

REPORT OF THE FINANCE COMMITTEE

JANUARY 18, 2023

A meeting of the Finance Committee was held on Wednesday, January 18, 2023, at 7:00 p.m. in the Aldermanic Chamber.

Alderman Patricia Klee, Vice-Chairman, presided.

Members of the Committee present: Alderman Patricia Klee, Vice Chair
Alderman Tyler Gouveia
Alderman-at-Large Ben Clemons
Alderwoman-at-Large Gloria Timmons
Alderman-at-Large Melbourne Moran, Jr.

Members not in Attendance: Mayor Jim Donchess
Alderman Alex Comeau

Also in Attendance: Cheryl Lindner, Treasury Management Officer
Tim Cummings, Interim Administrative Services Director
Amy Girard, Purchasing Manager
Gary Connors, NSD Assistant Plant Operations Director
Dan McMullen, IT Manager
Matt Sullivan, Community Development Director

PUBLIC COMMENT - None

COMMUNICATIONS

From: Amy Girard, Purchasing Manager
Re: Purchase of Food Box Van in the amount of \$62,795.00 funded from 81500 Vehicles/CERF

MOTION BY ALDERMAN GOUVEIA TO APPROVE THE PURCHASE OF A 2023 FORD E-450 CUTAWAY CHASSIS WITH DEJANA DURACUBE PRO ALUMINUM BODY TO REPLACE THE 2006 FOOD SERVICES DELIVERY TRUCK FOR THE NASHUA SCHOOL DISTRICT THROUGH GRAPPONE FORD IN THE AMOUNT OF \$62,795. FUNDING WILL BE THROUGH DEPARTMENT 191 SCHOOL; FUND: 81500 VEHICLES/CERF

ON THE QUESTION

Chairwoman, Klee

I don't see Mr. Connors here. I was told he would probably speak to it. Amy did you want to speak to it at all? I do have some information from Mr. Griffin as well as Mr. Sullivan but please. Are you Gary? Also in attendance is Gary Connors. So we kind of give a description of the request.

Gary Connors, NSD Assistant Plant Operations Director

We're requesting to purchase a food service truck for the Nashua School District Food Service Department.

Chairwoman Klee

Okay. I'm going to give a little bit more information also as well. I did speak to Mr. Smith as well as Mr. Griffin relative to this. We got a letter from Mr. Smith speaking that this was put under CERF and approved by the Board of Aldermen in Fiscal Year 2021. At that time, it was put in for \$62,595. This request is for \$62,795 which is less than one percent so we don't have to go back to the Board of Aldermen for approval. Mr. Smith in his letter spoke about a year and a half ago that he had found the same item for \$49,673 but because of supply chain issues and so on, it did not get ordered. Since then, he has been shopping around trying to do this and the best price he could get was the \$62,795.

For the public that's listening, someone would say well you approved it in Fiscal Year 2021 but why are you waiting until now to purchase it? That's very common. We put something on the CERF as it needs to be replaced and that is the year that we approved to put it on. That is the price that we have at that time. As we all know, prices have gone up significantly especially on vehicles and a variety of other types of things. So what happened was this went on there for

the \$62,595 not the \$49,673 that we see in the first paragraph but the \$62,595. We don't always purchase something just because we put it there. If we can delay it meaning we can get more life out of something, we try to do that and from what I can tell, you guys have really pushed the envelope on this. Is that correct?

Gary Connors, NSD Assistant Plant Operations Director

Absolutely. We've spent a lot of money and it actually transferred to another vehicle. Yes we certainly hit the life out of the vehicle. We're currently using a 2009 vehicle as opposed to the 2006 that is demised.

Chairwoman Klee

Okay. Do you know what would be happening to the 2005? Will we be trading that in or will it be used for parts or?

Gary Connors, NSD Assistant Plant Operations Director

Well actually it blew the motor and it was last – I think it was last fall, blew the motor last fall. It was scrapped to the scrap yard. Currently using another that was a 2006. We're in a 2009 right now that's had a lot of repairs. It looks like we have to go on one more year with what we have here now.

Chairwoman Klee

Right. Thank you. So having said all that, are there any questions from? Alderman Moran.

Alderman Moran

Thank you Madam Chairwoman. So it basically this delivers food from one school to another or what's the truck used for?

Gary Connors, NSD Assistant Plant Operations Director

No. So this food service truck, it's the full District. I know its 18 schools but about 20 buildings. So the central hub is the Nashua High South. There's State deliveries to the two high schools and the middle schools but essentially, the core of the food service program is South School and there's daily deliveries to not all schools daily but through a schedule that services the City of Nashua School District food distribution.

Alderman Moran

Follow up?

Chairwoman Klee

Yes, please.

Alderman Moran

So basically if you don't get this new truck, kids could have a day where one old truck breaks down and they don't get the food that they need?

Gary Connors, NSD Assistant Plant Operations Director

Sir, you don't know how hard it's been for the last two years. I mean it's been pretty bad.

Alderman Moran

It's a great idea to do this now or it could have been a better idea two years ago.

Gary Connors, NSD Assistant Plant Operations Director

Well actually we did it three years ago and then...but yes, yes.

Alderman Moran

Thank you.

Chairwoman Klee

Are there any questions? Alderman Gouveia?

Alderman Gouveia

Thank you, Madam Chair. I have more of a statement incurring maybe you know in your conversations but it said the new cost of \$62,759, this cost is slightly above the CERF budgeted amount of \$62,595. Then they went on to note that the two other vehicles purchased in FY21 were well below budgeted amounts. Just wondering when that all evens out, do we have a number that they're below and by how much because of? Like where all the numbers ended up selling. It says they bought two below. They're buying one slightly above so where are when it comes to the budget?

Chairwoman Klee

Alderman Clemons may be able to - correct me if I'm wrong but I do believe that what happens is the CERF money is the CERF money. We pull from that fund so if something is above or below, it comes out of that. Just like it's a general fund but it's for these particular types of CERF. So we don't really save money or less money if the money comes below, it's just more that we have in that we don't have to fund correctly. We don't have to fund the next year. We don't pull money out of the CERF. We just put money into it. Did that answer your question?

Alderman Gouveia

I will try to rephrase. I understand that portion of it. It's more of at the end of the day, we've bought what seems like three vehicles. It will be this one and the other in FY21. When it comes to the total price are we above where we expected to be or are we below where we expected to be?

Chairwoman Klee

That I don't know. I don't know if Mr. Connors would be able to answer that.

Gary Connors, NSD Assistant Plant Operations Director

I think it's actually kind of well below. There was two other vehicles that were purchased. There was a replacement for a 2004 Taurus that went in for \$37,000. It was purchased for \$29,000 and some change. I have that in another folder. The other vehicle was a 2007 Chevrolet electrical one-ton van – work van. It was put in the CERF program for \$40,000. It was purchased for \$38,000 last year because could not find a vehicle. Could not get it. Now we got a brand new used one. Instead of 2022 model, it was a 2021. It was one that somebody didn't purchase, or I'm not quite sure the circumstances, but that was purchased for \$38,000 and some change.

Chairwoman Klee

Thank you. Does that answer your question?

Alderman Gouveia

Yes. That was perfect.

Chairwoman Klee

Thank you. I'm sorry, I misunderstood your question.

The other thing I do want to comment. Today, I received a number of phone calls of people being very upset and why are we doing this for the School District and so on. I believe a number of years ago the Board of Aldermen decided that all – it would not be School district equipment and city equipment. It would all go under the CERF. Am I correct Alderman?

Alderman Clemons

I don't know.

Chairwoman Klee

When I spoke to Mr. Griffin, that's kind of what he had indicated. There was a point when we would put this in the School District budget but now we don't. We put it all in the CERF budget and that way we can look at it all as a whole and not have to look at it differently. So unlike the School District budget where we don't yea or nay all of their purchases other than bottom line, this we do have a voice in. Are there any other questions?

MOTION CARRIED

Chairwoman Klee

Thank you Mr. Connors. That's your last one that you're one the hook for, right?

Gary Connors, NSD Assistant Plant Operations Director

Not easy the last couple of years.

Chairwoman Klee

Thank you so much. Appreciate it.

Gary Connors, NSD Assistant Plant Operations Director

So am I all set?

Chairwoman Klee

You're all set. Thank you.

Gary Connors, NSD Assistant Plant Operations Director

Excuse me. I'm very sorry. I'm thinking of numbers walking out but it said \$62,000 and change and it's actually \$66,000. I don't mean to congest things here.

Chairwoman Klee

We have it at \$62,795.

Gary Connors, NSD Assistant Plant Operations Director

Yeah that was last year's price. They pushed us to next Fiscal Year at 66

Chairwoman Klee

I think that will put it over the one percent and then we may have to go to the Board of Aldermen. Let me do a quick calculation here.

Amy Girard, Purchasing Manager

It's ten percent.

Gary Connors, NSD Assistant Plant Operations Director

Here it is - \$66,217. So what happened is we tried to get in fiscal year. They didn't open their fiscal year until late November. Going through the process and such there's only a certain amount and they recently said all the vehicles from Ford had been purchased and that we're on a 24 cycle at \$66,217.

Chairwoman Klee

Okay. Miss Girard is that within the ten percent?

Amy Girard, Purchasing Manager

Yes, that is.

Chairwoman Klee

It is within the 10 percent?

Amy Girard, Purchasing Manager

Yeah. \$69,000 and change would be the 10 percent.

Chairwoman Klee

Okay. Do we need to...?

Alderman Clemons

Do a new motion.

Chairwoman Klee

Yes, we need to amend the Motion. We're going to withdraw the Motion even though we voted on it?

Alderman Clemons

No. We're just going to do a new motion.

Chairwoman Klee

Okay. Let's do a new motion and it will be for \$66,217. Mr. Clerk?

Alderman Gouveia

So that's for \$66,217?

Chairwoman Klee

Yes.

MOTION BY ALDERMAN GOUVEIA TO APPROVE THE PURCHASE OF A 2023 FORD E-450 CUTAWAY CHASSIS WITH DEJANA DURACUBE PRO ALUMINUM BODY TO REPLACE THE 2006 FOOD SERVICES DELIVERY TRUCK FOR THE NASHUA SCHOOL DISTRICT THROUGH GRAPPONE FORD IN THE AMOUNT OF \$66,217. FUNDING WILL BE THROUGH DEPARTMENT 191 SCHOOL; FUND: 81500 VEHICLES/CERF AND RESCIND THE PREVIOUS PURCHASE

Chairwoman Klee

Ms. Lindner is this work within the CERF? Okay. So we don't need to go to the Board of Aldermen because it's within the 10 percent. Okay. Thank you. Are there any other questions or comments?

MOTION CARRIED

From: Amy Girard, Purchasing Manager

Re: Software Maintenance in the amount of \$25,572.49 funded from 54407 Software Maintenance/General Fund

MOTION BY ALDERMAN GOUVEIA TO APPROVE THE RENEWAL CONTRACT FOR THE CONTINUED OPERATION OF MHC SOFTWARE SUPPORT SERVICES THROUGH MHC SOFTWARE IN THE AMOUNT OF \$25,572.49. FUNDING WILL BE THROUGH DEPARTMENT 122 INFORMATION TECHNOLOGY; FUND: 54407 SOFTWARE MAINTENANCE/GENERAL FUND

ON THE QUESTIONChairwoman Klee

Mr. McMullen?

Dan McMullen, IT Manager

So MHC Document Express is basically an add-on to our core financial system Lawson. It allows the software to capture data from Lawson to create documents either electronically or printed such as accounts payable checks, purchase orders for Amy, payroll checks, W-2's, 1099. We've used the software since 2012 and this is basically an annual renewal for the maintenance on the software.

Chairwoman Klee

Are there any questions? Is this the same price as previous year or is there going to be?

Dan McMullen, IT Manager

I believe it was an increase. I didn't have time. It was a little bit last minute coming tonight but most of those maintenance contracts probably have a ten or so percent increase per year. Most of those in the contract itself it has a clause in there that you're going to see increases every year. I don't know what it was last year but I imagine it was a little bit less.

Chairwoman Klee

Less than a ten percent increase. Thank you so much. No questions. Seeing none.

MOTION CARRIED

From: Amy Girard, Purchasing Manager

Re: Contract Amendment #2 in the amount of \$32,975.93 funded from 54210 Construction Services/FTA Grant Funds

MOTION BY ALDERMAN GOUVEIA TO APPROVE CONTRACT AMENDMENT #2 WITH GPI (GREENMAN-PEDERSON, INC.) AND A CONTRACT EXTENSION DATE FROM JUNE 30, 2022 TO MARCH 31, 2023 TO PROVIDE ASSISTANCE TO NTS FOR CONSTRUCTION PHASE SERVICES, RESIDENT ENGINEERING, ARCHITECTURAL SUPPORT, INSPECTION, AND CONSTRUCTION ADMINISTRATION SERVICES FOR THE TRANSIT CENTER RETROFIT PROJECT IN THE AMOUNT OF \$32,975.93. FUNDING WILL BE THROUGH DEPARTMENT 186 TRANSPORTATION; FUND: 54120 CONSTRUCTION SERVICES/FTA GRANT FUNDS

ON THE QUESTIONChairwoman Klee

Director Sullivan?

Matt Sullivan, Community Development Director

Thank you Madam Chair and members of the Committee. The amendment before you is an amendment that really does two things for the purposes of closing out the project for the transit center reconstruction. If you're not aware already, that project from a construction perspective has completely wrapped up but it was substantially delayed by the period of about a year or twelve months in time from its' initial scheduled completion date in late 2021. There were a variety of reasons behind that but one of the costs that was incurred is before you this evening and that is both as part of the extension of time that the contractor was working on the project and as part of some of the complications associated with a close out that will happen over the coming three months, this is a request before you to enhance the contract with the city's representative contract engineer GPI at the amount of \$32,975.93.

The other adjustment that happens here is an extension of time in the contract so the close out services can be provided to the City. What's critical or two things that are critical to point out is 1) that we have existing budget remaining in the project to actually do this amendment to bring GPI on to complete these services. The other is that the source of funding for the project is federal. It's FTA as a funding source. It's not actually city dollars that are going into this amendment.

Should the amendment be approved this evening, we're confident we can close out the project cleanly by the date identified within the extension and that is March 31, 2023. Happy to answer any questions that the Committee may have.

Chairwoman Klee

Are there any questions? Seeing none.

MOTION CARRIED

From: Mayor Jim Donchess
Re Emergency PO Request – Sunbelt Bypass Pumping

There being no objection, Chairwoman Klee accepted the communication and placed it on file.

UNFINISHED BUSINESS - None

TABLED IN COMMITTEE - None

NEW BUSINESS – RESOLUTIONS

R-23-081

Endorsers: Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Richard A. Dowd
Alderman-at-Large Gloria Timmons
Alderman-at-Large Lori Wilshire

AUTHORIZING THE CITY OF NASHUA TO ENTER INTO A CONTRACT WITH ATA OUTDOOR MEDIA FOR TRANSIT ADVERTISING SERVICES

MOTION BY ALDERMAN GOUVEIA TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairwoman Klee

I guess you're up again Director Sullivan.

Matt Sullivan, Community Development Director

Thank you Madam Chair, members of the Committee. From something I know a good deal about to something I know a little bit less about but I'm learning about, and that is the advertising services that are provided through the Nashua Transit System. If you're not familiar when you see our buses going around town, you see a bus stop, or even going by the Transit Center, and looking at marketing materials, you'll sometimes see some corporate sponsorship associated with that. That's actually part of an advertising contract that we maintain with an outside vendor.

A new advertising vendor is in front of you this evening. That is ATA Outdoor. Just by way of quick background, ATA is a well know firm particularly within the New England and New Hampshire region. They provide services to other entities in the State, including Manchester Transit Authority. We have a high level of comfort with the work that they'll provide. They actually were the vendor for the City of Nashua in the past so we have a familiarity with them. Really decided to part ways mutually several years ago and are now looking to re-enter into a contract with them.

As I just reviewed, this is a revenue contract that actually brings revenue as part of a split into the City. It's a 60/40 split as identified within the contract. That's based on the ability of the contractor to productively and effectively sell advertising to entities within the community. Again, that advertise is placed on the buses, on bus stops, on any other static facilities that might exist like bike racks or the like, and then obviously to do that by digital advertising as well as opportunities present themselves. I'm happy to enter into any other details of the contract that you might be interested in. This is a three year contract extending through January 31, 2026 and may be extended as need beyond that period of time. Again, the proposed revenue structure is such that there's 60% of the gross revenue going to Nashua Transit System, thereby the City, and 40% going to ATA Outdoor.

I will point out one fairly unique provision of this contract. It's really a performance piece and that is that under the contract, there are certain minimum payment terms or revenue terms that go to the City. Under this proposed contract, year one is \$21,000 of minimum revenue; year two is \$36,000; year three is \$48,000; and years 4 and 5 that are optional will be \$50,000. Again, that's a minimum revenue payment that's made to the City really as a performance clause for the City to ensure the advertising is being done properly. Happy to answer any questions that you might have.

Chairwoman Klee

Are there any questions? Alderman Moran?

Alderman Moran

Will this be a substantial cost to the consumer/customer change? Will there be an increase in pricing?

Matt Sullivan, Community Development Director

That's a great question. Alderman Moran I assume you're asking for someone who wants to purchase advertising. There's not a substantial change in that. No, it's fairly comparable rates that they'll be charged. Yeah, that's a great question though.

Chairwoman Klee

The only question that I have is the - when you say that the guaranteed \$21,000, \$36,000, \$48,000 and \$50,000, that is to the City, is that correct?

Matt Sullivan, Community Development Director

So that's correct. That's not of the total share. That's the 60% that's guaranteed to the City. That's correct.

Chairwoman Klee

Okay. So even if they don't get that number in all of it, we're going to get a minimum of that?

Matt Sullivan, Community Development Director

That's correct.

Chairwoman Klee

Okay. Thank you so much.

Matt Sullivan, Community Development Director

Perhaps I'll go beyond what I should tonight but there have been cases in the past where there were particularly challenging periods of selling revenue where there have been amendments to advertising contracts the City has had to do. We don't expect that here. We're confident that this entity can perform their duties particularly based on their local experience but the advertising market can be volatile and so an amendment is not unheard of.

Chairwoman Klee

Thank you. Seeing no questions. Motion is to recommend approval.

MOTION CARRIED

NEW BUSINESS – ORDINANCES - None

RECORD OF EXPENDITURES

MOTION BY ALDERMAN GOUVEIA THAT THE FINANCE COMMITTEE HAS COMPLIED WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES FOR THE PERIOD FROM DECEMBER 30, 2022 TO JANUARY 12, 2023

ON THE QUESTION

Chairwoman Klee

I believe that we've all signed that.

MOTION CARRIED

GENERAL DISCUSSION - None

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN

Alderman Timmons

Yesterday I reported that a young lady being missing from Manchester. She was found safe and she is back with her family.

Chairwoman Klee

Wonderful. Nice to hear good news for a change. Any other remarks?

ADJOURNMENT

MOTION BY ALDERMAN GOUVEIA TO ADJOURN

MOTION CARRIED

The Finance Committee meeting was adjourned at 7:24 p.m.

Alderman Tyler Gouveia
Committee Clerk, Pro Tem