to move to a commercial insurance program we would still want a consultant to review the renewal process that Anthem or Harvard would give us when they give us their new rates. We certainly would want an independent set of eyes to take a look at those.

Alderman Dion

Well maybe take a look at them, but not to the point of hiring them for a year to three years. Initially maybe yes.

Sue Jeffery

We wouldn't just us the consultant at renewal time. There are other things that go on during the year – the Medicare Part D subsidies – there are a lot of peripheral issues around health insurance other than renewal where you would want expert advice available to you.

Alderman Dion

Mr. Chairman just to go one step further, both committees have recommended that we do this, that we look into the feasibility of getting our health insurance with an insurance company.

Mayor Streeter

Alderman Dion we do this on a regular basis.

Alderman Dion

I wish we could do this because it would free up a lot of people in city hall that are working on this, it would be closer scrutiny of the claims by the insurance companies by people that are trained to read these reports from the hospitals and doctors and scan them very closely as to whether or not they are legal. I think there are a lot of good things that could come about with getting in with an insurance company. I don't think the city should be in the business of insuring is my personal opinion.

Mayor Streeter

Alderman Dion all claims are scrutinized very carefully before they are paid. Anthem is in essence the manager for our health plan. They scrutinize. They have people on staff that have to pre-approve certain kinds of surgeries and procedures.

Alderman Dion

Mr. Chairman let me say this I know people in fact two in my family that work for an insurance company and they have to go to school and seminars forever in order to qualify to be able to process these claims. There is a lot to it. I don't know if we are in the same ballpark here as far as people in city hall. I am not criticizing. I am just saying to me I think professionals that are looking these claims over are much more likely to find missing links or whatever, false claims, exorbitant claims, etc.

Mayor Streeter

We do have professional people to analyze all of the claims.

Alderman Dion

I didn't know we did.

Mayor Streeter

Right now they are employed by Anthem. They are doing this for us.

Alderman Dion

We seem to be out of the ballpark on claims that is what I am getting at – the City of Nashua employees.

Mayor Streeter

Just to review Maureen several years ago we did go out to bid and Sigma actually came in a million dollars less. The unions wouldn't agree to having us switch to Sigma because it is in the language in their contract. We are trying – we hope that will change in the future.

Maureen Lemieux

Yes.

Mayor Streeter

Are there any further questions Alderman Dion?

Alderman Dion

No. I just stated my point of view.

Alderman Deane

Thank you. I know this is a complicated issue, and some of the discussions we had during our last budget discussion hinged around the fact that when Mrs. Lemieux went out and got some bids or some costing on what the city would have to lay out for this, we got these first year pricing plans so there is no guarantee what they would do in year two. It appeared as though they would entice you with a rate that would show you some cost savings, but come year two you don't know whether the gloves were going to come off or not and what was going to happen with those rates. You have that to look at. Sue Jeffery should sort of give us a high level overview of what happens – these claims are tracked. Could you do that Sue so that everyone understands the procedure that you go through because it isn't like we just get the bill and write a check? Things are scrutinized. Could you just give us a high level on that if you would?

Sue Jeffery

Certainly. We are self-insured. Harvard Pilgrim Health Care and Anthem are our third party administrators. All claims go to them. There are no City of Nashua employees who adjudicate claims. All claims go to the professionals at Anthem who have the standards of our plan design on what is allowable, what may need pre-certifications for surgery. They have experts who train and go to school and pay claims. They also have an audit process. We have also conducted audits on their accuracy for claims. They have recovery officials who will review the claims and if they should have been paid by a different insurance company or it involved an auto accident will recover that money for us. We also have people there who track high level claims, high cost claims – they are certainly well qualified individuals. What the employees here are doing is we are monitoring the claims, but we don't look at every single claim. We are not trained medically to review claims. That is done by a professional team at Anthem and Harvard Pilgrim Health.

Alderman Dion

How much are we paying for that?

Sue Jeffery

Their administrative fees are – I am sorry off the top of my head...

Maureen Lemieux

I can jump in here. It is about \$2 million a year between the two companies.

Alderman Dion

Two million dollars a year to process the claims and scan them for whether they are valid or not?

Maureen Lemieux

Right.

Alderman Dion

Two million dollars a year. That is a lot of money.

Mayor Streeter

Do you have any further questions Alderman Dion?

Alderman Dion

No. Thank you Mr. Mayor.

Mayor Streeter

Let me just give you from a personal experience, if your physician orders an MRI you don't automatically get an MRI. It goes to Anthem, and they review it and determine whether that is proper or not and have to sign off before you get your MRI. Sometimes it takes weeks to get the approval. These types of procedures and surgeries and so forth are scrutinized by a third party

Alderman Dion

Mr. Mayor there are a lot of things going on. Maybe a couple of years maybe five years ago – if your physician wanted to put you in the hospital he had to call the insurance company and get their okay to do it. That is what I am getting at things like that.

Alderman Flynn

I share some of the same concerns. I might have missed it at the introduction meeting, but I really wasn't happy with this little line in here where apparently Mr. Sharry's strengths are his current dealings. I guess that is where he would keep his skills up – where 95% of his clients are currently self funded clients. I really kind of share the same concerns a couple of the other Aldermen have

spoken. I really have a hard time getting used to this idea of self funded. I am also not convinced that it really is truly cost effective. I really wasn't happy with his background in his sense. I don't think his skills or expertise at this time seems to be to look at that analization to move us away from self-funding. In his contract, a couple of the main items that he does I am sure are things that we are already doing, we're probably doing it and our insurance people are doing it as well. Item A – work with the city to gather analyze claims data to identify areas of concentration for future cost containment – I can't believe we are not working real hard at that already so I am not sure that is not just shifting it from one desk to another. Item D seems to be tracking monthly enrollments and analyzing costs and whatever. That is something I am sure people are looking at very hard right now so I don't know how he will help us in those particular areas.

Mayor Streeter

Alderman Flynn we don't have the people, we don't really have the expertise to do this ourselves.

Alderman Flynn

We don't do this already?

Mayor Streeter

This is why we hire a consultant.

Alderman Flynn

We don't track the enrollments on a monthly plan? We don't keep a year to date status of losses and enrollments with each plan? We don't analyze claims to compare? It seems to me we must be doing those kinds of things or we are just victims of whatever is being thrown at us. I had my say on that.

I did have one question I wanted to ask. This \$30,000 that we have spent year to date in the first 29 weeks of this fiscal year, that consulting line – if I read this does that mean that we have spent \$30,468 on consulting fees year to date?

Maureen Lemieux

Yes that is correct.

Alderman Flynn

Where did we get for that?

Maureen Lemieux

This is all with the prior firm.

Susan Jeffery

I am sorry what was the date that you were looking at?

Alderman Flynn

I am looking at this report that talks about funds being available and it says that year to date, which I guess to be about 28 or 29 weeks into the year we have paid consultant fees already for \$30,500. I was questioning who that went to, what period did we pay, and what did we get for it.

Sue Jeffery

That would be the period from July 1 through the end of December. That would have been finishing up the renewals, we also spent an extensive amount of time applying for subsidies with the federal government on Medicare Part D, which is a pretty involved process, so that we could recoup through the subsidy some of the money for retirees on Medicare. There was some analysis of claims to date through that period. Those would have been the services that we had from July through December.

Alderman Flynn

Those are services that we needed then, but they are complete and we don't need them anymore? You are pretty much using up all your funds with this – well I guess this \$54,000 would only be \$27,000 in this budget.

Maureen Lemieux

Exactly.

Alderman Flynn

So do you expect to continue to do that?

Sue Jeffery

Yes.

Alderman Flynn

Thank you.

Alderman Teeboom

I reviewed the insurance study that was done by the Mayor, former Mayor Arel. I was very unhappy with that study. There was a bunch of filler in the back that was undecipherable and the basic conclusion was you have to live healthier. I would expect a far more thorough analysis by this individual. I was also disappointed by the Aldermanic insurance group that basically said you have to shuffle procedures around. We need to look at details. We have an HMO plan, we have a POS plan and we have an Indemnity Plan. I am not so convinced an Indemnity Plan is checked all that carefully. Indemnity Plan is like you can go almost anywhere. HMO gets scrutinized very carefully and POS probably less so. Why we even have an Indemnity Plan left is a little beyond me. All of that needs to be looked at independent of what contracts we have at this point. If the insurance company says look by union contract Harvard you are in, Anthem you are in – there is no real competition. What is the competition where Pilgrim is saying we are in; we are locked into a union contract. What is in it for them to give us an effective rate? The same for the other one.

The fundamental flaws in this whole problem is we have signed a union contract that says go to this company and that company and it destroys our ability to compete. That is my only comment.

Mayor Streeter

Well with 8 contracts coming due some time in the next 6-12 months you will have the opportunity Alderman Teeboom to vote on them. Just to respond to Alderman Flynn's concern that this John Sharry has 95% of his clients are self funded – I think you will probably find that industry wide when dealing with municipalities. His biggest client is the City of Austin and nearby handles the City of Manchester as well as a number of communities much larger than ours. The vast preponderance of those have found it to be less expensive to be self-funded.

Alderman Richardson

Thank you Mr. Mayor. I was going through these services, and it seems as though we have sort of some deliverables. When we say we want this kind of a report, present the city quarterly reports, etc. – we are not really saying exactly what we want. Do we need to be more specific? Is it just that he will automatically know what we want and etc. with all the rest of it. Is there a description of what exactly we want?

Maureen Lemieux

Actually we do have several of his reports here that he gave us so that we would know exactly what types of reports he will put together. The kinds of reports that we are looking for – we really need more data than we have ever had before so that we can identify exactly where the cost drivers are. Alderman Teeboom is exactly correct in saying that the two carriers that we deal with have absolutely no incentive to negotiate with us. It is in the admin. fees. It is not in rates because we pay exactly what the claim is. It is the admin. fees. Alderman Dion was asking about the cost of \$2 million a year that they have very little incentive to negotiate those admin. fees with us. What is good about Mr. Sharry is that he has a tremendous amount of experience in negotiating these rates for other municipalities who are in the same boat as us. He plans on gathering as much data as he can and then slicing it every which way that he can. Those are the kinds of reports that he will be giving us.

We have already – he isn't even on board yet, and hopefully with your approval tonight today will be the first day that they are really contracting for us, we have already met with him at least four different times. He has met with Anthem already, he has met with Harvard already, he has met with our negotiator, he has met with us a few times, he has brought a prescription drug company in here already for us to take a look at, and he has done all of this understanding that this contract would not begin until February 1st, and I made that very clear to him. He was more than willing to still come in and do all of those things with us. He has really hit the ground running. I am quite excited with what we will be able to get from him.

Alderman Richardson

Does his work product dovetail with what we need? Do we need the data in a certain format or is it just we get a paper copy and say that is fine we are not going to put it into a database or anything?

Maureen Lemieux

They will get a tape from Anthem and Harvard each month, and then they have all different models that they will put together that will slice the data for us. For instance what we need to know and understand is what our percentage of prescription drugs are generics. Right now we have 46% of the drugs that the prescriptions that are written for the city and our members who are insured, 46% of those drugs are generic. The industry standard is closer to 55%, and in fact they are really shooting to try to get it up to 60% in the next year or two. There are a number of different extremely expensive drugs that are going generic in the next year or two. We need to understand what drugs our member base are buying so that we can help direct those people to purchase generic if possible.

We have been looking at mail-ins and although initially when mail-ins really seem to be a much better way to go for several companies because a lot of the companies have been discounting as much as they have on the drugs, they have almost met that balance between the mail-ins so we have to really get the data and look at it and analyze it and if we are going to be losing co-pays it may not be worth it to us to really stress the people mail-in. Right now 9% of our drugs are mailed in. The industry average is closer to 15%. This is what he is going to be doing is getting all of this data for us and slicing it up different ways.

Alderman Richardson

So he provides it in like an Excel spreadsheet or something? Does it dovetail with our needs? How do we know it dovetails with our needs?

Maureen Lemieux

I don't really know if they are going to be Excel or not we haven't really received any of our own yet. We have certainly had insurances from him that if he needs it to be sliced a different way for us he certainly will do whatever he can. I think he is very anxious to get into New Hampshire. He already has the City of Manchester. I think he is very anxious to have the City of Nashua.

Alderman Richardson

Basically what you are saying then is he will do whatever we want.

Maureen Lemieux

Pretty much.

Alderman Richardson

Okay.

Maureen Lemieux

If he doesn't that is why we wrote the contract the way that we did. All we need to do is give him a 30-day notice and we would only owe him his monthly fee up to that date of termination with no additional charges. I made sure that we had a protection clause in there for us.

Alderman Richardson

That is exactly what I was going to ask you about. When it comes to termination if he just decides to pull out, he is gone subject to the termination clause, which there are no penalties involved for him to just pull out, what would that do to us? We would have to go out and re-bid this thing again?

Maureen Lemieux

Yes that is pretty much what we would do – very quickly.

Alderman Richardson

Do we ever put any kind of a termination penalty for something like that?

Maureen Lemieux

I didn't only because I didn't want him to put a penalty on us. I think if we had a penalty on him I think it would only be natural for him to then put a penalty on us.

Alderman Richardson

In records availability – we put in here that we will provide him with information so certainly he would recognize then that the information that he produces would be public documents?

Maureen Lemieux

Yes.

Alderman Richardson

It just wasn't stated in there. Okay. Thank you.

Mayor Streeter

The Chair will note that Aldermen Williams and Cookson have joined us.

Alderman Dion

One last question – I am looking at the termination also that Alderman Richardson spoke about, and the contract terms – once we sign this contract with this consultant we are under contract to start on February 1, 2006 and continue through January 31, 2009, but it is understood that either party to this agreement may terminate this agreement at any time without cause by providing thirty (30) days written notice of such intent. Let's say the city decides that we can do better with an outside insurance company instead of being self-insured after a year or so – at any time we can terminate this contract providing we give him thirty (30) days notice is that correct?

Maureen Lemieux

That is correct yes.

Mayor Streeter

Alderman Dion whether we go self-insured or whatever we still need a consultant. We still need someone to advise us. We are spending \$28 million of the taxpayers' money. We need an outside person to give us that kind of advice and expertise.

Alderman Dion

Mr. Chairman I might answer in this way – that if you were to give this contract out to an insurance company that is their trouble, that is their problem, they handle it. We pay so much a year and that is it. We don't have to worry about consultant fees, we don't have to worry about nothing – they take care of it.

Mayor Streeter

We still want to make sure they are doing a good job for us Alderman Dion.

Alderman Dion

Absolutely.

Mayor Streeter

Again when we are spending that kind of money we need to have that expertise out there to give us the kind of advice ... further questions?

MOTION CARRIED

From: Janice Tremblay, C.P.M., Purchasing Manager
Re: Bid Summary and Contract Award to Replace Windows and Frames
in City Clerk's Office Area

MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO THE LOW BIDDER, NASHUA GLASS CO., INC. IN THE AMOUNT OF \$14,279. FUNDS ARE AVAILABLE IN ACCT. #517-75023-7151

ON THE QUESTION

Alderman Teeboom

I have only an administrative point – the source of the money citation is 517-75023-7151. If you look at that number there is only \$6,000 in that account. There is a different number where there is \$34,000 in the account. It seems like the wrong number is assigned.

Janice Tremblay

Alderman Teeboom when we are working out of the two-digit account 75, there are sufficient funds within the two-digit account, 75, to cover the cost of this contract. That is why I have circled the \$34,276. We are at liberty within that two-digit account to spend – all of it is involved with building maintenance.

Alderman Teeboom

So it is the last four digits that count not the five digits in between?

Janice Tremblay

It is the first two digits. The 517 tells you that it is building maintenance then the first two digits of the next five digit code... you have a 75023, which is a sub-account of the two digit account 75. Seventy five is buildings and grounds repairs and maintenance. Then we break it down into whether we are actually repairing heating systems, plumbing, buying lumber, doing electrical. It is all building repairs and maintenance.

Mayor Streeter

Are there any further questions?

MOTION CARRIED

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

Re: Bid Summary and Contract Award for Mobile Air Compressor Assembly
Requested by Nashua Fire Rescue

MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO INDUSTRIAL PROTECTION SERVICES IN THE AMOUNT OF \$69,500. SOURCE OF FUNDING IS ACCTS. #332-64094-6701-6316 (\$48,650) AND #532-64094 (\$20,850)

ON THE QUESTION

Mayor Streeter

Chief would you come forward?

Alderman Teeboom

It says here that you are prepared to give a very brief overview. It seems to be very expensive respiratory air compressors. If you would give a very brief overview so that we know what we are spending \$69,000 on with something that produces air and why we didn't take the lower bid of \$65,000?

Brian Morrissey

The request before the committee this evening is for mobile air compressor light tower. The financing of this equipment is proposed to be 70% from a Homeland Security Grant that was awarded to the city for the purpose of upgrading our self contained breathing apparatus and 30% from local matching funds that were requested and approved as part of the FY '06 budget. The equipment is essential component for our fire emergency operation program as it provides enhanced ability to refill breathing air cylinders on scene at remote locations under extreme conditions.

Basically if the request if approved it is anticipated that the unit will be assigned over at the East Hollis Street station and used to support fire rescue operations, hazardous materials team,

confined space and below grade rescue incidents as well as the underwater rescue and recovery events for the dive team. It is basically a trailer unit that is completely self-contained. We can bring it on scene. It is towed. We fill the air cylinders that you see the firefighters wearing out at emergency scenes.

Alderman Teeboom

If all you are doing is filling up respiratory why does it have to be \$69,000? Isn't there a cheaper way to go to fill air into tanks? Can you put it in the back of a station wagon or one of the police vehicles or one of the fire vehicles and dispatch a mobile unit around?

Brian Morrissey

Basically this is the most effective and efficient way to provide air on scene. The air cylinders first of all they are compressed to over 4,500 PSI so it is a pretty complicated piece of equipment. It has to take the air, filter and purify it so that it meets breathing air standards. It is not oxygen it is regular atmospheric air, but once you compress it and put it into a cylinder we remove some moisture from it and it is a lifeline between these guys and contaminated atmospheres.

Alderman Teeboom

What does Hollis Fire Rescue use?

Brian Morrissey

They probably do similar to what we are doing today. They have a unit that is in the fire station and they fill much larger cylinders and then they transport those big cylinders out to the scene and then we refill the smaller cylinders off those. They call it a cascade unit. You cascade from the big units down into the small units. It is a fairly limited mechanism of providing breathing air at emergency scenes.

Alderman Teeboom

They don't pay \$69,000 for the ...

Brian Morrissey

They probably did for the unit that is actually located inside the fire station and then they transport it out differently. I don't know how often or how frequently they use it or any of that kind of stuff.

Alderman Teeboom

Ours you can take around that is the difference – that is more efficient?

Brian Morrissey

Correct.

Mayor Streeter

I will note that Alderman Tollner has joined us.

Alderman Richardson

Thank you Mr. Chairman. This is a new capability? We are not replacing some existing capability? Is this the first of the kind for us?

Brian Morrissey

We do not have a mobile air compressor that we have right now it is fully self-contained. This would be a new piece of equipment.

Alderman Richardson

This is new for the fire department completely – no station, no subdivision of the fire department has this capability?

Brian Morrissey

We have fixed units in place now that is how we fill our air now. We use two fixed units; one is at 177 Lake Street and one at Conant Road.

Alderman Richardson

Do we have any track record from other people's experiences with this equipment?

Brian Morrissey

I will defer to Chief Mansfield. He may have some information that relates to that.

Michael Mansfield

We have done extensive background on this particular unit. As you can see we went out to bid to several different companies for this unit or a like unit, and we had these two people come back in. This particular unit was looked at twice by not only our non mechanical staff personnel for the ease of use if you will for the folks in the field that are going to be using it, but it was also extensively looked at by our mechanical division who would be the ones who would actually maintain and repair the unit if it did break down. We checked back with approximately 12 or 13 other fire departments who have similar or like units and they have had no problems with it. It has a very good track record up to this point.

Alderman Richardson

Can I ask you did you check into their maintenance activities, which would be like routine maintenance as opposed to catastrophic maintenance where something really broke?

Michael Mansfield

We did. The mechanical division actually came back and made a proposal to us to try to go back to the manufacturer and see if we could get a full two-year warranty rather than just the one year warranty that a manufacturer usually gives us. They are willing to do that where the other manufacturer is not. I might add that the other manufacturer that bid on this particular piece of

equipment was not willing to bring a unit for us to actually look at, which caused us some concern because we really wanted to go over the unit and make sure that it was actually going to meet the needs that we have.

Alderman Richardson

When you specked this out what did we spec out for environmental conditions? Were we saying that this has to operate at minus 37 degree Fahrenheit or something like that?

Michael Mansfield

We did spec it out. We looked at many different components that are involved in the specification process, but the most important one is the fact that it needs to meet the OSHA requirements that we bring that air up to specific grade levels; Grade D for the firefighter components and Grade E for the water activity – scuba activity that we are currently performing. There are specific performance levels that this unit has to be able to perform to be able to give us those types of things that we are looking for to meet within that OSHA regulation.

Alderman Richardson

This is not going to be in a firehouse it is going to be sitting out exposed to elements wherever you are ...

Michael Mansfield

Right 90% of the time it will be housed in the East Hollis Street Fire Station. About 10% of the time it will be used out in the field when we need it to be brought out there.

Alderman Richardson

So it has to operate under extreme environments.

Michael Mansfield

Absolutely.

Alderman Richardson

And it was specked that way?

Michael Mansfield

That is correct.

Alderman Richardson

Thank you.

Alderman Cookson

Thank you very much Mr. Mayor. I am curious as to what is the lifespan of this piece of equipment.

Michael Mansfield

We are looking at the lifespan of being upwards of 20 years. These units, as long as they are maintained on an annual basis and we are meeting those annual maintenance benchmarks if you will, these units will last a significant period of time.

Alderman Cookson

So you are anticipating on average this piece of equipment to cost just about a little over \$3,000 a year for the next 20 years for a purchase price of \$69,500?

Michael Mansfield

Correct.

Alderman Cookson

I am curious how many events in the past year would you have benefited from a piece of equipment like this?

Michael Mansfield

Many. To give you a specific number I can't do that. There are many times where we would benefit from this not only from actual incidents, but more importantly training events that are ongoing on a weekly basis. This will allow us to be much more efficient in doing that due to the fact that we are not going to have to have a mobile unit being transported back and forth to fill stationary bottles and bring them out to the scene if you will. We will have the capability, where this is a self-contained unit, to do everything right there and not have to worry about shuffling cylinders back and forth and another vehicle back and forth or anything like that.

Alderman Cookson

Could you estimate how many bottles or cylinders typically would need to be refilled?

Michael Mansfield

At a multiple alarm incident I can tell you that we go well in excess of 100 cylinders for your typical third alarm fire. Those cylinders are filling approximately within 1 to 1.5 hours of an event. This particular unit allows us much more efficiency and much more efficient capabilities than anything we have had at this current point in time.

Alderman Cookson

So a single alarm or a two-alarm incident would you estimate it to be less than 100 cylinders?

Michael Mansfield

It is substantially less than 100 cylinders.

Alderman Cookson

Do we keep records of the number of alarms or the type of alarms that we see in Nashua?

Michael Mansfield

We do.

Alderman Cookson

Okay so you are able to tell me how many three-alarm fires happened last year?

Michael Mansfield

We are.

Alderman Cookson

Okay. Would you happen to know that number?

Michael Mansfield

I don't have it with me off the top of my head.

Alderman Cookson

Can you explain to me what your current process is without the mobile unit – how you would replace these bottles or cylinders?

Michael Mansfield

We currently have, as Assistant Chief Morrissey stated, two fixed units located at two of the firehouses. We also have another unit that has the ability to go out and fill units, but it is not a self-sustained process. Once we expend those cylinders that are on that particular wheeled unit that wheeled unit then has to be brought back to one of those fixed facilities to be refilled. That process takes roughly anywhere between 2.5 and 4 hours, maybe 4.5 hours to complete. Once we expend all of the air on that particular unit we are done. With this particular unit we can continue to fill cylinders for an infinite period of time.

Alderman Cookson

How many units/cylinders are available at each one of those other two facilities and can be brought to a scene? Do you have bottled cylinders filled ready to go?

Michael Mansfield

We have some spare cylinders, but we don't have enough to sustain a lengthy period of time.

Alderman Cookson

Final question is the efficiency of this mobile unit – how quickly can this mobile unit fill a cylinder? Is it still under that 2-hour timeframe that you were speaking of to actually take it back to a facility 2-4 hours?

Michael Mansfield

This unit will allow us the capability to continually fill two cylinders at a time while we are disconnecting two cylinders and reloading two cylinders in it. It operates on a rotation basis so we have two ports if you will, one that we are working on on the outside to disconnect the units that are full and two that are being filled while that is occurring.

Alderman Cookson

How long does it take to fill a cylinder?

Michael Mansfield

It will only take approximately – the 4,500 PSI cylinders that we have will probably take between 2.5 to 3 minutes.

Alderman Cookson

Thank you.

Alderman Flynn

Part of my question was the frequency so you answered that thank you. This ODP grant that is some kind of Homeland Security Grant?

Michael Mansfield

Yes. ODP stands for the Office of Domestic Preparedness, which is an arm of Homeland Security.

Alderman Flynn

Does this exhaust our 2004 grant? Is that why that number is as it is?

Michael Mansfield

This program was specific. We applied for this particular grant because we knew we needed to upgrade our self contained breathing apparatus and bring those up to current National Fire Protection Association standards because we were deficient in the weapons of mass destruction area. The seals and so forth and the regulators and masks and the components that were made of specific materials back when we purchased them are not sufficient enough to protect our firefighters against those things.

The second portion of that grant was to purchase a mobile air trailer for the organization to use.

Alderman Flynn

We are required to spend 70/30 or is that ...

Michael Mansfield

We are required to spend 70/30. That is part of ...

Alderman Flynn

That is the end of the 2004 grant?

Michael Mansfield

This will be the end of it. This will exhaust all but a couple of thousand dollars I believe, which will be turned back in to the federal government if we find that we have to do that.

Alderman Flynn

The other nagging thing that has nothing to do with this specifically, but you did mention that I think you talked with – I thought you said something like 15 other fire departments that use something similar to this apparatus correct?

Michael Mansfield

We were provided a list of different agencies that utilize this particular type of trailer not only municipal organizations but military organizations as well. We did contact several of them to discuss the issues in particular maintenance and operational issues that they thought did or did not exist. Everything came back quite favorable.

Alderman Flynn

Do they help us find other people to give us competitive quotes? It looks like we only had two people that quoted. One of them I guess didn't even come up with the specs we wanted and the other guy is the guy we are awarding it to. Would someone like these contacts that you had with these I don't know if it was the New Haven Fire Department or Worcester Fire Department or whatever wouldn't they give us some assistance as to who they bought their apparatus from?

Michael Mansfield

They do. This particular RFP went out to 7 different organizations and only 2 chose to bid on it. One being because of what we were specifically looking for they could not provide and the biggest thing was the mobility of this. We were looking for something that was lightweight, something that would offer us not only the speed and efficiency of the refilling of the cylinder capability, but something we could also tie into externally to also fill cylinders if that was necessary.

We discussed different areas that these other departments were looking at as well when they were doing their RFP and they pretty much decided what we were deciding – the same thing.

Alderman Flynn

With the same company?

Michael Mansfield

Yes sir.

Alderman Flynn

Thank you.

Michael Mansfield

If I may, the problem with some of these things that we are specking out, the manufacturers themselves have territorial limitations that they put on distributors and this particular person has pretty much this portion of the country to be able to sell these in. I could purchase Scott Air Packs but I couldn't use this particular dealer even though they sell Scott breathing air systems. I would have to go to another supplier to be able to do that because the manufacturer themselves puts such a limitation on these companies. It makes it difficult for us.

Alderman Flynn

It is just disappointing that we get one bid. You would think that if this was a piece of equipment that would benefit a lot of fire departments that there would be a wider need and there would be more manufacturers. You are dealing with a distributor I take it that controls this corner of New England or something?

Michael Mansfield

Yes sir.

Alderman Flynn

If you had different manufacturers you would have more distributors as well.

Michael Mansfield

I share that frustration.

Alderman Flynn

Thank you.

Alderman Richardson

Thank you for coming. I would just like to thank you for bringing this to us and more importantly I think public safety is very important and here we are having the opportunity to get a piece of equipment that could keep all of us safe for \$.30 on the \$1.00 and will last 20 years. I think that is a great deal. I just wanted to say thank you. Maybe you could get another grant just like it for next year.

Michael Mansfield

We will try.

Mayor Streeter

Are there any further questions or comments?

MOTION CARRIED

From: Janice Tremblay, C.P.M., Purchasing Manager
Re: Bid Summary & Contract Award to Replace Compactor Teeth as
Requested by Solid Waste Facility

**MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE AND AWARD THE
CONTRACT TO CARON COMPACTOR COMPANY IN THE AMOUNT OF \$41,993. FUNDS
ARE AVAILABLE IN ACCT. #801-77020-8001-8100
MOTION CARRIED**

From: Janice Tremblay, C.P.M., Purchasing Manager
Re: Contract Award for Preliminary Design Services for the East Hollis
Street CSO (#005) and Nashua River CSO (#006) Screening and
Disinfection Facility Project

**MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE AND
AWARD THE CONTRACT TO SEA CONSULTANTS, INC. IN A NOT-TO-EXCEED AMOUNT OF
\$550,000. SOURCE OF FUNDING IS ACCT. #792-53030-3791**

ON THE QUESTION

Alderman Deane

Thank you Mayor. Our representatives from Public Works are here.

Mayor Streeter

Able representatives.

Alderman Deane

Absolutely. I believe you both were present at the January 27th 10:00 a.m. Public Works meeting where there was a motion made by the Public Works Commission to reduce that \$550,000 down to \$500,000. That is correct?

Unidentified Speaker

Yes.

Alderman Deane

I would ask Alderman Flynn that you, if you could, in that motion that you read amend the \$550,000 to \$500,000 as voted on and approved by the Board of Public Works Commissioners.

**MOTION BY ALDERMAN DEANE TO AMEND THE NOT TO EXCEED AMOUNT TO \$500,000.
AS VOTED ON AND APPROVED BY THE BOARD OF PUBLIC WORKS COMMISSIONERS
MOTION CARRIED**

Mayor Streeter

The item on the table is the \$500,000.

Alderman Teeboom

This is a really big-ticket item. This is not \$50,000 or \$60,000 this is \$550,000.

Alderman Deane

It is \$500,000.

Alderman Teeboom

I am sorry it is \$500,000. It is still a large number, and it is for engineering/consulting services. My first question is you had two contractors. It doesn't say what the other contractor did. It doesn't say the other contractor was disqualified. Could you give us some insight why you picked who you picked SEA Consultants – can you give us some insight as to why you picked them over the other firm?

Mayor Streeter

There were four firms Alderman Teeboom.

Alderman Teeboom

Yeah, but there were only two listed here. There were four interviewed, but only two are listed here. There are two missing on the list. My main question is why did you pick the guy you picked out of the four.

Jeanne Walker

I am the Project Manager for this particular project. This project is partially funded by NH DES, a State Aid Grant. They will fund 20% of the project, but we have to follow their rules. Their rules are specific in the fact that for design phase of a project it shall be qualifications be – you cannot take fee proposals from them, you have to base it on their particular approach to the project so what you do is you solicit a request for qualifications from them, they submit a proposal package, you review those. On this project it was determined that SEA brought forth the best match with what the city was looking for on this particular project.

Alderman Teeboom

Cost is not considered?

Jeanne Walker

Not allowed to be considered. We are not allowed to request a fee proposal from them if we are going to get a 20% match from the DES.

Alderman Teeboom

So you don't even know whether this was the low bidder or medium bidder? Did you open up any other envelopes?

Jeanne Walker

Actually we don't get envelopes from anyone. We are not allowed to ask for bids. We are not allowed to ask for fees. We reach the fee by negotiating with them after we have selected a consultant.

Alderman Teeboom

You pick the consultant – you say that is the best qualified, you tell the other three thank you, but no thank you, you sit down with that one guy and start to negotiate. That is a lousy way to come up with a good fee. Basically you picked the guy before you know what costs he is going to charge you. How do you know he is not going to negotiate a million dollars?

Mayor Streeter

Those are the rules of the game that we have to follow Alderman Teeboom.

Alderman Teeboom

How do you know it is a good price? How do you know \$550,000 is a good... I worked with engineering firms, Bechtel specifically, we always had to submit ...

Alderman Deane

Who is Bechtel?

Alderman Teeboom

Bechtel is the largest construction – they built the Hoover Dam.

Alderman Deane

Were they part of the Big Dig?

Alderman Teeboom

They are the Big Dig.

Alderman Deane

How many billions were they over?

Alderman Teeboom

The thing is how do you know that you have a good deal? He says it is going to be a million dollars and it should be \$200,000 – how do you know what you are talking about?

Jeanne Walker

In this particular case, they came in with a very high cost proposal and we actually negotiated it down to this amount. We looked at the scope, we looked at the fees that they were charging, their hourly rates, their overhead, the process that they were looking for, and we negotiated it down to this amount, which in our opinions and professional opinions basically because we have done other contracts of this nature, that this is a fair price, a reasonable price for the services that we have contracted for.

Alderman Teeboom

What was the bid that you negotiated them down from? What was the bid they initially came in at?

Jeanne Walker

The services were slightly different. We have now gone with just a preliminary design here for the services.

Steve Dookran

We will get you the number Alderman Teeboom. Let me just reiterate apart from having higher government involved in the funding and having rules to follow it is very customary, and I know you said you worked in engineering for quite a while, but it is customary when you are dealing with large projects to do a qualifications based selection. It is by the law when we have state and federal government involved to follow qualifications based.

As Jeanne said we do have to rely on our own experience. We have to look at the scope carefully, we look at the hours they are putting toward any particular task, and we go back and forth – this looks like too many hours. Eventually we end up with what we believe would be a reasonable amount of effort that they will put forward. We also have to look at percentage of construction costs. This gives us a guide as to what to expect. If we expect a study will fall between 7-9% of a construction number then that is a good starting point. We do have to pay attention to any extraneous effort that will be needed, any particular special like investigative work that will be a direct cost that you can't negotiate. That cost we know comes from a direct say for instance borings – we know what borings will cost – if you are doing 20 borings there is the cost of 20 borings and so on.

In any event, this consultant, and by the way there are four listed – I don't know if you noticed there are two on the left side of the page and two on the other side of the page – anyway with SEA we had looked at the entire engineering phase and they came in with about \$1.6 million for the entire engineering. This construction is valued at about \$12.5 million. We found that it was too difficult

for us to pin down what a final engineering would be because of the nature of this project. It will involve running a number of pipe locating a facility that we are not sure exactly what the dimensions will be, what the capacity would be so we thought we would break this up into two phases. Again that is pretty much done in the industry when you have a lot of unknowns. The first phase will be from their design where they will come in with concepts and so on and we will be able to break up the engineering into Part A, which we are coming here tonight for approval of. We started around \$1.6 million for the entire engineering and beating them down to the first phase, which we think represents around 30-35% of the entire engineering and ended up around \$500,000.

Alderman Teeboom

Is this a cost plus proposal or a fixed price or is it not to exceed that is the job it can't go over? What kind of a contract is this?

Alderman Deane

It is right here – not to exceed.

Alderman Teeboom

The contract itself. They have to do the job for this they can't charge any more, but they are still on a cost plus basis?

Jeanne Walker

It is a cost plus a fixed fee. In other words, they will bill us at their hourly rate times their overhead plus their fee.

Alderman Teeboom

That is the best contract you can get. Will this firm be able to also do the construction or are they barred from the construction part of this job? Is there any exclusion in other words – they can design, but they are not allowed to construct? Is there an exclusion in the contract?

Jeanne Walker

They are not a contractor. They would be allowed to do the engineering services during construction so they would be able to do the resident engineering services, the inspection services or the shop drawings and requests for information – they would still provide engineering services, but they are not a contractor. They are not a construction contractor.

Steve Dookran

To add to that I believe you are wondering if they would be able to bid during the construction. Those services, those engineering services they will be providing during construction would be on our behalf. They would represent the city like an extension of the city staff.

Alderman Teeboom

Beyond the \$550,000 they can then get additional work to do engineering services and effectively become the project manager if they had to be?

Jeanne Walker

Yes, but bidding again it is a negotiated contract...

Alderman Teeboom

I understand that, but they are not barred from

Alderman Richardson

Under a cost plus fixed fee contract, if for any reason they decide something is out of scope they will come back to us and charge us for it.

Jeanne Walker

They have been very clearly told that they are not allowed to do any work that is not within their contract unless they come back, we negotiate a fee, we bring it to the Board of Public Works for their approval and then here to the Finance Committee for your approval prior to them doing any work on something that is out of scope.

Alderman Richardson

This \$500,000 will cover everything that is within this scope? We will not be looking at another bill?

Jeanne Walker

Correct.

Alderman Richardson

Thank you.

Alderman Flynn

I understand some of the background on this, that this is part of the Consent Decree that has to do with the Clean Water Act that I guess is a settlement we kind of made with the U.S. Government that we would take certain steps. We did get quite an outline from Director Seymour outlining the steps. I wondered if it would be alright with you if Mrs. Anderson could just fill us in what this February 1, 2008 step – where is the money coming from that and how much is that? I thought I had read that some place, but I can't find it anymore. I thought it was like \$15 million that we would have to come up with.

Mayor Streeter

Is that something you can answer Steve?

Steve Dookran

I am not sure I understand.

Alderman Flynn

This is the construction of the CSO 5 and 6 that must begin per the Consent Decree I guess by February 1, 2008. This is the design tonight. I understand that, but the next step would obviously have to be to construct it. I thought I had seen a number, but I can't find it anymore, that was like \$15 million or something to construct it. How does this work under an Enterprise Fund to pay for this?

Carol Anderson

It comes out of the retained earnings. As some of their revenue – their user fees go into that, but they have retained earnings and that is where they pay that from. They don't bond it or do any borrowing it is all from the equity in the fund.

Alderman Flynn

Do you remember the price of that?

Carol Anderson

Off the top of my head no I do not.

Alderman Flynn

It was a big number. I thought it was like \$15 million.

Carol Anderson

It is a big number.

Alderman Bolton

Twelve and a half million.

Alderman Flynn

I can't find it any longer any place, but I must have read it some place.

Alderman Bolton

It is like in the third paragraph down.

Alderman Flynn

Somehow this is paid for just through the Enterprise Fund? I guess they withhold enough money from their wastewater fees that they charge the residents to be able to build this facility?

Carol Anderson

Yes. This has been gaining over many years because originally the cost was substantially greater than it is now. Then they had lowered the fees I believe back in 2003, but it was still in anticipation that there would be enough to fund the CSO.

Mayor Streeter

We lowered the fees as you remember because we re-negotiated the Consent Decree. We saved the water ratepayers of our city well over \$100 million as a result of that re-negotiation.

Carol Anderson

Fees actually were dropped I believe it was like 23% if I remember.

Alderman Deane

I was the one that worked on the metric algorithms associated with the reduction of the fee tirelessly and we got support from the entire Board on that and we still have retained earnings in there.

Mayor Streeter

Do you have any further questions Alderman Flynn?

Alderman Flynn

No. Thank you.

Alderman Teeboom

All the other ones we have so far we got an accounting sheet that tells you how much money is in the account. Unless I am missing it I don't see an accounting sheet for this one. How much money is in the fund?

Carol Anderson

It is approximately I would say \$21 or \$22 million. Actually what you are seeing a 792 account is the capital project account for that enterprise fund, and we don't actually move money in there. At the end of the fiscal year if any portion of the activity that has gone on in that fund it needs to be capitalized and it ends up on our balance sheet and then the retained earnings are adjusted accordingly. Anything you see in there now is basically almost like a construction in progress type activity. It happens at the end of the year when that gets transferred. There definitely – it is in the equity section – in the retained earnings. I could certainly supply that. It is on the balance sheet for the enterprise fund.

Alderman Teeboom

So we know what it is the next time we get one of these. The final question I have for you is why did you not try to negotiate a fixed price, fixed fee?

Steve Dookran

Something like this it is a study what we are starting and it will eventually end up being a design – you don't know what you have. You have to do investigative work. You have to do surveys and geotechnical work. You have to do a number of investigative work and things do change. All we can do at this point in time is look at what that effort will cost us and that is a beginning point for us. Things can change. If you have a fixed fee you could end up either paying too much or too little and may end up battling over it for a long time. Again this is what we have been doing for as long as I have been with the city. We have been going in with cost plus and it has worked out well. With consultants I think you have to take a huge leap of faith with them knowing that they are professionals you are dealing with and you hope that you are getting what you are paying for. We do have the opportunity to check what they are doing, check their work, their presented plans and narratives, and we have a fair idea of what things cost.

Alderman Teeboom

We depend on the two of you to do that right?

Steve Dookran

Definitely.

Alderman Teeboom

We count personally on you to do that. Can we ask what the fee is?

Jeanne Walker

Percentage or the exact fee in the contract?

Alderman Teeboom

Percentage of the fee is it 6% or 5%?

Jeanne Walker

It is 10%.

Alderman Teeboom

That is a hell of a fee.

Jeanne Walker

They asked for 15% to start with and we told them that 10% would be the maximum that we would pay. The majority of the engineering contracts use a 10% fee.

Alderman Teeboom

I will tell you the jobs I was on they were not 10% fee. I would have killed to get a 10% fee. Just a comment.

Mayor Streeter

Are there any further comments?

Alderman Richardson

Are there any incentive clauses in here?

Jeanne Walker

No there are not, but because this is preliminary, the preliminary design – in other words they are doing the layout of the overall plan, we need to get to final design so that we can get to construction. The incentive is that there is that contract that will follow. If they are not doing a good job we can get out of the contract, but if they are doing a good job the incentive would be and we can negotiate the fee for the design with them. We don't have to go back out again for proposals. DES will allow us to negotiate with that same consultant, but yet we still have the option of going back out and re-interviewing.

Alderman Richardson

Thank you.

Mayor Streeter

Are there any further questions?

MOTION CARRIED

From: Janice Tremblay, C.P.M., Purchasing Manager
Re: Request to Increase Road Ice Control Salt Contract

MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE, AND APPROVE THE INCREASE TO THE CONTRACT WITH EASTERN MINERAL AND MORTON INTERNATIONAL FOR A TOTAL AMOUNT OF \$100,000, IF NECESSARY. FUNDS ARE AVAILABLE IN ACCT. #953-5329

ON THE QUESTION

Alderman Deane

My only comment is I hope it is not necessary.

Scott Pollock

Since I did the memo we have had a number of storms since. I have done the total on the salt I have on order and been delivered and I will be at \$286,000 of the \$310,000 will be spent when I complete that. My budget is based on 16 events. We're at event 17 already. It has been a mild winter, but we have been very busy. We have had challenges with the big temperature swings.

Alderman Deane

Everybody has. You have been doing a good job to date. Thank you.

Alderman Dion

Thank you Mr. Chairman. You know when you are in the public eye and you work for the city or whether you are an Alderman or whether you work for the city as an employee you don't get many thank yous. I am going to take this opportunity Scott to thank you. I know what winters are for you. I know the long hours you work – sometimes 24 hours without sleep. Your men work a lot of hours also. On behalf of the City of Nashua and my people in Ward 6 I want to thank you and your crew for the excellent job that you do in keeping our city streets safe in the wintertime and plowed. I want to thank you for that.

Scott Pollock

Thank you for that. I would like to thank my crews and the managers that I have, the supervisors .. they have all been working hard and I think doing a good job.

Mayor Streeter

Sometimes Alderman Dion Public Works 36 hours straight sometimes longer than that.

Alderman Dion

I know I have heard that, and I know about the birddog and what his crews. I know all about it. I don't relish his job.

Mayor Streeter

That is a challenge itself.

Alderman Dion

He does it and does it well.

Alderman Teeboom

It seems like a lot of money for salt - \$205,000 and now you want to go to another \$100,000 so you want to go through like \$305,000.

Scott Pollock

It is actually more than that. My original contract was for \$310,000 and I will go to \$410,000. Salt is expensive. Maybe I am showing my age, but I remember when it was \$12 a ton. Now I am paying \$43.20 and \$43.25.

Alderman Teeboom

Is that a competitive price?

Scott Pollock

Yes. We go out to bid every year for salt. We go to as many as 8 suppliers. I think this year we had 5 bidders. It is a competitive price and market.

Alderman Teeboom

Is it real salt or calcium chloride or sodium chloride?

Scott Pollock

It is real salt. It can come from two sources. It can be solar salt, which is distilled seawater that they make in beds or mine salt from a mine.

Alderman Teeboom

Must be a profitable business.

Scott Pollock

It is a lot of fuel that goes into trucking it. A lot of the time it comes from South America.

Mayor Streeter

I can remember years ago we were debating which country the salt came from – we were dealing with countries whose governments you didn't like. Unfortunately we deal with the best price and we can't determine – again base that decision on whether they are a communist country or not.

Alderman Deane

I just think it is also important to let some of the newer Aldermen know that although Scott put this out to bid last year and we get some good prices, the people were unable to deliver the product.

Alderman Teeboom

Not enough salt in the world?

Alderman Deane

No. It was a nightmare and we had to come back – it is pretty volatile and supply and demand.

Alderman Dion

It was a lot cheaper too.

Alderman Deane

Yes it was. It was cheaper, but they didn't have any of it.

Alderman Richardson

Scott how many times do we go out for purchasing salt in a year?

Scott Pollock

We bid it once a year. I do the documents in August and they go out to bid in August and it is usually a September/October

Mayor Streeter

That comes to the Finance Committee.

Scott Pollock

It goes to the Board of Public Works and it comes to the Finance Committee for review and approval.

Alderman Richardson

That is a bid for the entire year?

Scott Pollock

Correct for the season.

Alderman Richardson

Then if you need more then you come back again.

Scott Pollock

Yes we extend the contract.

Alderman Richardson

And the bid is basically for price per ton?

Scott Pollock

A lock tonnage price yes.

Alderman Richardson

So then the quantity is adjustable?

Scott Pollock

The quantity is adjustable yes.

Alderman Richardson

So that is how you extend it you ..

Scott Pollock

Correct. An easy winter I think I have used as little as 6,200 tons of salt and that is all I buy.

Alderman Richardson

Thank you.

Mayor Streeter

Are there any other questions?

MOTION CARRIED

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

Re: Request to Increase Winter Road Maintenance Sand Contract

MOTION BY ALDERMAN FLYNN TO ACCEPT, PLACE ON FILE AND APPROVE THE INCREASE TO THE CONTRACT WITH PITCHERVILLE SAND BY AN ADDITIONAL AMOUNT OF \$10,000. SOURCE OF FUNDING IS ACCT. #953-5329

ON THE QUESTION

Alderman Richardson

I noticed this is going to Billerica, MA company, Pitcherville Sand & Gravel, Inc. I assume that was the low bidder.

Scott Pollock

Yes it was. I think we went to 9 bidders and had 4 or 5 bids on that, and this was the low bidder.

Alderman Richardson

Did you go to any New Hampshire companies?

Scott Pollock

They are actually a New Hampshire company. Their main office is in Billerica. The material comes from Wilton, NH.

Alderman Richardson

Thank you.

Mayor Streeter

Are there any further questions?

MOTION CARRIED

MOTION BY ALDERMAN FLYNN 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: Alderman-at-Large Fred S. Teeboom

Re: Memo from Cindy Bielawski to BOA, Retirement Notification, 27 January 06

MOTION BY ALDERMAN FLYNN TO ACCEPT AND PLACE ON FILE

ON THE QUESTION

Mayor Streeter

Have you received answers to these questions Alderman Teeboom since you sent the letter on the 29th of January?

Alderman Teeboom

I have not looked at my e-mail today, but I hope someone is here that can go through items 1-7.

Mayor Streeter

I suggest Alderman Teeboom that in the future if you would communicate directly with Mrs. Anderson via e-mail prior to the meeting and she will do her very best to give you the answers either prior to or at the meeting. That process seems to have worked out. Members of the Finance Committee have questions or concerns they will communicate directly with her, give her the opportunity to do the research, get the answers, and get them back to you.

Alderman Teeboom

The reason I wanted this in particular because I communicate with Mrs. Anderson on a number of occasions as she well knows – I want particularly the Finance Committee to pay attention to this particular resolution. You did all get it in your packet. I would like to have a discussion on it, which is basically why I asked the questions. It relates to primarily why this is bypassing the Finance Committee entirely. If you haven't read it a resolution passed, 00-68. It allows a fund to be established and I don't know of \$300,000, it takes retirement money out of that fund that is over and beyond I believe and this is one of the questions, the retirements that are already paid to individuals I don't know on what basis they are selected, and they are supposed to be replenished as allowed, which doesn't seem to make a lot of sense to me because I don't know what the dictate is in the resolution or to dictate to future boards like this one, and particularly why this amount is paid. It says in the resolution "Upon review by the Mayor, the President of the Board of Aldermen, the Treasurer, and the Comptroller" now review is one thing and approval is another thing.

It seems to me this committee should approve all expenditures. Correct me on this, but I believe that is what the Finance Committee is in business for to approve expenditures. This seems to bypass the entire process.

Mayor Streeter

Perhaps Alderman Bolton may have more of a history on this.

Alderman Bolton

I think this is more akin to transferring money not expending money. The actual approval of the expenditure occurs by the Warrant process just like every other payment to any employee. This fund was set up to try and avoid unexpected fluctuations from one year to the next in paying the accumulated vacation and sick leave owed to employees at the time of retirement. Some years you would have a very good year and people wouldn't retire and you wouldn't have to come up with big lump sums of money, other years you would get surprised, and it would create a mini crisis in terms of unbudgeted for expenditures. It was determined, and this Resolution was adopted back in 2000, to establish this fund where money is unexpended from the retirement accounts, these accounts that are used – these are not like pension accounts these are accounts used to pay people their sick leave accumulation and vacation accumulation at the time of retirement, and monies unexpended from these accounts go into this fund and the fund accumulates. If at some point in some year the yearly budgeted amount is insufficient to pay what is owed to an employee monies can be transferred out of the reserve fund, put into the budgetary accounts, and paid out in the ordinary process approved by the Finance Committee through the Warrant just like as if the account had adequate funding to begin with.

Then, as I said before, in years where there is not such a demand that the yearly appropriation has been expended, the reserve account is then replenished. That is the procedure. That is what is done. There is no hidden selection of people to get benefits that others are not entitled to, there is no bypassing of the Finance Committee to pay people money and expend money that the Finance Committee doesn't approve in the normal process.

Alderman Deane

I had a question to Alderman Teeboom on the memo that he sent to us where he states here "I have a feeling that this is special interest legislation that is designed deliberately to bypass the standards oversight authority by the Finance Committee of the Board of Aldermen." Can you please supply us with whatever documentation you have behind this remark? I would like to understand what you mean by this. Who is the special interest of special interest group that you are referring to and could you explain how this was designed to deliberately bypass the oversight of the Finance Committee?

Alderman Teeboom

I would be glad to.

Alderman Deane

That is what I would like to know. This happened in the year 2000.

Alderman Teeboom

I will be glad to answer the question. Just the other time the Finance Committee met we approved transfers of contingency retirement funds to pay for the time the firemen if I remember right I forgot the details, but we had a transfer to a retirement fund to pay for the firemen. It came before this committee and this committee approved it. I don't think there was much debate. That to me is the standard procedure. This particular procedure and the resolution passed 6 years ago sets up a review by the Mayor, the President of the Board of Aldermen, Treasurer, and Comptroller (good and honest people all) to review this, but I don't see the Finance Committee mentioned here so I don't understand what makes this, and I question Alderman Bolton why do the transfers like with firemen handled through the Finance Committee but here is a special fund set up for seemingly although it is not very clear to me we will call it retirement expenditures for apparently a different purpose. That is the reason I asked the question. It seems like special interest legislation. The reason I brought it up was maybe someone had to straighten it out and set me straight and tell me no it is not, but so far on the face of it this is being handled differently than the normal retirement transfers. That is what someone needs to explain to me and hasn't done yet.

Alderman Deane

Mr. Mayor can I respond?

Mayor Streeter

Let's let – I recognize Alderman Bolton and then I think Mrs. Anderson needs to chime in too.

Alderman Bolton

The feelings and suspicions of anyone notwithstanding this is not special interest legislation that benefits anyone other than the city. The fact is in the ordinary course of events the Finance Committee has nothing to do with transfers. Usually transfers from one budgetary appropriation within a department or fund into another department or fund are usually done by the full Board of Aldermen upon the recommendation of the Budget Committee. Sometimes it may be that the Finance Committee weighs in, but it is not the Finance Committee doing it. If the Finance Committee is involved at all it is only on a recommendation. It has to be the full Board of Aldermen making those transfers from one department or fund into another department or fund as we are talking about the yearly appropriations.

What we have in this case is a separate reserve account where we have established a procedure whereby money can be moved from that reserve account for a particular purpose and the purpose is to fund things when the yearly amount is not going to be sufficient. It is completely over the top to suggest that 6 years ago someone anticipated the retirement of some individual and adopted special interest legislation. Nothing could be further from the truth. What is being represented in the form of the question is completely unfounded. It is not true that normally the Finance Committee approves appropriations. That is absolutely untrue. It is not true that the Finance Committee approves transfers. That is untrue. What is true is the Finance Committee approves payments, and in fact the Finance Committee is going to approve every payment that has already been made or will be made that affects this month.

Carol Anderson

What had occurred before is we had put a process in place when it came to contingency retirements, and resolutions had been done because it was coming out of the 596 accounts, the contingency negotiations account, so when it was coming out of that account and going to another let's say like police or fire or whatever department it would be, we did it by resolution. When it comes out of the expendable trust fund this particular trust fund, the way it was established there was no need to do that. It said that when it was established that it came out of – it was agreed through administrative review and that we would need to notify the full Board of Aldermen prior to making the payment.

There may have been once when it happened – we have never gone into the reserve fund so early. We usually have funds available in the 596. This year was an exception. They did put that one through and there was no need to do that. The other thing that I want to bring attention to is that these are wagers. No matter how we look at it they are wagers, which is defined as compensation. Because of that the RSAs I quoted in the letter where it came from – the RSAs anything where it says that the term wages means compensation and then it says or other agreement adopted and we have to pay out – it says or other agreement adopted for the benefit of an employee and agreed to by his employer. It is wages. We pay it through the payroll. That is how it gets paid out. Normally the payroll there is an exception in the ordinance and we make our payroll. We pay our payroll on a weekly basis and when it comes to you on a Warrant it has already been paid because that is by exception. Actually when I spoke with Corporation Counsel he said if there is any need for further clarification we probably should be putting the word retirement in there, but it still is wages and needs to be paid out. We have to pay that, according to the RSA, we have to pay that – “The employer shall pay the employee’s wages no later than the next regular payday.” This person is retiring; he retired yesterday, the 31st. His next regular payroll will be a week from this coming – we will post it this week and it will be paid in the following week on the 9th.

Alderman Teeboom

It is true the Board of Aldermen approves these along with Finance. Board of Aldermen approves these other transfers – anything between departments that is fine, but when we do the firemen transfer and I see transfer retirement money from some contingency account to pay for that money I see that stuff coming through to the Board of Aldermen all the time. We saw some recently. I am not questioning whether it is money that is owed. I am not questioning that this is maybe what I call severance – severance pay not retirement pay I think is what was the terminology for it. It is vacation, sick leave maybe, overtime that we pay, anything that is left – severance pay off you go. The question is why is this handled differently than these other transfers?

Carol Anderson

The other one – like I said if it came to you by resolution it was by mistake that time. It is allowed to be – the resolution here says that if it is coming from contingency negotiations, the reserve fund, that it follows this process. If it is coming out of the general fund, we haven't depleted that yet, and it is coming out of 596, that has to be by the Board of Aldermen – that is going to be transferred from the 596 account and in this case it would have been to a 574 or 573 account. It should, from this point forward other than the school money right now, it will be done this way until the new budget gets passed and we have money in the 596 account. Once that 596 is depleted and we start taking it from that reserve fund we go to that method. This is how it was set up.

Alderman Teeboom

How much money is left in this account?

Carol Anderson

I think there is \$765,000 for the city portion and \$206,000 for the school portion.

Alderman Teeboom

Right now \$765,000 for the city?

Mayor Streeter

That is on page 2 of that letter.

Carol Anderson

Right page 2 number 6.

Alderman Teeboom

This was dated today.

Carol Anderson

The other thing Alderman Teeboom is that right now in the contingency negotiation account under the 596 there is I believe \$600,000 there for the school

Alderman Teeboom

In the 596.

Carol Anderson

In the 596. That doesn't get transferred – it usually gets transferred at the end of the year. There may be occasion to transfer that sooner than that, but right now it is at the end of the year.

Alderman Teeboom

What would happen if we eliminated this and negated this resolution? What if we handle that fund the way all transfers are done?

Carol Anderson

Well actually...

Alderman Teeboom

We can take the money out of contingency accounts?

Carol Anderson

I will tell you that it looks good for us on the financial market. This is a reserve fund. We have a liability outstanding of over \$14 million and the financial institutions were pleased that we set up a reserve fund so that we have money that we do put in there to help fund that.

Alderman Teeboom

We have a liability of \$14 million in terms of retirements?

Carol Anderson

Yes. We have approximately 2,700 employees and this is accrued sick and vacation.

Alderman Teeboom

Welcome to the government world. Thank you very much.

Alderman Deane

Thank you. Alderman Teeboom let's be realistic. Let's be realistic. Show me a municipality or town that doesn't have an unfounded liability pertaining to this.

Alderman Teeboom

Show me a private ...

Alderman Deane

They exist everywhere.

Mayor Streeter

Gentlemen you can have a conversation like this after the meeting has ended, but Alderman Deane...

Alderman Deane

Thank you Mr. Mayor. I wanted to thank Carol for coming in and answering the 7 questions that Alderman Teeboom has raised. I just think that if you are going to send a memo out and are implying that this is special interest legislation I would hope that you would accept the explanation given by the CFO that in fact it wasn't, it is the way it is being done. You should choose your words a little wiser than ...

Alderman Teeboom

I thought I chose my words very wisely and ...

Alderman Deane

Not in this case you didn't.

Alderman Teeboom

An explanation is in order...

Mayor Streeter

The next item on the agenda is unfinished business.

MOTION CARRIED

UNFINISHED BUSINESS - None

NEW BUSINESS - None

WARRANT

MOTION BY ALDERMAN FLYNN TO APPROVE WARRANT #14 IN THE TOTAL AMOUNT OF \$11,389,438.26 OF WHICH \$2,472,512.51 ARE ACCOUNTS PAYABLE, \$4,688,247.68 ARE PAYROLL AMOUNTS, \$4,557.47 ARE PREPAY AMOUNTS AND \$4,224,120.60 ARE WIRE TRANSFERS

ON THE QUESTION

Alderman Deane

Have you signed the Warrant Mayor?

Mayor Streeter

Yes I have Alderman Deane.

Alderman Dion

You didn't pass it around. That is what he is getting at.

MOTION CARRIED

DISCUSSION

NON-PUBLIC SESSION

MOTION BY ALDERMAN FLYNN THAT THE COMMITTEE GO INTO NON-PUBLIC SESSION BY ROLL CALL PURSUANT TO RSA 91-A:3,II(e) TO CONSIDER SETTLEMENT OF PENDING LITIGATION

SECONDED BY ALDERMAN DEANE

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

Yea: Mayor Streeter, Alderman Bolton, Alderman Deane, Alderman Dion,
Alderman Richardson, Alderman Flynn

6

Nay: Alderman Teeboom

1

MOTION CARRIED

The Finance Committee went into non-public session at 8:50 p.m.

MOTION BY ALDERMAN FLYNN THAT THE COMMITTEE SEAL THE MINUTES OF THE NON-PUBLIC SESSION BY ROLL CALL UNTIL SUCH TIME AS THE SETTLEMENT DOCUMENTS ARE SIGNED

SECONDED BY ALDERMAN DEANE

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

Yea: Mayor Streeter, Alderman Bolton, Alderman Teeboom, Alderman Deane, Alderman Dion,
Alderman Richardson, Alderman Flynn

7

Nay:

0

MOTION CARRIED

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

MOTION SECONDED BY ALDERMAN DEANE

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

Yea: Mayor Streeter, Alderman Bolton, Alderman Teeboom, Alderman Deane, Alderman Dion,
Alderman Richardson, Alderman Flynn

7

Nay:

0

MOTION CARRIED

The Finance Committee returned to its regular meeting at 9:10 p.m.

Alderman Teeboom

I would like to announce the decision that was made in the non-public session, and make it publicly known what the decision was.

Mayor Streeter

I don't believe we are required to do that.

Alderman Teeboom

Yes I do.

Alderman Bolton

No you are not. There is no such requirement.

Alderman Teeboom

I will show it to you.

ADJOURNMENT

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

The Finance Committee meeting was adjourned at 9:11 p.m.

Alderman Richard P. Flynn
Committee Clerk

NON-PUBLIC SESSION

FINANCE COMMITTEE

FEBRUARY 1, 2006

Note: The tape recording of the non-public session malfunctioned; Committee Clerk Flynn submitted his notes for compiling the minutes of the non-public session. Pursuant to the action of the Finance Committee, the minutes of the non-public session were unsealed when the settlement agreement was signed on January 24, 2006.

Mayor Streeter checked with Alderman Bolton, and both agreed a tape should be kept of the non-public session. However, there was a malfunction of some sort, and consequently, the tape did not record the non-public session.

Sue Jeffery and Jen Deshaies from the Risk Management Department were introduced. Ms. Jeffery and Ms. Deshaies briefed the committee regarding the suit filed by Linda Haytayan against the school district.

MOTION BY ALDERMAN DEANE TO AWARD AND TRANSFER \$15,500 FOR SETTLEMENT

Discussion ensued regarding the recent detailed write-up in the Nashua Telegraph and why this matter was taken up in non-public. Most aldermen confirmed that they had seen great details of the case and settlement in the newspaper. Ms. Jeffery stated that the settlement papers had not been signed and therefore, confidentiality needed to be maintained. It was speculated that the information in the newspaper possibly might have come from the plaintiff's own legal representation.

AMENDED MOTION BY ALDERMAN DEANE TO AWARD AND TRANSFER \$15,000 FOR SETTLEMENT

Alderman Deane amended his motion to \$15,000 as this amount was the most current costs of settlement. Risk Management explained that at onset, the plaintiff had pursued \$75,000, but through a series of dialogues, the current proposal was only \$15,000 – all of which would be awarded to deserving boy and girl soccer athletes under some scholarship guidelines.

AMENDED MOTION CARRIED UNANIMOUSLY

This revised dollar amount and the conclusion that all the money would help student athletes left little questions or discussions from the board.

MOTION BY ALDERMAN FLYNN 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 DEANE

A short discussion ensued about why the minutes had to be sealed.

MOTION BY ALDERMAN BOLTON THAT THE COMMITTEE SEAL THE MINUTES ONLY UNTIL THE SETTLEMENT AGREEMENT HAS BEEN SIGNED

SECONDED BY ALDERMAN DEANE

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

Yea: Mayor Streeter, Ald. Bolton, Ald. Teeboom, Ald. Deane,
Ald. Dion, Ald. Richardson, Ald. Flynn 7

Nay: 0

MOTION CARRIED

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

MOTION CARRIED

The Finance Committee returned to its regular meeting at 9:10 p.m.