

REPORT OF THE FINANCE COMMITTEE

JANUARY 4, 2023

A meeting of the Finance Committee was held on Wednesday, January 4, 2023, at 7:30 p.m. in the Aldermanic Chamber.

Vice-Chair Alderman Klee presided.

Mayor Jim Donchess, Chairman, presided at 7:33 p.m.

Members of the Committee present: Mayor Jim Donchess (arrived at 7:33)
Alderman Patricia Klee, Vice Chair
Alderman Alex Comeau
Alderman Tyler Gouveia
Alderman-at-Large Ben Clemons
Alderman-at-Large Melbourne Moran, Jr.

Members not in Attendance: Alderwoman-at-Large Gloria Timmons

Also in Attendance: Cheryl Lindner, Treasury Management Officer
Tim Cummings, Interim Administrative Services Director
Amy Girard, Purchasing Manager
Tim Cummings, Economic Development/Administrative Services Director

PUBLIC COMMENT - None

COMMUNICATIONS

From: Tim Cummings, Director
Re: Communication – Approval & Place on File a Contract for Professional Services related to the Nashua Downtown Riverfront Implementation Project for HSI, Inc.

MOTION BY ALDERMAN COMEAU TO APPROVE AND ENTER INTO A CONTRACT WITH HAYNER/SWASON, INC. (HSI) FOR PROJECT MANAGEMENT AND THE FINAL DESIGN PHASE OF THE RIVERFRONT PROJECT IN THE AMOUNT OF \$1,029,320. FUNDING WILL BE THROUGH THE TIF ACCOUNT

ON THE QUESTION

Tim Cummings, Economic Development/Administrative Services Director

Yes. No thank you Madam Chair. For the record, Tim Cummings, Director of Economic Development and Director of Administrative Services. Before you this evening is a contract that you've seen in the past. It's just yet another iteration for Hayner/Swanson and project management services for John Vancore for management of the Riverfront TIF project. I'm pleased to share that we are at a point where we will be moving forward with getting the project under construction for hopefully this spring and into the summer.

So this is actually going to be getting us some very specific scope of work project management for the west side of both the north and the south side of the riverfront for this construction, as well as some design services. We're doing some redesign of some elements of the project to make sure it fits appropriately with the permitting that we got the permitting feedback that we got from the State.

Also, one of the other elements is putting out separate bid packages for the construction of the projects. Again, on the west side of the city. We were lucky enough to receive some federal funding that we weren't originally anticipating. That federal funding has certain requirements. Those requirements necessitate a separate contract. So because we're doing it with this separate source of funds which we're very grateful for through the congressional efforts, we're going to have to

just put it out differently than we originally planned so we just had to make some adjustments. All those items are deliverables are encompassed in this scope of work, which will be a multi-year contract as I envision the construction going on for a little bit longer than a year and the corresponding project management services that that go with it.

It is through the TIF so through our standard process, it gets referred to the Committee, the full Board of Aldermen that is, and then it gets referred to a committee for a recommendation, and then would go back to the full Board of Aldermen for final approval. I'll leave my comments there. Thank you.

Mayor Donchess

All right. Before we go to questions, I'd like to apologize for being a little late. We had a board meeting out in Ward one. I know that Alderman Gouveia lucky he didn't go through a speed trap on the way down here because I came directly and he beat me. So maybe I don't know, maybe used the Broad Street Parkway. I didn't. So maybe that was it.

Alderman Gouveia

I went down the parkway.

Mayor Donchess

So that tells you it's quicker to go the parkway. Thank you for that lesson.

Anyway. Any questions or comments on the communication?

Alderman Comeau

Yes, thank you. Through you to Director Cummings. We've seen a couple of these over the past several months. I'm just curious. I know we haven't actually started the physical work on the project yet. How much have we spent so far on design work, and consulting, and engineering services?

Tim Cummings, Economic Development/Administrative Services Director

Well I'm gonna answer your question a couple ways because I don't have this off the top of my head and I could get back to you with the hard and fast true number. Approximately off the top of my head, what I can tell you is over the last couple of years, we've spent approximately \$800,000 to a million dollars thereabouts over the last two or three years on design. That's all within the budget. The reason why I know this is because we stay within the TIF budget itself. We haven't touched the bond yet. So one of the things I've really wanted to do is not use the bond proceeds that we got authorized for design as much as possible. I've wanted to use the cash that was readily available. So I always know that that budget is roughly every year about a million dollars.

So for the last couple of years, design has been about, you know, I'm gonna say between \$2 and \$3 million which is right in line with what we were anticipating spending on this construction project. I will say though as we move forward, I anticipate to keep the project on track schedule wise. We are going to need to start actually using bond proceeds. So we'll be then using that debt and using some of the TIF funds to pay the debt because we'll be drawing down off of the bond. Moving forward over the next year or so, that's how I anticipate paying for some of these contracts.

Alderman Comeau

Okay, thank you.

MOTION CARRIED

From: Amy Girard, Purchasing Manager

Re: Amendment #1 for West Pearl Street Streetscape Engineering Services in the amount not to exceed \$140,000 funded from Bond/West Pearl Street Improvements

MOTION BY ALDERMAN COMEAU TO APPROVE THE ENGINEERING SERVICES CONTRACT AMENDMENT WITH ICON ARCHITECTURE OF BOSTON, MA, IN AN AMOUNT NOT TO EXCEED \$140,000 FOR THE WEST PEARL STREET STREETScape PROJECT. FUNDING WILL BE THROUGH DEPARTMENT 183 ECONOMIC DEVELOPMENT; FUND: BOND; ACTIVITY: WEST PEARL STREET IMPROVEMENTS
ON THE QUESTION

Tim Cummings, Economic Development/Administrative Services Director

Thank you, Mr. Mayor, if I may. Tim Cummings, Director of Economic Development and Director of Administrative Services. I'm here this evening. I'm somewhat covering for Dan Hudson as well because this came through actually the Department of Public Works. So therefore, I know Mr. Hudson was planning on being here this evening to speak. He had a conflict so he and I got together yesterday and discussed it. I told him I would come and cover this evening because this project originally started out an Economic Development.

As you recall, we were looking to do a streetscaping project on West Pearl Street. Since that time put the project out to bid. We realized and learned that the project is going to be a little bit more than we anticipated. With that being said instead of using Harvey as the construction manager, the Department of Public Works said that they would take it on in house. So with that happening, they were going to need to do some redesign work which is what this contract anticipates and details out, which is going to cost us a little over \$100,000. What they would like to do now is put it back out to the street and get it bid again as quickly as possible because they're still trying to make this spring construction season. So this design team needs to put some bid packages together, do some slight redesign because the construction management won't be done by Harvey anymore but would be overseen by Dan Hudson and the engineering team here in the city, which necessitated some details being reworked. So with that being said, I'm here to ask for the approval of \$140,000 for this redesign and bid package be put together so we can move forward with the West Pearl Street streetscaping project.

Separate from that, I would want to take this opportunity to talk a little bit about the West Pearl Street project and give you just a general update. Doesn't have anything necessarily to do with this contract per se but because of how it's so intricately linked to some of the other elements of the of the roadway, the road network in and around that area. There's been some recent developments. So Mr. Mayor, I'm not sure if you want me to pause my comments here and allow you to, you know, move this agenda item forward or if you want me to continue on and give you some other more general updates that go hand in glove with this project?

Mayor Donchess

Well why don't we take any questions we have and then, you know, do the update. Why don't we deal with the item and then deal with the update? Any questions or comments on this?

Alderman Comeau

Yes thank you. Through you to Director Cummings, you touched on this briefly but I just want to make sure this isn't going to change the overall budget of the project or the timeline?

Tim Cummings, Economic Development/Administrative Services Director

The timeline we're working really hard not to and we're working really hard not to exceed the originally anticipated budget. The one bid that we got back, we put it out to over 40 contractors. We only got one response and it was off the top of my head of like \$800,000 over our budget. So we are hoping that if we can get it back out into the street now, like now is the ideal time to get something bid out and that's what we're working really hard to do. We're hoping we can get that number down. Ultimately, I do think we're going to have to come back before you and seek additional funds for the West Pearl Street project but that also goes because we recently learned that we're getting a million dollars from Congress through a congressional appropriation that we weren't originally anticipating that will go towards the Walnut Street improvements which was, again, connected to this project but was technically a separate project that the contract would because it will be a State contract and that the local municipality would manage. We're going to have to go through a separate process to be able to do that.

Alderman Comeau

Thank you.

Alderman Klee

Thank you, Mr. Chairman. This may be a question that you're going to be talking about after this. Every time we've talked about the West Pearl Street construction, we always talk about every time it's a domino thing. You touch one, then you've got to touch the street across the street, and so on. I've been kind of waiting to really see what kind of plans are coming through that. Is that in here or is that what you're gonna be talking about after?

Tim Cummings, Economic Development/Administrative Services Director

That's exactly what I was going to be talking about.

Alderman Klee

Okay, then I will wait. I will leave with that. Thank you.

MOTION CARRIED

- General update on Pearl Street/Walnut Street Project

Tim Cummings, Economic Development/Administrative Services Director

Thank you, Mr. Mayor. So going hand in glove with the West Pearl Street streetscaping project if you recall, because it's all intricately related, there was the Walnut Street squaring off that was part of this that we knew we were going to need to do that was a State level project. It was earmarked at like \$2.5 million or thereabouts. That has now seen too because of a federal appropriation going to be looking more like \$3.5 million. So we will need to increase our "local match" for that. So that was off of this bond and so it goes along with what Alderman Comeau was asking about. Well are we going to need to increase the bond? The answer is definitely going to be yes because the match is going to need to be 20% now of 3.5 instead of the original 2.5 that we were originally anticipating. So that's just an FYI. That's one of the updates I want to make you all aware of.

But then more to Alderwoman Klee's point, I'm pleased to be able to report to you that over the last few weeks we worked really hard over the holiday season to get VHB under contract. I was at a prior Finance Committee meeting where you approved of a VHB contract for what's referred to as "a downtown circulation study". That is underway right now. Purchase order has been issued. So we anticipate getting that going right now. That's really important because it will help inform how we do this reversal of the Pearl Streets in particular if that's what folks still want to do and make that connection from Central or the Pine Street Extension down onto Main Street. So this study has just started. It's underway. It will help inform the decisions that are going to be made and it goes, again, hand in glove with the West Pearl Street streetscaping project.

So we have the squaring off coming down the pike and it looks like it's on a good trajectory. We have the West Pearl Street streetscaping. We have the downtown circulation study, which is going to help give you data and advice in terms of making policy decisions about the impacts of changing the circulation in the downtown Main Street area. All this is on track and so I just wanted to make sure everyone was aware that there's going to be this active conversation this spring into the summer that's going to have broad implications to the flow of traffic in and around the downtown.

Alderman Klee

Thank you, Mr. Mayor. The only question that I have is that area – I remember we put in a TIF for that area for the School Street. Would this be encompassed in that and can we use the TIF dollars for it or is it general fund monies that we have to use?

Tim Cummings, Economic Development/Administrative Services Director

Great question. So part of this area is in the TIF, not the entire area. Yes, this would be a "TIF eligible project". So if you so desired to use TIF proceeds instead of general fund proceeds, it would be legal. It would be statutorily allowed but what I would say to you - and I want to make sure everyone is aware of this - is when I first came before the Board of Aldermen, we discussed the idea of using that TIF in a very limited way. Two projects were explicitly approved – to help supporting the Performing Arts Center, and help basically creating structured parking for the School Street parking lot. The debt service for those two projects were how we were supposed to use the TIF funds. Any proceeds above and beyond that, I committed to saying that they would be turned back to the general fund. I'm going to so that that is the direction we will be going unless the Board of Aldermen instructs me otherwise. We had a meeting of the School Street TIF a couple of weeks back now and we had this exact conversation. The School Street TIF Committee affirmed what I just said to you now. So that isn't part of the plan. I won't make it part of the plan unless I'm instructed otherwise just because I want to stay true to the past precedent that I articulated.

Alderman Klee

Thank you and I appreciate that. I do remember that conversation where we kept it to a very limited amount so that it didn't take on a life of its own and so on. I don't want to change what we've already done. I just wasn't quite sure if that part of Pearl Street was part of the original TIF idea because it's part of the Performing Arts Center. So I think that's where I was kind of more leaning to rather than the entire project or trying to come up with the matching of the 3.5. So I didn't know if some of that money was going to be going there. I do appreciate you explaining it.

Tim Cummings, Economic Development/Administrative Services Director

It could. I mean one I believe there will be excess funds. I don't know how much but it looks as though yes there will be extra funds that would be sitting in this TIF account. Unless told otherwise, that will get redirected into the general fund. But also from roughly from Elm Street to Main Street, that area of West Pearl Street is TIF eligible. So not the entire streetscape. Some of this is an accounting exercise. It's gonna go to the general fund and you want to take those proceeds and then repurpose it and say that's the amount of money available. We can have that conversation. I just more for the general public's benefit than yours, I want to make sure I'm being transparent and clear as to what I had previously represented.

Alderman Klee

I think I'm probably muddying the waters but the question I was asking was when we did the TIF fund and we talked about the projects, was that part of Elm to Main part of the TIF? That's what I'm not recalling. So we already put the TIF money aside for that part of West Pearl or no? No.

Tim Cummings, Economic Development/Administrative Services Director

So I want to be clear. For using for streetscaping?

Alderman Klee

Right, no?

Tim Cummings, Economic Development/Administrative Services Director

No.

Alderman Klee

Okay. That was perfect. Thank you. Thank you, Mr. Mayor.

Mayor Donchess

Questions on the update? All right.

UNFINISHED BUSINESS - None

TABLED IN COMMITTEE – None

NEW BUSINESS – RESOLUTIONS - None

NEW BUSINESS – ORDINANCES - None

RECORD OF EXPENDITURES

**MOTION BY ALDERMAN COMEAU THAT THE FINANCE COMMITTEE HAS COMPLIED WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES FOR THE PERIOD FROM DECEMBER 16, 2022 TO DECEMBER 29, 2022
MOTION CARRIED**

GENERAL DISCUSSION

Mayor Donchess

I would like to thank Vice-Chair Klee for getting the meeting started before my arrival. Thank you very much.

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN - None

ADJOURNMENT

**MOTION BY ALDERMAN KLEE TO ADJOURN
MOTION CARRIED**

The Finance Committee meeting was adjourned at 7:51 p.m.

Alderman Alex Comeau
Committee Clerk