

REPORT OF THE FINANCE COMMITTEE

SEPTEMBER 16, 2009

A meeting of the Finance Committee was held on Wednesday, September 16, 2009 at 7:00 p.m. in the Aldermanic Chamber.

Mayor Donnalee Lozeau presided.

Members of the Committee present: Alderman-at-Large Steven A. Bolton, Vice-Chairman
Alderman Richard L. LaRose
Alderman Paul M. Chasse, Jr.
Alderman Richard P. Flynn
Alderman-at-Large Ben Clemons
Alderman-at-Large Lori Wilshire

Members not in Attendance:

Also in Attendance: Alderman-at-Large David W. Deane
Alderman-at-Large Fred S. Teeboom

COMMUNICATIONS

From: Robert Gabriel, Purchasing Manager
Re: Purchase of Skid Steer for Nashua Transit System (Value: \$43,324)
Account: 374-68123-7222-7200 ARRA Utility Vehicles, FTA Grant – NTS
Account Balance Remaining After Purchase: \$76,676

MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO BOBCAT OF NEW HAMPSHIRE IN THE AMOUNT OF \$43,324. FUNDS ARE AVAILABLE IN ACCT. #374-68123-7222-7200

ON THE QUESTION

Alderman LaRose

If you can indulge me, I noticed there are three sidewalk plows and every single one is different, and I'm wondering why that is so. I am assuming the top one for the transit system isn't going to be used on sidewalks throughout the city.

Mayor Lozeau

Actually, you will see the first three items on the agenda are related to sidewalk plows, but they are also pieces of equipment that can be used for sweeping, cutting, weeding, and all sorts of different things. The group of staff that came together working on the plan this year for how they are going to take on sidewalks for the winter looked at equipment based on different types based on their usage and location. When we are completed we should have one more coming at the next Finance meeting, or we will have one more coming and it should be at the next Finance meeting; two of them are going to be dedicated to the downtown area and so they have different capabilities that others have.

One of these is the typical one that we usually buy. The difference is that for the first time it is going to have a plow on it that has the ability to change its shape, which will make a difference. These are all different things, will be used for snow plowing as well as other sidewalk maintenance year-round. Some

of them have a different price. It also gives them an opportunity to try them out and see how they work. They went to other communities that had like the Bobcat or the Tractor to see how they worked in other communities, and they are taking a look at using them here. That is why we have the choices we have and the dollar amounts that we have here.

Alderman LaRose

Is there going to be a presentation given to the Aldermen on exactly where all of this is going to take place?

Mayor Lozeau

Yes. The plan is to come in and give a presentation to the Infrastructure Committee and to the Board of Public Works, and then we can actually break it down into ward areas so that we can provide that to the Aldermen so they will be able to respond to constituent questions. The staff from the team working on this project met with school principals a couple of weeks ago, and that was received very well also. They are going through a whole process.

Alderman LaRose

Thank you.

Mayor Lozeau

You are welcome. Is there further discussion?

MOTION CARRIED

From: Robert Gabriel, Purchasing Manager
Re: Purchase of Mini-Wheel Loader Requested by Street Department (Value: \$47,715)
Account: 590-23553-6930 Prior Year Escrow – Vehicle Maintenance Program \$23,715
Account Balance Remaining After Purchase: \$2,324
Account: 374-07297-7223-7110 Sidewalk Plow – CDBG Target Area – FY10 CDBG \$24,000
Account Balance Remaining After Purchase: \$0

MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO WOOD'S CRN IN THE AMOUNT OF \$47,715. SOURCE OF FUNDING IS ACCTS. #374-07297-7223-7110 (\$24,000) AND 590-23553-6930 (\$23,715)

ON THE QUESTION

Alderman Chasse

Could you tell me who made up the team that did the review?

Mayor Lozeau

Yes. It was the Street Superintendent, the Park & Recreation Superintendent, the Director of Transportation for the schools, the Director of GIS for mapping purposes, the Director of the Division, and one other individual. I can't recall who that was.

Alderman Chasse

There were no residents; this was all people from City Hall?

Mayor Lozeau

It was all people from City Hall. Oh and Citizen Services, Patti Rogers. We have collected information from the residents that over the years have called either here, the school, or the division, and looked at all of those issues that were brought up. For instance, we have a consistent problem here on Main Street, a stretch down Main Street from like Allds Street, a little bit higher actually, from like the street to Fields Grove up there down to Elm Street so we looked at that and what would happen. As a matter of fact having the GIS Director at the table allowed the school transportation director to give him all of the walkers so they were actually able to put them in the map and show where they would be walking and which sidewalks should or shouldn't be done based on that.

They worked on it since about the end of last winter and have really come through with a whole plan. There was someone else from the school that is the last person.

Alderman Chasse

So are we looking to implement a plan similar to what they have up in Manchester because having worked in Manchester I have to tell you they do a fine job after a snowstorm clearing sidewalks in the inner-city as well as down the main drag of Elm Street. Are we going to be looking to do that? Are we going to be looking to do the Tree streets, Lake Street, all the streets of the city of Nashua or at least the ones towards the schools?

Mayor Lozeau

I am not going to guarantee we are going to do all of the sidewalks in Nashua. We have 214 miles of sidewalks. I don't want to say that we are going to do all of that, but we are focusing. Our priority was all of the schools particularly those that have the highest walking population. For instance, Mt. Pleasant is a total walking school, Dr. Crisp has a significant amount of walkers, Ledge Street School has a significant amount of walkers. They are targeting the school areas and then some and adding some other features where we have added some sidewalks or some areas where kids can walk through, and that is why they met with the principals as well to talk about getting this information out to parents so that students, come winter, can actually come home from school with something in their backpack to give to their parents to say these are the sidewalks that are going to be plowed for me to get to school from where I live.

I can't tell you that I know what Manchester does, but I can tell you that our Street Superintendent stays up on some of that information.

Alderman Chasse

Thank you.

Mayor Lozeau

You are welcome.

Alderman Deane

Just a couple of points of information; the Board of Public Works approved this as well as the next item at the 14 September meeting.

The other issue with the plan to remove snow from sidewalks was everyone remembers last year this committee approved the purchase of a brand new sidewalk snow removal piece of equipment and it met its demise up on the corner of Concord and Manchester Street when it was smashed into and pretty much totaled. In order to remove the snow we need the equipment. These purchases will help with that

plan and process that is going to be put in place of going out and attacking the areas that the Mayor had mentioned earlier. The equipment they did have was fairly antiquated and they ended up using a backup piece of equipment, which I believe they are going to bring to state auction because the thing is at its end of life expectancy.

I kind of favored the skid steer over these other purchases. I thought the skid steer was more versatile and you could put other attachments to it. I think you get more mileage out of it, but I wasn't on the committee that looked at this stuff. I guess the rationale behind what they have, Mr. Pollock was talking about yesterday with this item here and how versatile it is and articulate the front wheels and things of that nature where you can get in and out and around phone poles and things like that. It will be interesting to see how the process unfolds as winter sets in. Thank you.

Mayor Lozeau

It has got to be better than last year.

Alderman Chasse

Maybe we won't get any snow.

Mayor Lozeau

I am hoping if we are fully prepared we won't, and I will be okay with that.

Alderman Flynn

I will be anxious to see what the presentation is as well. I know we have all had a lot of e-mails and dialogues the last few winters. They have been tough winters for people to navigate the city. I was glad to see, throughout the budget process, kind of watching to see that the money stayed in tact for both the CDBG money and the city budget money stayed in tact.

One thing I wanted to ask was I notice on this particular one there is only one bidder. I think I have mentioned this before; I have no idea if I were bidding on a city contract what I would pay attention to and what I don't pay attention to. I am always amazed at; I know we pay our bills, so I am always amazed how few people bid on things. One thing that I have seen before several times, I think I have mentioned it maybe at least once, I hope I did, is these unrealistic delivery dates. If I were getting this on the city web site or I received this in the mail and it was sent out on July 17th and I had to make a decision by August 3rd to bid, and it said to me that I had to fill out these three pages of paperwork and the delivery date was 9-08-09 is that part of the bid is 9-08-09?

Mayor Lozeau

The delivery of getting the bid in.

Alderman Flynn

The bids closed on August 3rd. It was binding for 60 days. It says the delivery date is 9-08-09. If that is really on the package that goes out with the bid specification, it might be reasonable to consider finding some other way to make the bid binding, but at least make the dates a little bit more reasonable for a better breath of candidates to apply for. You actually almost have to be in a pretty convenient situation to be able to deliver things of this nature I would think within 4 weeks. I don't know what I would do; if I would bid on it and say I just can't meet the date or I would just walk away from the bid and someone else – that is why we only have one person that bids on these things. Just a comment. If that is what

this is, is a bid and it tells you the delivery date, and you are really only giving someone 4 weeks to do it, we probably are restricting ourselves I think in getting the broadest amount of bids possible.

Mayor Lozeau

I think your point is well taken Alderman Flynn. I know you have made it before, and I have spoken with the Purchasing Manager about that. He has made a concerted effort to really reach out and solicit vendors, not just put it up and hope people respond. This particular piece of equipment they only had one bidder because it is a specialty item because it is very narrow, and there were not many companies that could deliver this piece of equipment. I asked Mr. Pollock that as a matter of fact because I was concerned about it as did Mr. Gabriel, and that was his response to us with this specific piece.

Alderman Flynn

Is this the same supplier that Lexington, MA had was the fellow in Hooksett, NH?

Mayor Lozeau

I don't know the answer to that.

Alderman Flynn

I know it says that this articulated mini loader was found to be used with great success in Lexington, MA and then there is a comment in here that Lexington will be buying two more units this year.

Mayor Lozeau

That may be the case.

Alderman Flynn

Just a comment. If it is on there and I were in the business of supplying things I wouldn't know what to do because that sounds like that is a pretty tough delivery schedule and I don't even know if the city really needs them delivered by September 8th. Today is long past September 8th and we haven't awarded the bid yet. Thank you Mayor.

Mayor Lozeau

You are welcome. Is there further discussion?

MOTION CARRIED

From: Robert Gabriel, Purchasing Manager
Re: Purchase of Sidewalk Tractor Requested by Street Department (Value: \$96,937)
Account: 599-68008-9864 CERF – Sidewalk Tractor - Streets \$64,455
Account Balance Remaining After Purchase: \$0
Account: 553-68008-6930 Sidewalk Tractor – Streets \$32,482
Account Balance Remaining After Purchase: \$29,933

MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO MB TRACTOR IN THE AMOUNT OF \$96,937. FUNDS ARE AVAILABLE IN ACCT. #599-68008-9864 (\$64,455) AND 553-68008-6930 (\$32,482)

ON THE QUESTIONMayor Lozeau

This is the third one and this is the one that is more traditional. You will be happy to know that the \$96,900 is a lot less than our experience purchasing them in the past has been. We typically have spent \$110,000 - \$120,000, but the price has gone down. That was some good news as well. This would have been one that we would have purchased anyway irrespective of some of the goal of getting more equipment.

Alderman Flynn

I don't know if it is this particular one, but it may be this one. There are enough different ones here tonight that have sweeper attachments or something I think. Do we do that today sweep any sidewalks like those common areas sidewalks that are not in front of houses, but they are along bridge areas or areas along like the East Hollis Street fire station or those kinds of things? Does the city do that stuff? I have never seen a sweeper sidewalk.

Mayor Lozeau

We do sweep the sidewalks. We don't have enough equipment to do as many as we would like, and that is one of the other things that we have not yet completed looking at the new sidewalk plan is what else can we do year round and how can we make sure that we can get to this work year-round on the sidewalks not just during the winter.

Alderman Flynn

So it is a personnel issue?

Mayor Lozeau

It is partially a personnel issue and it was partially equipment issues. We haven't completed that yet, we focused on getting winter and making sure we bought equipment that could be used year-round and that had the attachments to do that work also with weed cutting and a few other things.

Alderman Flynn

Thank you.

Mayor Lozeau

You are welcome.

Alderman LaRose

To answer Alderman Flynn's question, they do my sidewalk. Of course, my sidewalk is wide enough to land the shuttle if they are in trouble.

Alderman Deane

That was discussed the other day at the Public Works meeting, and what Mr. Pollock told me, and I do see the fellow sometimes in the morning with the dump truck and the trailer with a small sweeper they have on it, and what he does is he goes out and sweeps sidewalks prior to the street sweeper coming

down the road. What he will do is he will push everything out into the gutter and then the street sweeper comes down and picks everything up that is on the street and also into the gutter.

This piece of equipment I believe Scott said you can get a PTO driven sweeper attachment, and I know for sure the skid steer I know, the Bobcat, you can get the attachment with that. This piece of equipment here I don't know if there is a sweeper attachment for it. I know it shows it with a mower attachment. There is a sweeper. When you look at the page with the picture on it, the first one on the bottom left hand corner shows a sweeper attachment that can be purchased for the unit. I don't know how adaptable that is. Once again we have that problem with phone poles buried in the sidewalks and having to get the sweeper up and the machine around and people's lawns. We run into that. I experience that in front of my house when this thing goes by. It tears about 8" of grass out every year. It is just part of living in the city I guess, but there are attachments for these.

Alderman Flynn

Thank you.

Mayor Lozeau

Is there further discussion?

MOTION CARRIED

From: Robert Gabriel, Purchasing Manager
Re: Sewer Improvements Change Order #1 (Value: \$80,000)
Account: 792-59232-3795 Sewer Rehab / Construction – NWTF \$65,920
Account Balance Remaining After Purchase FY09: \$801,783
Account: 953-45030-5331 ETF – Street Paving – Asphalt, Contractual \$14,080
Account Balance Remaining After Purchase: \$7,233

MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AUTHORIZE CHANGE ORDER #1 TO THE CONTRACT WITH PARK CONSTRUCTION FOR A NET CHANGE IN THE AMOUNT OF \$80,000. SOURCE OF FUNDING IS ACCTS. 792-59232-3795 (\$65,920) AND 953-45030-5331 (\$14,080)

MOTION CARRIED

From: Robert Gabriel, Purchasing Manager
Re: Sidewalk Program Phase 1 Change Order #1 (Value: \$34,000)
Account: 653-20 Capital Improvement – FY08 Sidewalk Program
Account Balance Remaining After Purchase: \$86,169

MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AUTHORIZE CHANGE ORDER #1 TO THE CONTRACT WITH MILL CITY CONTRACTING FOR A NET CHANGE IN THE AMOUNT OF \$34,000. FUNDS ARE AVAILABLE IN ACCT. 653-20

ON THE QUESTION

Alderman Deane

We are going to look into some of the “revised the following quantities” in the cost. Remember we talked about that, the \$3,150 to remove and reset 6 mailboxes.

Mayor Lozeau

Actually you had brought that question up at the Board of Public Works meeting on Monday, and so I did have an opportunity to ask the Director and Deputy Engineer Walker to look into that and to look into the other point that you raised about potentially coordinating with the Street Department to do some of that mailbox moving. What their recommendation was and what the response was, was that basically in essence we in fact own those mailboxes once we start messing around with them, and 9 out of 10 times people end up with a new mailbox, a new post, it is moved so many times and relocated so many times that if they tried to coordinate with Streets to do it, would in the long run likely cost us more. I wasn't like you probably happy about that answer because it just sounds like it doesn't make any sense that we would spend that much money on them, but when they got done explaining and how the conduit would be done to put the pole in and how many times it needs to be moved, and we all know how often we have issues with mailboxes in this community from snow plows and other things that go on, this is how they prefer to do it. I know that is not an answer, but I did ask them to talk more about it at the next Public Works meeting.

Alderman Deane

That is an unacceptable answer.

Mayor Lozeau

I understand.

Alderman Deane

To me anyway. I watched as they did the sidewalk work down on South Main Street and what I saw them do was take the mailboxes out and they set them up temporarily, they did their work, they put a piece of conduit in the ground, and then they paved and just put the mailbox back in the conduit. They put the same post and then put the crushed gravel around it and left it like that. I for the life of me can't see how that would cost over \$500 a mailbox. It is like the sprinkler heads. They are charging \$85 each for a \$10 sprinkler head. I just have problems with some of these prices. They are a little extravagant.

Mayor Lozeau

I understand.

Alderman Chasse

I took a ride by there yesterday and today. Are they taking anybody's property, any of the individuals' property over there? Infringing on residents' property?

Mayor Lozeau

No they are within the right of way.

Alderman Chasse

They are in the right of way?

Mayor Lozeau

Yes.

Alderman Chasse

They are going to repair some of the damage they have done to the grassy areas?

Mayor Lozeau

They return property to the condition it should be in is my understanding. We haven't yet had a problem with that anyway. They are not done their work.

Alderman Chasse

I haven't received any phone calls yet.

Mayor Lozeau

We have had very good luck with this company doing the work they say they are going to do and working well with the residents.

Alderman Chasse

I hope the residents are going to be happy with the sidewalk and everything will be put back together to make them satisfied.

Mayor Lozeau

That is our expectation.

Alderman Chasse

Thank you.

Mayor Lozeau

You are welcome. Is there further discussion?

MOTION CARRIED

From: Robert Gabriel, Purchasing Manager
Re: Contract Award for Manhole Rehabilitation Project (Value: \$15,150)
Account: 792-59231-3744 Capital Improvement – Sewer Structures
Account Balance Remaining After Purchase: \$33,321

MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO A & W MAINTENANCE IN THE AMOUNT OF \$15,150. SOURCE OF FUNDING IS ACCT. #792-59231-3744

ON THE QUESTION

Alderman Chasse

There are 7,400 sewer manholes in the City of Nashua. Are they going to be repairing the ones that they already laid down the tar or are they going to be the ones with the streets that are up to be repaired as they are going to tar them?

Alderman Deane

This is an interior application where they are going to go into the older structures, clean out all of the loose mortar, wash it, treat it, and then they are going to apply an epoxy finish on the inside of the structure so it will have no impact on any of the street work that has been done other than taking the cover off and maybe putting it on the way it didn't used to be so it rattles when you drive over it. Other than that, there is not going to be any disruption to the street surfaces at all.

Mayor Lozeau

That is correct.

Alderman Deane

And this is a pilot program where I believe they are doing 6 or 7 structures.

Mayor Lozeau

The numbers are listed incorrectly because they took one out so you will see there is no #2, so Alderman Deane 6 was the intention, but the final count is 5.

Alderman Chasse

Thank you.

Mayor Lozeau

You are welcome. If we are fortunate and this works it could have a huge impact on us not having to spend \$20,000 or more per manhole.

Alderman Chasse

I just didn't want to see them go digging up streets after you just laid down fresh tar.

Mayor Lozeau

Everybody understands that. Is there further discussion?

MOTION CARRIED

From: Robert Gabriel, Purchasing Manager
Re: Broad Street Parkway Environmental Re-Evaluation Cultural Resources Amendment #3
(Value: \$74,291)
Account: 753-53075-3740 Broad Street Parkway Construction Project
Account Balance Remaining After Purchase: \$37,425,949

MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AUTHORIZE AMENDMENT #3 TO THE CONTRACT WITH THE NASHUA REGIONAL PLANNING COMMISSION FOR A NET CHANGE IN THE AMOUNT OF \$74,291. FUNDS ARE AVAILABLE IN ACCT. 753-53075-3740

ON THE QUESTION

Alderman Teeboom

Speaking as the Broad Street Parkway Liaison for the Board of Aldermen, I am quite unhappy to see a \$74,000+ dollar contract added within two months after we just approved a \$450,000 contract. I sent to the Finance Committee a series of questions. Does everybody have a copy of these questions?

Mayor Lozeau

Those are the ones that came at about 4:45 p.m.?

Alderman Teeboom

Yes.

Mayor Lozeau

I read them. I have not had an opportunity to...

Alderman Teeboom

I apologize for being kind of late. I didn't really get around to answering these questions until this afternoon. I have copies of the questions, but let me just go over some of the questions. I won't necessarily go over all of them.

Why is this contract before us when we just approved a \$450,000 that included some of the activities that deal with the New Hampshire Department of Human Resources?

Mayor Lozeau

Alderman Teeboom the list of questions you sent I did have a chance to review them and one of the questions was did the Executive Steering Committee look at this and approve it, and actually our very last meeting as a complete group included all of us plus the new Project Manager, Engineer Jon Vancour, and the reason that all of this is happening is because all of us were really concerned about time, and Alderman Teeboom you are one of the ones that consistently reminds us that time is money. We had a special meeting that I attended with the Historical Cultural Resources Group because we knew that part of the environmental re-evaluation would include looking at properties because it has been 12 years since they looked at them. Things that 12 years ago they wouldn't have expected us to look at have now aged by 12 years.

Now I share Alderman Teeboom's frustration with that thousand razor cuts every time you go to a state department that is what it feels like. You go in and present something and they go can you do this building, you do that and come back and it feels like you just got there and they are saying oh and don't forget this one. We went through this if you recall the last time with the Broad Street Parkway. We went up and sat with them and said look put everything on the table, all of the things that are going to hold us up that are going to cause a problem, look at these maps, work with us. We did that and they came back and made a list of things that they wanted to have done, and they made a complete list of things that they wanted to have done.

That list was then brought back, brought to the Steering Committee, we all looked at it, NRPC and VHB made a recommendation based on that on what it would cost them to do that evaluation and turn it around quickly and go back to the department. This group meets twice a month, the Cultural Historic Resources, and it is a collective group of all of the resource agencies so DOT is at the table Historic

Resource, Federal Highway, all of those people, and we are now an item on their agenda, and we come up every week and respond.

Now, I am not happy about spending another \$75,000 either, but if you've got your Project Manager who is an engineer, your two consulting companies, NRPC and VHB, the Director of Public Works who is incredibly experienced in this field, and the City Engineer all recommending that we do this and we do it now and we don't delay, I am going to trust their judgment, and that is the best answer I have. For every single question you have, that is the only answer I have. Even where you look at some of those numbers that look out of whack, that is all I have to offer.

Alderman Teeboom

On the figures, I look at the spreadsheet and considering that we did the entire Broad Street Parkway re-routing study for \$150,000 and we did the entire re-costing study for an extra \$15,000 here for what seems to be filling out some sheets, taking some pictures, doing some surveying, drawing some maps, and basically giving this Resources Agency information that they can tell us whether they want more stuff done or tell us whether they want these things on the natural register, which really stops everything, we are basically giving them information that they can use in return to hold back the entire construction job. My question on the figures is was this negotiated or did VHB just give us a number and they said here is the data, here is the spreadsheet or did we negotiate the number? If we did, what was the original number before it was negotiated?

Mayor Lozeau

I was not told an original number. It had been negotiated right from the beginning. From the day we left that first original meeting that they were all in attendance and that list was generated, they started working with our staff to come up with what would it cost to get the job done. There was no they came in at \$100,000 and we worked it down to \$74,000, it was they worked together going through it because we are trying to not get caught up in time. Now we could argue with this department, we could talk about trying to get a waiver, we could do all of those things, we could stomp our foot or whatever we want to do, but in the end any of this information that they want we still have to provide even if it gets used against us.

Alderman Teeboom

Well when does this stop?

Mayor Lozeau

Well that was the point of this meeting remember was to try to stop it, to go up there right away and say just give us everything it is that you want, look at this soup to nuts and give us an answer, and they did that. Now I would like us to get the work done and get it back to them so that we are not delayed.

Alderman Teeboom

But you have no guarantee that this continues.

Mayor Lozeau

Well I am just praying we don't dig up pottery or an arrowhead.

Alderman Teeboom

My biggest fear is they are going to take all of this data we provide and say oops one of these buildings goes on the National Register, and that jams everything shut.

Mayor Lozeau

I know, but we can't say we are not going to give you the information because you can potentially use it against us. We could say that, but that probably won't get us anywhere.

Alderman Teeboom

The final question on this then, this seems like rather mundane work as opposed to the engineering work that goes forward. Why aren't we using our own staff or why aren't we hiring some people part-time to do this? It doesn't seem like very difficult work to take pictures, draw some charts, fill out some forms especially since other forms have already been filled out on the \$450,000 contract. All they have to do is copy the form, see how it is filled out, go visit some buildings, fill out the inventory sheets, take some pictures, draw a couple of maps, and be done. Why can't we do it that way? Why do we have to spend \$75,000?

Mayor Lozeau

I know it sounds like it is that easy. We asked that question if whether any of our staff could do it and the recommendation was no, and one of the staff at VHB who came with us who specializes in this presented the information to Cultural Resources, she works with them on a regular basis, and she has a rapport working with them and she knows what they want. Plus frankly, I don't think we have any staff that has enough time to divert from their day to day business to go and do this. So then your next question is going to be so then why don't we hire somebody. Well the hiring process could take a significant amount of time, anywhere from 2-8 weeks minimum. I am being very optimistic. I don't think we have ever done it in 2 weeks. It is the time is money argument.

Alderman Teeboom

Final question then, why can't we hold this until we see this NRPC project for \$450,000, 8 month project? We are two months into it with six months left to go if it is on schedule, which I presume it is? Why don't we wait until another about 4 months to see how they are doing in their funding? That \$450,000 was a guess also. It is a study. Why don't we hold off on this until we see how that funding stands and maybe there will be enough money left over to do this without amendment #3?

Mayor Lozeau

I am hopeful that maybe we won't have to use all the \$450,000 or all of the \$75,000. If we wait 4 months and then we start bringing information into Historic Resources, especially after we went up there and said to them time is money give us your list now, and then we have a problem or then we begin the work, we are going to delay the project. When you put all of the people that we have put on this job who meet every week on this project say to us this is what we recommend, this is what needs to happen and we can't wait, all I can do is yield to their professional judgment.

Alderman Teeboom

Okay. Thank you.

Mayor Lozeau

You are welcome.

Alderman LaRose

Once they do the study and all of the information they have on these possible historic places is all of that information our information? Do we own that information?

Mayor Lozeau

Yes.

Alderman LaRose

The reason I am asking that is because I know that at Nashua High South, Ms. Poulin does a real good job with her history class, and it would seem to me that in the future this kind of information could be used in the classroom where they have some kind of whatever they do. One of the things that really intrigued me was the French Village. Now I have been in Nashua almost 70 years, and I never heard of French Village.

Mayor Lozeau

Actually I sat there at Historic Resources when they talked about...

Alderman LaRose

When we had that book, The Nashua Experience, I don't remember ever reading anything about a French Village.

Mayor Lozeau

The French Village came from the lead abatement program. Every time the lead abatement program had to go in and work on a house in the Tree Street area, they had to fill out a historic form, they had to go through all of these 2-3 forms per dwelling so in an effort to try to streamline things, they put together an area and they filled out a form with Historic Resources and they called it French Village. They brought it up there so now that form, which never used to exist, now exists and they said so French Village. I am sitting there saying you know I am a native of Nashua. We have a French Hill, but we don't have a French Village, and we especially don't have a French Village in the Tree Street areas, and I think many of the Greek people would tell you it is really...

Alderman LaRose

That is my next comment.

Mayor Lozeau

I know they mean well, but it is a painful experience. That is where that came from although apparently there were some French that were in there. Years ago there were some people that called it French Village. The Community Development Department doing lead paint did not pick it out of the air. It was out there, but nobody every used the term. It was not a familiar term.

Alderman LaRose

Thank you. You can say the same thing about Crown Hill.

Mayor Lozeau

It still is the majority population here for now.

Alderman Chasse

Just a comment. You know that I am opposed to the Broad Street Parkway and I look at this thing for you people that are for the Broad Street Parkway as nothing more than them dragging their feet. I feel like Alderman Teeboom that this might just be the tip of the iceberg. I have a feeling there will be something else coming down the road, something else coming down the road after that. Supposedly this was done 12 years ago and now you have to put it on a new pre-modified historic district area form. New forms are coming out. I think Alderman Plamondon is going to have to get another room because I guess he has all of the information from day 1. To me I think it is just dragging their feet and of course you know I will not be supporting this.

Mayor Lozeau

I understand. The Board of Public Works doesn't support it either. They took it up and voted in favor of it because they understand that the project is moving forward. Frankly every year we wait that gives an opportunity to an agency like Historic Resources to create a new form, new procedures, new policies – that is what happened, the Standards and Procedures are more stringent today than they were 12 years ago or 20 years ago. Plus we also have remember a second option so in all fairness there is some addition to this project that wasn't part of it the last time around.

Alderman Chasse

I still feel when you make out a form I don't care if it was 12 years ago it should be grandfathered. You don't just come up and change a form and say now you are going to ask for something else. It has already been done.

Mayor Lozeau

But there were no forms.

Alderman Chasse

So in 35 or 40 years that this project has been going, I think I was in high school when I first heard about this, it has never been done, but it has been done in other parts of this project?

Mayor Lozeau

Yes.

Alderman Chasse

But not on these particular streets?

Mayor Lozeau

Correct.

Alderman Chasse

So now ...

Mayor Lozeau

I don't have much more faith than you do. I just know that it is a bitter pill to move forward on the project.

Alderman Chasse

They are throwing you the hook, line, and sinker, and you are going to see more of this coming out.

Mayor Lozeau

Well I am not going to say you are wrong because I am just hoping for the best and doing everything that we can possibly do to meet their requirements and show them that we are trying to be forthright and give them everything they need in order to make their determination. That is I think all we can do right now.

Alderman Chasse

Thank you.

Alderman Deane

How is this agency funded?

Mayor Lozeau

The Historic Resources?

Alderman Deane

Yes.

Mayor Lozeau

They are part of the State and they come under Cultural and Historic Resources Commissioner McLeod's Division.

Alderman Deane

So they are funded through tax dollars and this is a fee? Is there a fee schedule that they are charging us?

Mayor Lozeau

No. I don't think there is a fee schedule that they charge us. There may be fees attached to the forms, but I am not aware of that.

Alderman Deane

We had them in the recent past I believe this is the same organization that looked at a barn up on French Hill and I don't think they charged the city much of anything to have that work done to see if it was historical or not because the owner I believe wanted to tear it down or do some reconstruction work.

Maybe Alderman LaRose remembers. I don't remember all of the particulars, but I believe this is the same firm that had to go up there and look at that facility.

I tend to agree to a large degree with Alderman Chasse that this is just the beginning. You are dealing with a bureaucratic nightmare in Concord, and this is just part of it. It makes you wonder whether there is still sour grapes about who is going to oversee this project and what else the state is going to do to Nashua. Hopefully it is not a continued stumbling block that you have to keep hurtling over to get things done.

Mayor Lozeau

I agree it is exhausting frankly.

Alderman Deane

Why didn't the NRPC pick up on this when the original contract was let?

Mayor Lozeau

Because the meetings with Cultural Resources for the remainder of the plan had not taken place yet.

Alderman Deane

But didn't the NRPC see that this might have this type of work...

Mayor Lozeau

They did mention that. When we went up they didn't know if things would change, but we didn't want to delay the project waiting until that meeting occurred. I am very concerned about bringing this on time and at budget. Under would be wonderful, but at least at budget. Whether they put roadblocks or if there are hurdles to overcome I think all we can do is do our best to overcome them and give the information and keep the project moving forward.

Alderman Deane

Once the study is complete and say they find some properties that are historical in nature and they can be set on the National Register, what do we do then? Do we move the Broad Street Parkway over 6' to get around one of these buildings or what might happen? I know it is a hypothetical situation but...

Mayor Lozeau

I am not even going to try to predict. I don't know that they can prevent us from taking down something that we need to or not. They may not be able to.

Alderman Deane

So we could end up in court over this right?

Mayor Lozeau

I am not worried about ending up in court with them.

Alderman Deane

It just seems like a senseless exercise that the state is dragging the city through, and then they will present their findings in a report although they already exist. Have we looked at what exists as Alderman Chasse had spoke of earlier?

Mayor Lozeau

We have.

Alderman Deane

Are there any buildings in there that are salvageable that are historical that anyone knows about?

Mayor Lozeau

Well we are looking at things like the waste house and things like that that are in the milliard and whether that can be moved or not moved. That one comes right off the top of my head. The Boiler House we have talked a lot about.

Alderman Deane

The Boiler House is a structural disaster. It is filled with asbestos and everything else.

Mayor Lozeau

And our intention is to take it down.

Alderman Deane

I can't see investing any money making that thing stand any longer, but one never knows.

Mayor Lozeau

As much fun as I am having with this, I certainly don't want to speculate and bring more than I can chew on this at tonight's meeting.

Alderman Deane

I too agree with Alderman LaRose. I saw the French Village and I didn't understand that at all. That was just added in by someone. They might ask you to do a report on that next.

Mayor Lozeau

That was just one of those forms that came back to bite us with all the best intentions. Is there further discussion on the motion?

Alderman Clemons

I am just curious as to when the state is going to let go and let the city continue to do the work that we have to do. I don't understand quite why we have to keep going back up to the state for various things if the city is going to be running the project.

Mayor Lozeau

Because no matter who is running the project there are still federal and state requirements that have to be met. Because their money is being spent on the project we still have to respond to all of the questions that the state has, and it is not just the Department of Transportation, other state departments that come in some jurisdiction on a project. We have to meet all the requirements of Federal Highway. We have to meet the requirements of the Federal Historic rules. There is just a lot of players in this. This is why this project is so complex. We could go through the million razor cuts and it still is what it is. We can't make it better because we can't understand why they make us do it, which I know you don't want me to say that, but..

Alderman Flynn

I wasn't in favor of the Broad Street Parkway and I have said that enough times. I was in favor of the referendum. I have said that enough times probably. But we started down this path. After we approved the money for the Broad Street Parkway, there was a resolution that we authorized the Mayor to enter into these, I don't know if it was a contract with the State of New Hampshire to move forward and get these issues resolved and put together a plan to eventually build the parkway. The money was there. We put the money there. We didn't have to spend it, but once we signed that authorization to go forward with the state that really was where the whole thing started. That is where we are now. I haven't ever voted against any of these appropriations in the Finance Committee. I am not necessarily happy with the Parkway, but I understand that we are down that road, we have to do what we can to keep it moving, we have to somehow do things that at least seem to make sense to try to minimize the cost and not extend the time to do it so I am going to vote in favor of this.

It isn't like I am in favor of the Broad Street Parkway; I am just in favor of controlling the cost of what we have decided to do on several different votes. We didn't want the referendum, we wanted the Parkway, and we authorized the Mayor so now it is just a matter of cutting your losses and being sure you don't waste money or put money aside just over old positions that have been lost. I am voting for these things in Finance. It is not in my heart for the Broad Street Parkway, it is in my heart to control the cost of the expenditure that has been authorized.

Mayor Lozeau

Understood.

Alderman Teeboom

To answer Alderman Deane's question about what it is had been considered before, if you look at your attachment, it is the third page that says Amendment 3, scope, you will see that VHB, and VHB is a very competent organization in my experience with them, they had considered a series of tasks. They had considered 3 tasks related to historical properties and they enumerate with the four bullet points. But then they mention, which is the nightmare scenario, that as a result of meetings on July 31st and August 6th, this is after we signed the contract with NRPC, then the NH historic outfit comes in and they want additional things looked at. That is what is so disturbing. It says right here there were additional requests after initial discussions, after I think there must have been 3 or 4 versions of that contract. Finally nailed down. It went back again and again an again. Your people went back and forth, we had NH DOT come down here, we had the Federal Highway Administration come here. We went over and over and over again. We finally wound up with a contract that we are paying for in full. They are not even sharing this part of the contract with federal money, just to get it going.

After we are under contract and after we are going, what happens, the first meeting you have, July 31st, the first meeting you have in August, the historic commission comes up and says we want some more stuff done and in pops another \$75,000 addition. We could very well wind up 4 months down the road

and say we want another few things done. At some point in time Mayor Lozeau we have to put our feet down and have to instruct Mr. Kenison to just start to put his feet down because I consider this, my terminology is extortion. Thank you.

Alderman LaRose

To answer Alderman Deane's question about the barn, first I would like to apologize for interrupting what you were asking, that was part of Human Affairs. It was a project of Habitat for Humanities and apparently the former Alderman of Ward 3 had a question about the historic significance of the building.

Alderman Flynn

For someone that lives 250' from Salmon Brook and had to get a shoreline permit and then had to deal with a wetland buffer problem in my backyard, the 100 yard buffer for the wetlands, I would charge the city more than \$75,000. I could do this, but I would charge the city more than \$75,000 to work with the state.

Alderman Deane

Didn't you have to do all of that Alderman Flynn, just to put a ladder up to clean your gutter out?

Alderman Flynn

Pretty much.

Alderman Deane

And you also must remember that the state is shy some \$100 million so this is unanticipated revenue for them. I am sure they are giving it to anyone and everyone that is willing to stand in line.

Mayor Lozeau

This money is not going to the state.

Alderman Deane

Is this a state funded agency?

Mayor Lozeau

Yes it is a state funded agency.

Alderman Deane

In a roundabout way it is going to the state.

Alderman Clemons

I don't see how this money is going to the state. It is going to the Nashua Regional Planning Commission and VHB not the state.

Mayor Lozeau

We're not going to go down this path although I am sure it will be just terribly fulfilling. The motion is on the floor.

A Viva Voce Roll Call was requested, which resulted as follows:

Yea: Mayor Lozeau, Alderman Bolton, Alderman LaRose, Alderman Flynn,
Alderman Clemons, Alderman Wilshire

6

Nay: Alderman Chasse

1

MOTION CARRIED

From: Robert Gabriel, Purchasing Manager

Re: Contract Award for Facility Assessment (Value: \$105,500)

Account: 617-01 Capital Improvements – Building Maintenance and General Repairs – City Hall

Account Balance Remaining After Purchase: \$1,011,003

MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO THE JORDAN INSTITUTE FOR A SUM NOT-TO-EXCEED \$105,500. SOURCE OF FUNDING IS ACCT. #617-01

ON THE QUESTION

Mayor Lozeau

This is the long awaited report on City Hall and a proposal by the Jordan Institute to provide the oversight and work associated with the project.

Alderman Teeboom

I wanted to mention one thing about the Jordan Institute. It is not in City Hall, but relates to the work in their estimating. They did an excellent report on behalf of the Fairgrounds Elementary School HVAC, and they came in with an estimate in that case of \$1.29 million. The estimate was then turned over to a construction manager, the pre-hired construction manager named Harvey Construction and promptly multiplied this up to \$3.4 million or thereabouts because of things in construction that Jordan Institute does not account for apparently per their opinion. To that Sean Smith, the Program Manager, added another \$450,000 - \$500,000. I don't have the figures in front of me. So \$1.29 million became about \$4 million.

I was in touch with Jordan Institute to find out what is going on here, and we don't have an answer. They said we tried to do things inexpensively, we try to do things the best we can at the lowest possible cost, but we are not a construction organization. The verdict is still out. There is still instruction coming back about making a better comparison between these two estimates and trying to come to grips with it. Alderman Bolton knows all about that. Well I don't know if he knows about it, but he heads up the joint building committee.

I am just bringing in caution here that if they have an estimate for City Hall is that an accurate estimate or does that estimate have to be further reviewed by a construction organization or do they stand behind this 100% and say we will bring it in for that price.

Mayor Lozeau

Alderman Teeboom I am not exactly certain of the process that was undertaken with regards to the school and the different roles of the associated people at the table that are involved. But, for this particular project, this project has been done with them playing the roles complete, soup to nuts. They will oversee the bid process, they will oversee the work, they will actually do building commissioning when the work is done to ensure that all of the energy savings and work per spec is done properly. The only thing that is not in this number, there are two things that you should be aware of. One is items that aren't in this include things like 30 year old carpet that we have talked about and the back entryway and painting walls and torn paper and some of those things that you might call renovations or cosmetic in nature.

The other thing that you should be aware of is when you look at this number of the \$1.5 million that is greater than the amount of money that we have so I want to make sure that people understand that the energy money that I have talked to you about, the \$850,000 that Nashua is slated to receive of which this committee approved a contract with the Jordan Institute to write our energy plan, the remaining dollars it is my intention to dedicate some of those dollars to this energy work. The Jordan Institute is committed to working with us to identify other sources of energy dollars because all of the work here is associated with energy. We may be able to identify additional funds that can be brought that may give us the opportunity to have some funds that can be used for some of those other things that aren't included. But, they are not going to come in and say okay now we hired this contractor and it is going to cost this much more. This takes all of those things into consideration.

They are working on our behalf to keep the dollar cost low. The bids that are done in here are very conservative. They think there may be some savings already in here. Bringing this in tonight, part of the plan is to get some of this work done before the winter.

Alderman Teeboom

Okay but this is not for the full job. This is for \$105,500.

Mayor Lozeau

This is the cost of their oversight of the whole job.

Alderman Teeboom

But that doesn't guarantee that the job will come in for their estimate. I think the report I just received that you sent to us I think that report came in around ...

Mayor Lozeau

It was \$1.5 million, and it includes this \$105,000.

Alderman Teeboom

That included their soft costs, the fee.

Mayor Lozeau

Right, exactly.

Alderman Teeboom

But that is not guaranteed. This doesn't guarantee it will come in at \$1.5 million.

Mayor Lozeau

No it does not guarantee that but I am very confident that they are going to hit this number. My experience has been looking at a couple of the other communities where they have done work like this on behalf of the municipality; they have hit their target as proposed.

Alderman Teeboom

That is terrific. I am very impressed by Jordan Institute. I am singularly unimpressed by this multiplying of these figures with the school, and I for the life of me don't understand how the school can be any different than this building.

Mayor Lozeau

I am not familiar enough with it to comment.

Alderman Bolton

The situation with the school project is entirely different, but just briefly, Jordan Institute is a design firm, they are design professionals, largely mechanical engineers, and much of the motivating factor in the school they looked at is the heating and ventilating problems that exist, and that is what they concentrated on looking at. To a large extent they did not figure in their estimates of the work on the heating and ventilation, the fact that sort of while you are up can you get me something from the refrigerator situation, if you are going to tear down ceilings you are not going to put the ceilings back you are going to put new ceilings, if you are going to tear out walls you are going to re-build the walls. The cabinetry that has been there for 40 years, once you remove it to put things behind the wall, you are probably going to put new cabinetry. There is some analysis of that, these other new things that are not strictly in the heating and ventilation area that may add to the cost when we figure out exactly how that is going to be done.

In the City Hall project, what we are talking about with this contract is their services to oversee the construction. No design professional guarantees their estimates. That is why they are called estimates. That is what they think it might cost, but you put it out to bid and you get bids from contractors who can do the various work that you need to be done, and then they oversee it. If when we put things out to bid the costs are greatly in excess of what the estimates are, we may be faced with do we want to go forward. If they are within the ballpark we take the lowest competent bidder and off we do, but no design firm guarantees their estimates. That is not the way the process works. To be mixed up with who is the design firm and what is the price for the design contract as opposed to what is the price for the construction contract, just portrays there is a lack of understanding of what is involved.

Alderman Teeboom

Mayor Lozeau let me just ask you, is your understanding of the \$1.5 million going to be the construction job?

Mayor Lozeau

Yes with the exception of those items that I laid out.

Alderman Teeboom

The carpets and stuff.

Mayor Lozeau

The carpets and the entry point in the back, and other things that I had hoped we would be able to...

Alderman Teeboom

And I trust you will keep a sharp look on that ...

Mayor Lozeau

Yes sir.

Alderman Teeboom

...so no tripling of the cost.

Mayor Lozeau

No.

Alderman Teeboom

Thank you.

Alderman Flynn

Do you know the number that we have paid Jordan Institute thus far? What was the first contract for? Was it \$50,000?

Mayor Lozeau

The first contract was under \$30,000 for their assessment of City Hall.

Alderman Flynn

So this information that they were coming forward with tonight this is what we paid that \$30,000 for?

Mayor Lozeau

That is correct.

Alderman Flynn

And does this \$1 million that is remaining, this \$1,011,000 does that include the \$100,000 that we escrowed?

Mayor Lozeau

For the stairs? No it does not.

Alderman Flynn

But the \$1.5 million includes the stairs.

Mayor Lozeau

Yes it does.

Alderman Flynn

Thank you.

Alderman Deane

So basically when we are looking at this, they are charging us about 1% of the project cost.

Mayor Lozeau

It is 1.25% for commissioning charge and 2.25% for an oversight fee. That is a total of \$55,000 and then \$50,000 for the rest of the general conditions that are in getting the work done; the bids out and other things that come up while they are doing that. It is a pretty reasonable amount for a project I think of this size. I was pleased with it.

Alderman Deane

They sound it. Thank you.

Mayor Lozeau

You are welcome. Is there further discussion?

MOTION CARRIED

UNFINISHED BUSINESS – None

NEW BUSINESS – None

DISCUSSION

Alderman Chasse

Mentioned at the last meeting 143% was tagged on to the direct labor for the combined sewer overflow problem in the Haynes Street area. He asked the Mayor for an explanation.

Mayor Lozeau

Responded it is based on the way the state and the federal government requires them to do their overhead. She provided the explanation provided by Deputy Engineer Walker “The design contract is a cost plus basis meaning that we are only billed for the hours actually worked on the project. When they prepare an invoice they total the amount they pay the employees, which is the total hourly salary times the hours worked on our project and that is the direct labor cost. Then they multiply that amount by their indirect labor costs, which is based upon their audited overhead rates, which is what we are calling the indirect cost rate, and then they multiply the total of the direct and indirect labor by 10%, which is their profit, and then they bill us for direct expenses, but there is no mark up allowed on those costs, it has to be a direct pass through.

Currently this company has an audited overhead rate of 143%, which is actually on the lower side. There are overhead rates of up to 200% especially for geo-technical and architectural firms. Items included in the overhead rate include company management, administration, employee benefits, office costs, computer hardware and software. As far as the fee negotiations, which that came up too because we had a not to exceed price, there is a leap of faith at a certain point that the consultant is providing us with a professional service and billing us appropriately similar to any professional service agreement that the city enters into. However, the engineering department does have a body of knowledge on the reasonableness of the scope of services and the associated fees and uses that knowledge in negotiating on behalf of the city.” She stated they know what their budget is and are not going to give it away. She added that had left the Board of Public Works with a not to exceed number so that we could give them the opportunity to negotiate that down. The negotiated price was a not to exceed.

WARRANT

MOTION BY ALDERMAN CLEMONS TO APPROVE WARRANT #5 IN THE TOTAL AMOUNT OF \$9,194,723.29 OF WHICH \$2,208,402.08 ARE ACCOUNTS PAYABLE, \$5,092,119.82 ARE PAYROLL AMOUNTS, \$5,730.00 ARE PREPAY AMOUNTS AND \$1,888,471.29 ARE WIRE TRANSFERS

ON THE QUESTION

Alderman Bolton

Can we take it that approval of this Warrant and the payment of expenditures authorized by this approval will not result in any account being over-spent?

Mayor Lozeau

That is my understanding. I have had all of the division directors including the school sign off on this Warrant in that regard.

Alderman Bolton

And everyone understands when they are signing off that is one of the things they are signing?

Mayor Lozeau

They certainly do now.

Alderman Bolton

Thank you.

Mayor Lozeau

Is there further discussion on the motion?

MOTION CARRIED

Alderman Deane

The question that Alderman Bolton asked, if it wasn't to be the case, what is the penalty?

Mayor Lozeau

I think the penalty is that you can hang the Mayor and the CFO, but I am not certain.

Alderman Deane

Well ultimately aren't the Mayor and the CFO responsible for everything?

Mayor Lozeau

Yes.

Alderman Deane

They are. I thought...

Mayor Lozeau

In many instances we are. I don't know that we are responsible for everything, but there are many ordinances that...

Alderman Deane

Well it is like the school district right, you can't control line item reductions through your, I guess you could, but they have total control of their operating budget, but if perhaps their operating budget runs into a deficit then it is up to the Mayor and the CFO to rectify the deficit.

Alderman Bolton

There is no such immunity that the school department has any different from any other department. They cannot overspend any single line in their budget, and if they do we are supposed to be informed of that, and if so informed presumably we would not vote to allow that expenditure to occur. That is what the city ordinances say, and there is no other law in the State of New Hampshire that exempts them from that requirement. It is the same as the fire department, the library, public works, police, anything else that when they submit this request that money be spent out of the city treasury, it has got to be such that that money has been appropriated for that purpose. The CFO and the Mayor are supposed to ensure that that takes place, and they are supposed to certify to this committee that has taken place.

Mayor Lozeau

Let me just ask you to all enjoy a walk in my shoes for a moment. When I took office, and I came to my first Finance Committee meeting, I brought with me the first Warrant that I was responsible for, and I hadn't signed the Warrant yet. I handed this Warrant to one of the members of this committee who came to me and said Mayor you really should sign that Warrant. Now the CFO had signed it who at the time was Carol Anderson so I said okay I will do that in the future, and I was told that because you are certifying this. I read the language on this and it says the Mayor and the Finance Officer certify that the accounts and claims listed in this Warrant are correct to the best of their knowledge and should be paid by the city.

Now I went through that Warrant and I realized that when I sat in my office with this Warrant and I matched up every account, this would be all that I would do every day that I was here so I thought okay how can I do that, and I am pretty certain that the CFO probably doesn't have time to go under that same exercise, so at my second meeting, after meeting with the senior management staff, I instituted a sign procedure that says the division directors and/or department heads certify that the accounts and claims

listed in this Warrant are correct to the best of their knowledge and should be paid by the city, and I have required them to sign this off before I sign this document because that to me was the best way that I could try to ensure that we are meeting that request. That is what I have done.

In addition, a significant amount of the items that are carried in this Warrant are payroll amounts and don't get I don't think held until this Warrant gets done because you can't make staff not get paid so there are some of those things as well as wire transfers of things that are owed that aren't about just purchase orders or that type of thing. It is rather daunting, but I take the responsibility seriously, and I take every measure that I can to ensure that is correct. When we went through what we have gone through now with the school, had that conversation with them about feeling like I am a bit out on a limb here, and have asked them to make sure, and Superintendent Conrad had assured me that he will not allow an account to go into the red and he will not pay out of an account that is in a deficit, and he will ensure that any funds that need to be transferred to make sure that that doesn't happen will be done. That is where we are. Is there further discussion on the motion before us?

Alderman Flynn

So when you are saying that you are not talking solely about items that are on the Warrant you are talking about initiating purchase orders and having sufficient funds at the time the purchase order is initiated, the transfers have been done and monies are available before the purchase orders are initiated. We see it here when the payment is made three months later or two weeks later.

Mayor Lozeau

Right.

Alderman Flynn

You are talking about checking it or just like you would when you make out a check book you usually check to see I have enough money in the bank to be able to write my check, I don't use a float that I am going to make a transfer tomorrow.

Mayor Lozeau

When I instituted the policy that I just described to you, there were often times that we would have people come in with a change and have to make a correction because they would find something that was attributed to the wrong line or wrong account and they would correct it so that when I brought the Warrant in it was correct. As far as purchase orders go, the city has a policy in place that says if the account doesn't have the funds available, a purchase order can't be cut, the system doesn't allow it to generate it. It is our intention to make sure that that same process is put into the school budget side and Superintendent Conrad is interested in that occurring as well.

Alderman Flynn

He didn't assure you of that yet? I thought you acted like he had assured you of that.

Mayor Lozeau

No he is telling me that he is not going to let it happen. What I am saying is I don't know that their software system has been in place to do it the way that ours does. That is his goal and he has assured me that nothing in any of these Warrants is in a deficit position.

Alderman Flynn

And likewise they wouldn't authorize overtime if they didn't have enough money in their overtime account?

Mayor Lozeau

That is what he is explaining to us.

Alderman Flynn

That is what he is agreeing to?

Mayor Lozeau

That is my understanding, but I am not going to commit to that in the context of the discussion about the Warrant tonight because I know that it is the school's intent to let us know what their plan is, and that is not completed yet.

Alderman Flynn

Thank you.

Mayor Lozeau

You are welcome. Is there further discussion?

MOTION CARRIED

ADJOURNMENT

**MOTION BY ALDERMAN CHASSE TO ADJOURN
MOTION CARRIED**

The Finance Committee meeting was adjourned at 8:23 p.m.

Alderman-at-Large Ben Clemons
Committee Clerk