

REPORT OF THE FINANCE COMMITTEE

OCTOBER 7, 2009

A meeting of the Finance Committee was held on Wednesday, October 7, 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:

COMMUNICATIONS

From: Robert Gabriel, Purchasing Manager  
Re: Purchase of Utility Vehicle for Nashua Transit System (Value: \$49,720)  
Account: 374-68123-7222-7200 ARRA Utility Vehicles, FTA Grant - NTS  
Account Balance Remaining After Purchase: \$26,956

**MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO BOBCAT OF NEW HAMPSHIRE IN THE AMOUNT OF \$49,720. FUNDS ARE AVAILABLE IN ACCT. #374-68123-7222-7200**

ON THE QUESTION

Alderman Chasse

Are they going to be looking for any more vehicles?

Mayor Lozeau

No this is the last one. There are 9 total.

Alderman Chasse

They didn't have anything to trace in on any of this?

Mayor Lozeau

No, this was to add to our fleet.

Alderman Chasse

You just added. None of the old ones are...

Mayor Lozeau

They are operational.

Alderman Chasse

They are still good.

Mayor Lozeau

Yes.

Alderman LaRose

Thank you. I noticed there are different pieces of equipment for that. There is a regular plow, a thrower, and then there is a street sweeper.

Mayor Lozeau

Right.

Alderman LaRose

I am assuming that it was purchased with the idea of the transit is going to be in charge of the parking garage and all that so that is going to be used for that also?

Mayor Lozeau

Yes. And this one is road worthy. They will actually be able to register it and drive it to different locations. The sweeper and the sander that can go on it are also interchangeable with the skid steer that we have that is also a Bobcat product.

Alderman LaRose

I know in the past we have had a lot of complaints about where the bus stops are especially where there are the places that you can wait for the bus.

Mayor Lozeau

The bus shelters?

Alderman LaRose

Right. Is the transit company going to clear the snow away from those places?

Mayor Lozeau

Yes. That is one of the reasons that the federal government agreed to the 100% purchase of the vehicle. I don't know exactly what the priority order is of the shelters, but it is one of the intended uses for the vehicle.

Alderman LaRose

How about areas where there are no shelters but there are a lot of people that take the bus?

Mayor Lozeau

They will be on the list, but I don't know how quickly they will be done. It is similar to saying we have 214 miles of sidewalks are we going to plow them all, probably not. We start in a priority and that is how they will work.

Alderman LaRose

Thank you.

Mayor Lozeau

You are welcome. Are there further questions?

**MOTION CARRIED**

From: Robert Gabriel, Purchasing Manager

Re: Contract Award for FY10 Winter Road Salt for Street Department (Value: \$540,000)

Account: 553-45260-7163 Road Salt – Street Department

Account Balance Remaining After Purchase: \$0

**MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AWARD 84 PERCENT OF THE CONTRACT TO GRANITE STATE MINERAL AT A DELIVERED PRICE OF \$54.53/TON AND 16 PERCENT OF THE CONTRACT TO MORTON SALT AT A DELIVERED PRICE OF \$53.46/TON. SOURCE OF FUNDING IS ACCT. 553-45260-7163**

ON THE QUESTION

Alderman Chasse

When they truck in the salt from Chicago is there a freight charge to that?

Mayor Lozeau

I believe that price that you see there is all encompassed.

Alderman Chasse

Includes the freight?

Mayor Lozeau

There is not an additional fee.

Alderman Chasse

All the way from Chicago ha?

Mayor Lozeau

Wherever it comes from.

Alderman LaRose

I am sure you will be able to give me an answer, but it was surprising that we would buy 84% at a higher price and 16% at a lower price. Could that be explained?

Mayor Lozeau

It can be explained. We had made a commitment with the state. The state talked to us about being part of their aggregate purchase, and, of course, it is helpful to them to have bigger cities so some years when we participate we make out better because the state price is better and some years we might get a price that might be a bit lower, but once we have committed to the state we stay committed. The 16% for Morton Salt is to be used as our backup, and so yes it is a little bit less, but I think it was part of the competition of them trying to pull some of the business away from the state.

Alderman LaRose

Okay.

Mayor Lozeau

So there is not a huge difference between them. The same providers were the ones that provided sand for us last year.

Alderman Flynn

I was just going to confirm that. If you look at the price per ton, \$54, we are buying 10,000 tons. We're buying 20 million pounds of salt. If you want to have two providers and you had split this contract 50/50 and because I think that has kind of been our general consensus that we didn't want to be dependent upon one source for something that can really cause great havoc in the city, the difference is 200 tons over a 10,000 ton contract. When you get into two suppliers and you are only talking \$1/ton it is something, but it is really not an awful lot.

Mayor Lozeau

Thank you. My understanding also was that some years ago when we didn't have a backup company and there was a default we really were in a bad place.

Alderman Clemons

Did we always participate with the state or is this something that we decided to do last year?

Mayor Lozeau

We have in the past and we haven't in the past. This time we really thought we would get a better deal to work with them and so that is why we did.

Alderman Clemons

Okay.

Mayor Lozeau

Is there further discussion?

**MOTION CARRIED**

From: Robert Gabriel, Purchasing Manager  
Re: Contract Award for FY10 Winter Road Sand for Street Department (Value: \$34,000)  
Account: 553-45265-7163 Road Sand – Street Department  
Account Balance Remaining After Purchase: \$0

**MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND AUTHORIZE THE EXTENSION OF THE CONTRACT WITH PEMBROKE SAND & GRAVEL AT THE PRICE OF \$9.90/TON. FUNDS ARE AVAILABLE IN ACCT. #553-45265-7163  
MOTION CARRIED**

From: Robert Gabriel, Purchasing Manager  
Re: Haines Street Sewer Project Change Order #1 (Value: \$32,680)  
Account: 792-59232-3742 Sewer Construction – Haines Street  
Account Balance Remaining After Purchase: \$354,545

**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 \$32,680. SOURCE OF FUNDING IS ACCT. #792-59232-3742**

ON THE QUESTION

Alderman Flynn

I just wanted to say out loud to anybody that hears us talk about Dolan Street that in about the 4<sup>th</sup> paragraph down after all of this disruption is done, they will be better off, but after this is all said and done it does say at the bottom that with the new drain, new sewer and water, the street will be reclaimed and repaved in its entirety so some of that might be calm to hear that.

Mayor Lozeau

Yes. I have actually had some calls. Is there further discussion?

**MOTION CARRIED**

From: Robert Gabriel, Purchasing Manager  
Re: Haines Street Sewer Project Change Order #2 (Value: \$123,962.70)  
Account: 792-59232-3742 Sewer Construction – Haines Street  
Account Balance Remaining After Purchase: \$230,582

**MOTION BY ALDERMAN CLEMONS TO ACCEPT, PLACE ON FILE AND PURSUANT TO NRO § 5-90(E) AUTHORIZE CHANGE ORDER #2 TO THE CONTRACT WITH PARK CONSTRUCTION, CONTINGENT UPON FULL BOARD OF ALDERMEN APPROVAL, FOR A NET CHANGE IN THE AMOUNT OF \$123,962.70. FUNDS ARE AVAILABLE IN ACCT. NO. 792-59232-3742**

ON THE QUESTION

Mayor Lozeau

I would just start by telling you that the reason it is going to the full board is because with this change order # 2, it bumps it over the million dollar mark, and even though I think all of us right along have been aware that this project would be up to \$1.3 million and we have been talking about it, at each stage decisions have been made so the first change order didn't hit the million dollar mark, but the second one does. I am hopeful that we might be able to take it up and do first and second reading next week so that we don't have any delays in the project.

Alderman LaRose

Thank you. I am glad you made that explanation. My question is, was the original bond issue for \$900,000 odd and there was a payback where we only had to pay 50% of it?

Mayor Lozeau

No. This is the stimulus funds so it is a 50/50. We didn't bond as high. It is a million dollar bond was what we were talking about, and then there is a payback of the 50%.

Alderman LaRose

So the whole contract is worth \$1.2 million you said?

Mayor Lozeau

Well it could be \$1.2 million or \$1.3 million maybe.

Alderman LaRose

My question is whatever is above that \$1 million we have to pay the whole cost? Am I right?

Mayor Lozeau

Whatever is above what the reimbursement will be so the state has in some instances it is 50%, in some it is a not to exceed 50% amount. In this one it should be 50% of the whole amount, but there could be some above that that we have to pay.

Alderman LaRose

Okay. Thank you.

Mayor Lozeau

You are welcome. And because it is a waste water separation issue it would be part of that.

Alderman LaRose

I understand that.

Mayor Lozeau

That is the other thing, there could, as they progress and you look at this map and you see where they are going and how far they are, there could be other things that come up that require another change or whatever that might be, and so sharing similar concerns, I don't want to not be able to do the project right and worry about well if we bump into this and we can't afford it we are not going to fix it. We do have a line item in the budget for CSO flooding in the waste water budget that we have additional funds available depending on what we might find as we progress down the street.

So far they are very pleased with what they have come up against. They are not bumping into asbestos and things like that right now, and that is very helpful.

Alderman LaRose

I am for doing the project and doing it correctly. I was just wondering the 50/50 thing and how that worked beyond what we first discussed.

Mayor Lozeau

I understand.

Alderman LaRose

Thank you.

Alderman Flynn

I dug out that resolution today, R-09-192, where we authorized taking out a state revolving loan. We authorized to take it out for up to \$1.3 million. That is where, if you look at this project over here this project is \$1,069,000, Hayner Swanson was \$150,000 so that is why the two numbers together leave us with the \$77,000 contingency against the \$1.3 million. Because the city was ready with a shovel ready project and was able to use the federal funding, we have up to \$575,000, which is offset. At this point, we have spent \$1,222,000. Five hundred seventy five thousand is forgiven because we have spent more than twice that. The city's share now is at \$647,000.

We have a heck of a project being done for essentially half price. You are right, after the \$575,000, we pay dollar for dollar. We authorized \$1.3 million and we are still under the \$1.3 million by \$77,000 evidently.

Mayor Lozeau

As Alderman Flynn pointed out, the state revolving fund. Is there anything further?

**MOTION CARRIED**

UNFINISHED BUSINESS – None

NEW BUSINESS – None

DISCUSSION - None

WARRANT

**MOTION BY ALDERMAN CLEMONS TO APPROVE WARRANT #6 IN THE TOTAL AMOUNT OF \$19,046,825.66 OF WHICH \$4,438,238.46 ARE ACCOUNTS PAYABLE, \$6,709,210.83 ARE PAYROLL AMOUNTS, \$329,935.97 ARE PREPAY AMOUNTS AND \$7,569,440.40 ARE WIRE TRANSFERS**

**MOTION CARRIED**

ADJOURNMENT

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

The Finance Committee meeting was adjourned at 7:15 p.m.

Alderman-at-Large Ben Clemons  
Committee Clerk