

REPORT OF THE FINANCE COMMITTEE

OCTOBER 5, 2016

A meeting of the Finance Committee was held on Wednesday, October 5, 2016, at 7:00 p.m. in the Aldermanic Chamber.

Mayor Jim Donchess, Chair, presided.

Members of the Committee present: Alderman-at-Large Mark S. Cookson, Vice Chair
Alderman-at-Large Lori Wilshire
Alderman-at-Large Michael B. O'Brien
Alderman June M. Caron
Alderman Ken Siegel

Members not in Attendance: Alderman Benjamin M. Clemons

Also in Attendance: Mr. Dan Kooken, Purchasing Manager
Alderman-at-Large David W. Deane
Ms. Jennifer McCormack, Director Nashua Public Library
Mr. Bruce Codagnone, IT Division Director
Mr. Bill Mansfield, Radio Systems Manager
Mr. David G. Fredette, Treasurer/Tax Collector

PUBLIC COMMENT - None

COMMUNICATIONS

**MOTION BY ALDERMAN SIEGEL TO SUSPEND THE RULES TO ALLOW FOR A COMMUNICATION THAT WAS RECEIVED AFTER THE AGENDA WAS PREPARED
MOTION CARRIED**

From: Madeleine Mineau, Waterways Manager
Re: Jackson Mills Group Net Metering Agreement

**MOTION BY ALDERMAN SIEGEL TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

**MOTION BY ALDERMAN SIEGEL TO GO OUT OF ORDER TO CONSIDER THE MEMO REGARDING CHANGE ORDER #1 TO THE BROAD STREET BRIDGE LED LIGHTING
MOTION CARRIED**

From: Dan Kooken, Purchasing Manager
Re: Change Order #1 Broad Street Parkway Bridge LED Lighting (Value \$2,250)

**MOTION BY ALDERMAN SIEGEL TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

**MOTION BY ALDERMAN SIEGEL TO RETURN TO THE REGULAR ORDER OF BUSINESS
MOTION CARRIED**

From: Dan Kooken, Purchasing Manager
Re: Replace Three (3) Trades Cargo Vans (Value: \$100,742)

MOTION BY ALDERMAN SIEGELTO ACCEPT, PLACE ON FILE AND AUTHORIZE THE PURCHASE FROM GRAPPONE AUTOMOTIVE GROUP IN THE AMOUNT OF \$100,742. FUNDS ARE AVAILABLE IN DEPARTMENT 191, SCHOOL; CERF

ON THE QUESTION

Alderman O'Brien

Through the Chair I would like to ask Mr. Kooken; I looked at the contract and everything and I don't see what we are going to do with the old vehicles. Do we turn them in or do they go out to auction?

Mr. Kooken

I don't know what their intentions are; I will check and get back to you.

Alderman Siegel

If they are auctioned does the money go back into the city general fund?

Mayor Donchess

The answer to that is yes.

MOTION CARRIED

From: Dan Kooken, Purchasing Manager
Re: Contract Award for the Nashua Public Library West Wing Renovations (Value: \$468,913)

MOTION BY ALDERMAN SIEGELTO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO PROJECT RESOURCE GROUP IN THE AMOUNT OF \$468,913. SOURCE OF FUNDING IS DEPARTMENT 179, NASHUA PUBLIC LIBRARY; CAPITAL PROJECTS FUND; WEST WING RENOVATIONS

ON THE QUESTION

Alderman Deane

Are you carrying an only 5% contingency?

Ms. Jennifer McCormack, Director Nashua Public Library

Yes. The Board is comfortable with that because they are also carrying; it's in the vicinity of \$28,000 in contingency from moisture mitigation that's needed for the concrete floor.

Alderman Deane

So if the moisture issue doesn't exist or is less costly then they plan on taking that \$28,000 and what if it isn't; it's going to be 5%?

Ms. McCormack

Exactly and we will use those remaining funds for furnishings and fixtures.

Alderman Deane

What if you go over?

Ms. McCormack

Are you asking if there are additional funds for the project? They have additional trust funds that they can use if we go over the contingency that they have set aside.

MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Contract Award for Supervised Visitation and Safe Exchange Services (Value: Not-To-Exceed \$140,000)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO GREATER NASHUA MENTAL HEALTH CENTER IN AN AMOUNT NOT-TO-EXCEED \$140,000. SOURCE OF FUNDING IS DEPARTMENT 171, COMMUNITY SERVICES; DEPARTMENT OF JUSTICE, SAFE HAVENS GRANT

MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Purchase of Radio System Fiber Optics Installation (Value: \$14,550)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AUTHORIZE THE PURCHASE FROM FIBER OPTIC SPLICING AND TESTING, INC., IN THE AMOUNT OF \$14,550. FUNDS ARE AVAILABLE IN DEPARTMENT 157, CITYWIDE COMMUNICATIONS; CITYWIDE COMMUNICATIONS CAPITAL PROJECTS FUND

ON THE QUESTION

Alderman Siegel

Mr. Mansfield, the contract is written such that they have to provide an optical TDR report but there is no mitigation if the TDR says that there is an issue. There is no obligation in the contract to fix a problem that they can report on.

Mr. Bruce Codagnone, IT Division Director

I think you are right, we probably should stipulate that in the contract. We have worked with this company over and over again for many years and have never had an issue with them correcting any issues that have come up as a result of the testing but you are right, we should have it in writing.

Alderman Siegel

So we can rest assured that it will be amended? I know we have dealt with this vendor before so I understand that they will likely do the right thing but it just seemed a little bit unusual. That was a draft contract. Can we rest assured that we will put language in that if there is a problem with the report it will be fixed to spec.

Mr. Codagnone

Yes, I will do that.

Alderman Deane

The contracts submitted to the Finance Committee aren't in draft form, are they? Are they final?

Mr. Kooken

They are assumedly final but if we have any changes to a contract after it passes the Finance Committee those are still communicated to the Finance Committee.

Alderman Siegel

The reason I said that is because it had the word "DRAFT" written across the pages.

Alderman Deane

That's another error. Nothing should be submitted to the Finance Committee in draft form.

Alderman Siegel

Well that was part of the agenda.

Mayor Donchess

Is this a time sensitive issue?

Mr. Codagnone

It's not really time sensitive but we had an outage in the south end when a vehicle struck one of the traffic controllers and not only did this tower not have any back-up but also the fire station on Spit Brook Road had no connectivity for an extended period of time.

Alderman Siegel

I am comfortable that the minor changes will be made. I would not like to see the fiber network stay any longer without any redundancy. that was a big problem when that got cut. That really has to be fixed.

Alderman Deane

Can you approve the contract contingent upon the language changes and then pop a memo back to the Finance Committee and let them know that it was done.

MOTION BY ALDERMAN SIEGEL TO APPROVE THE CONTRACT WITH THE UNDERSTANDING THAT THE NOTED CHANGES WILL BE MADE TO THE CONTRACT AND THE FINANCE COMMITTEE WILL BE UPDATED WHEN THE CONTRACT IS SIGNED NOTING THE CHANGES

MOTION CARRIED

From: Dan Kooken, Purchasing Manager
Re: Infor/Lawson License Purchase (Value: \$50,820)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AUTHORIZE THE PURCHASE FROM INFOR USA IN THE AMOUNT OF \$50,820. SOURCE OF FUNDING IS DEPARTMENT 122, INFORMATION TECHNOLOGY; TECHNOLOGY OPERATIONS

ON THE QUESTION

Alderman Siegel

I understand that we are getting this licensing and the number of seats that we are paying for is very high. I understand that we can't use a generic login and that it's not simultaneous users. I saw the contract but, do we really have 55 people that are accessing this particular module and that seemed pretty high.

Mr. Codagnone

It does seem pretty high. The way the user licenses work in this particular ERP system is very convoluted. We've had many discussions with them about it. I myself have to have a full financial license and all I do is approve requisitions. My admin in the IT Division submits a requisition I just go into Lawson and click approve and for that I need a full license. People do a variety of things within Lawson and they are not full financial people but that's the way their licenses are structured.

Alderman Siegel

Just as a follow-up, I understand that is the case but 55 is still high. Are you saying that any department head that approves any purchase at all has to have a license seat?

Mr. Codagnone

Yes.

Alderman Siegel

Plus every single person in finance? How did we get to the 55? The audit was performed by who, Lawson?

Mr. Codagnone

Yes, by Lawson. When we first implemented the application a few year back no one in the city was really familiar with how Lawson worked so it was a rough guess on how many licenses we needed. They purchased them very conservatively at the time and then two years ago we came before the Finance Committee requesting the purchase of additional licenses. At that time, INFOR basically gave us a break and ignored some of the licenses that we were short on and those are the ones that we are coming back now for. They came back with an astronomical number two years ago and we basically told them that we couldn't afford it and we didn't budget for it and they worked with us. They gave us a very decent discount on the pricing and also said that they would allow us to slide basically on these particular licenses and they would catch up on us later. Now is later.

Alderman Siegel

That have really caught up on us.

Mr. Codagnone

Right.

Alderman Siegel

Those licensing terms in my opinion, are onerous, I'm sorry to say.

Mr. Codagnone

Yes, I agree, I don't really like the way its structured but I feel like we are between a rock and hard place.

Alderman O'Brien

Within those 55 licenses would that be some of our shift commanders and police and fire that do the payroll and the attendance and stuff like that?

Mr. Codagnone

It could be.

Alderman O'Brien

So it could even extend into Parks & Rec and the Department of Public Works as well.

Mr. Codagnone

The schools as well.

Alderman Siegel

So if you walk past the screen and it's got financial information on it then that's a license requirement apparently.

Mr. Codagnone

Well you do have to log in.

Alderman Wilshire

Are you saying that this includes the school district, out of these 55 licenses?

Mr. Codagnone

Correct.

Alderman Wilshire

Well that's not so bad.

Mr. Codagnone

It's citywide.

Alderman Siegel

I know you would think it wasn't that bad but if you look at the module that we are talking about, it's bad. It's every bit as bad as you would think it is.

Alderman Wilshire

You are talking about the Lawson module itself that's bad?

Alderman Siegel

The specific one that we are licensing here is the one that's bad, not Lawson in general.

Alderman Wilshire

And the name of the module is Human Capital?

Mr. Codagnone

No, it's called Finance.

Alderman Deane

I thought that was the golden egg of Lawson. Now I realize why I voted no when this came up before. It's the gift that keeps on giving.

MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Contract for David W. Deane Skateboard Park Design Build (Value: \$550,000)

MOTION BY SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO ARTISAN SKATEPARKS IN THE AMOUNT OF \$550,000. FUNDS ARE AVAILABLE IN DEPARTMENT 177, PARKS AND RECREATION; DAVID W. DEANE SKATEBOARD PARK TRUST FUND

ON THE QUESTION

Alderman Siegel

Alderman Deane, is Renaissance going to start to pay for any of this?

Alderman Deane

No. Renaissance, unbeknownst to some people, that ship has sailed. The Board of Aldermen gave that property to BIDA and legislation was approved and they are not paying for anything. They are paying for the demolishing of the existing park but that's it. That was the agreement under the legislation. I know that there is a Board of Public Works commissioner that has a lot of angst about that. We just approved a piece of legislation on the Committee on Infrastructure on the extension of the right-of-way and the parks and it's coming down on the 1st of July. What we are doing now is I have spoken with the builder the other day and he's going to be coming up here on the 19th through the 23rd of this month. I talked to Director Fauteux and what we are going to do is meet with him and start the process on reclaiming the site to allow us (inaudible) existence than it used to be prior to all of that work being done over there, the asphalt, etc. Everything will be up and grubbed out and ready for construction in the spring. The design work that is being done is being done by Brian Fisk and James Powers along with Andy and they are going to be working together on that. It's going to come back to our committee to take a look at. A lot of that is the people who work in this field; the way the flow and the transitions and the elevations and all of that work. They know how that works. They are having a cement design but it probably will not all be cemented in. There are going to be some changes, they will not be substantial changes but they will be working on that together and I'm kind of grateful that those guys are doing that. Brian and James worked on the other park as well.

Alderman Cookson

I believe that the motion that Alderman Siegel made was for \$550,000 and I'm looking at the agenda and I'm only seeing \$500,000 for this contract and I am trying to figure out what the discrepancy is between the motion that Alderman Siegel made and the on-line agenda.

Alderman Siegel

I was reading off of what is typed here. There may be a discrepancy but I did read what was typed here so it wasn't a discrepancy because I can't read because that would definitely be believable. There is something to be resolved here.

Mayor Donchess

I think that this is a typo on the agenda because the contract itself is for \$550,000.

Alderman Cookson

Very good. I also wanted to add that the contractor that has been identified, I like the fact that they work in cold weather. One of the examples that were provided was from Sweden. They work in really cold weather. It's nice to see that they have some design and work in other areas that have a similar climate to that of Nashua and New Hampshire. I am looking forward to seeing what the ultimate design would be for this space.

Alderman Caron

Does this wipe out the skateboard park enterprise fund?

Alderman Deane

No.

Alderman Caron

Do you know if there will be a bowl?

Alderman Deane

Yes.

Alderman Caron

That was a big part of everybody's enthusiasm.

Alderman Siegel

Apparently everyone is very excited about me being in a suit and tie and skating. I guess I am obligated to do that.

MOTION CARRIED

From: Dan Kooken, Purchasing Manager
Re: Change Order #1 – 2016 Sewer Replacement Project (Value: \$419,325)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AUTHORIZE CHANGE ORDER #1 TO THE CONTRACT WITH PARK CONSTRUCTION CORPORATION IN THE AMOUNT OF \$419,325. SOURCE OF FUNDING IS DEPARTMENT 169, WASTEWATER; SEWER REHAB AND SEWER STRUCTURES; AND, DEPARTMENT 160, ADMINISTRATION/ENGINEERING; PAVING TRUST FUND

ON THE QUESTION

Alderman Siegel

I am certainly in favor of doing this but it brought a question to my mind. We are going to be paving a good deal of roads and underneath that those roads are going to be obviously sewer lines. One of the things that happened here is this sewer line was unexpected and so I understand that but are we going to scope the sewer lines underneath the new paving that we are doing to make sure that we don't all of sudden find out that we've got a problem and we have to re-do it?

Alderman Deane

That's the practice that is used. The utilities are all contacted and they are given their, along with the homeowners, whether it be natural gas or whatever the case may be; everybody is contacted and then public works sends out the sewer and stormwater scope to see if any replacement work has to be done before the paving starts. This is a yearly; \$419,000 for the size of this city is a drop in the bucket when you look at the amount of failing stormwater and sewer lines we have. They do go through a rigorous inspection prior to paving.

Alderman Siegel

Thank you, I appreciate that. Again, I don't have a problem with this expense, I understand where it comes from, again, it just touched off a question that I had.

MOTION CARRIED

UNFINISHED BUSINESS – None

NEW BUSINESS - None

TABLED IN COMMITTEE

From: Dan Kooken, Purchasing Manager
Re: Contract Award for City Hall Elevator Modernization (Value: \$184,000); Department: 126
Financial Services; Fund: Trust Fund; Accounting Classification: 81 Buildings and Improvements

- Tabled 8/3/16

MOTION BY ALDERMAN SIEGEL TO TAKE FROM THE TABLE THE COMMUNICATION REGARDING THE CITY HALL ELEVATOR

ON THE QUESTION

Mayor Donchess

Mr. Kooken and his team have been re-examining this issues and are recommending that they this project not go forward at this time. The elevator seems to have been holding up pretty well and want to review all of the

city elevators to make an evaluation as to which ones might be in the most need of repair. We could either leave it on as a tabled item or indefinitely postpone it.

MOTION CARRIED

Alderman O'Brien

I think what we did here is we kind of disagreed with the price and it was a single vendor that was doing it and we questioned if we were going to get the best type of pricing and if it would be better to go out to other types of vendors. I would not be in objection if we shot this down completely since the elevator seems to be operating good at this particular time. Next time there is an issue and we go out to bid then maybe we look at other vendors to get involved and give us the best price that we possibly can for repair. I would have no objections to starting fresh at this point.

Mayor Donchess

The committee did a good job because the delay, the questions resulted really in a re-examination of the issue which is going to end up with a better result.

**MOTION BY ALDERMAN SIEGEL TO WITHDRAW THE COMMUNICATION PENDING ADDITIONAL INFORMATION
MOTION CARRIED**

DISCUSSION

Alderman Deane

Mr. Kooken, the change order on the parkway lights, the state RSA requires projects that exceed \$35,000 to be bonded.

Mr. Kooken

It should have been a bonded.

Alderman Deane

Does everybody understand that?

Mr. Kooken

Yes, \$35,000.

Alderman O'Brien

Mr. Kooken, just look at purchasing emergency, like a police cruiser that was damaged in an accident out of the CERF account and at that time we did push it through so the police could have that vehicle which was wise however, we did have some questions on the insurance. Do we have any update on that?

Mr. Kooken

I believe we communicated that as far as they were going after the insurance recovery on that and the actual fund goes back into the general fund when it is recuperated.

Alderman O'Brien

So depending upon the litigation we could probably put this question to bed then.

RECORD OF EXPENDITURES

MOTION BY ALDERMAN SIEGEL THAT THE FINANCE COMMITTEE HAS COMPLIED WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES FOR THE PERIOD SEPTEMBER 16, 2016, TO SEPTEMBER 30, 2016
MOTION CARRIED

PUBLIC COMMENT - None

POSSIBLE NON-PUBLIC SESSION

ADJOURNMENT

MOTION BY ALDERMAN WILSHIRE TO ADJOURN
MOTION CARRIED

The Finance Committee meeting was adjourned at 7:32 p.m.

Alderman Ken Siegel
Committee Clerk



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Community Development Division

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Community Development	589-3095
Planning and Zoning	589-3090
Building Safety	589-3080
Code Enforcement	589-3100
Urban Programs	589-3085
Conservation Commission	589-3105
Transportation	880-0100
FAX	589-3119

October 4, 2016

To: Finance Committee
From: Madeleine Mineau, Waterways Manager
Re: Jackson Mills Group Net Metering Agreement

Under the current agreement between the City and Essex Power Services for the operation and maintenance of the Jackson Mills Hydroelectric facility, Essex has the responsibility to “negotiate and sell the energy” generated. Essex recently negotiated an advantageous opportunity to increase revenues from the sale of electricity at Jackson Mills Hydro facility. The contract sets forth terms to enter into a group net metering agreement administered by Standard Power of America for a term of 1 year. We anticipate that in November 2017 when third party electricity supplier contracts expire, we will be able to group net meter Jackson Mills with City electricity accounts. Until then, this agreement would substantially increase revenues compared to selling electricity to the utility at the hourly market rate.

Thus far in 2016 the average price per kWh sold has been 2.3 cents. This group net metering agreement would increase revenues to 7.5 cents per kWh generated, increasing revenues from the sale of electricity more than 3-fold.

Energy markets are volatile and the window to enter into this agreement is shorter than the typical legislative process for the approval of contracts. Under their authority to negotiate and sell the electricity generated at Jackson Mills has negotiated this contract but the City is party to the contract as the owner of the facility.

cc: Sarah Marchant, Director Community Development Division