

REPORT OF THE FINANCE COMMITTEE

APRIL 3, 2019

A meeting of the Finance Committee was held on Wednesday, April 3, 2019, at 7:00 p.m. in the Aldermanic Chamber.

Mayor Jim Donchess, Chairman, presided.

Members of the Committee present: Alderman Michael B. O'Brien, Vice Chair
Alderman-at-Large Shoshanna Kelly
Alderman-at-Large Brandon Michael Laws
Alderman Patricia Klee
Alderman June M. Caron
Alderman Linda Harriott-Gathright

Also in Attendance: Dan Kooken, Purchasing Manager
David G. Fredette, Treasurer/Tax Collector
Sarah Marchant, Director Community Development
David Boucher, Superintendent of Wastewater

PUBLIC COMMENT - None

COMMUNICATIONS

From: Dan Kooken, Purchasing Manager
Re: Contract Award of Transit Service Operations (Value \$10,945,301)

MOTION BY ALDERWOMAN KELLY TO ACCEPT, PLACE ON FILE AND, CONTINGENT UPON BOARD OF ALDERMEN APPROVAL, AWARD THE CONTRACT TO FIRST TRANSIT, INC., IN THE AMOUNT OF \$10,945,301. FUNDS ARE AVAILABLE IN DEPARTMENT 186, TRANSPORTATION; GRANT FUNDS

ON THE QUESTION

Mayor Donchess

And Ms. Marchant is here to brief us on this item.

Sarah Marchant, Director Community Development

Good evening, thank you. The Transit Operations subcontracts out for the driver's dispatch and regular movement of the buses every day; management of general safety and those things. So First Transit has been our provider for the past 20+ years. We went out to bid and solicited from 7 firms and received 2 qualified responses. We interviewed both qualified responses and had quite a bit of negotiations over insurance this time. There has been substantial changes to insurance which changed some of the fee structures. So we went back for several months on that; got two final offers and those are before you are tonight. We are recommending going forward with First Transit which is almost \$2 million dollars less than the other response.

It is a lot of money, it is a 5 year contract and it is about \$2 million dollars a year and it is budgeted for. If there are any questions I am happy to answer them.

Alderwoman Kelly

Yeah so I was actually, I was trying to dig around a little bit and see is it typical for a municipality to send this out to bid versus doing it themselves?

Ms. Marchant

So it's a great question. There are many different ways that transit are operated. We are unique in that we have a transit department; it is actually a City Department. There are many transit authorities; for example Manchester is a separate transit authority, they are not part of the City. Up in the Dartmouth Region there is a regional transit authority; in the Seacoast there's a regional transit authority. So the way Nashua has set this up is unique. My understanding is this was more of – the City owned the assets but we used to subcontract out all of it; we didn't have any City staff, we subcontracted the whole operations out, we just owned it.

We did a big analysis on that and what was the most cost-effective method for the City to run the operations and I am not going to have this date right but 12 years ago, 14 years ago, we switched over. So we have a City Department with the management and the operations team. We, the City Staff, have all the maintenance contracts and we own all the assets. So the only thing that we sub out is the driver's and the management of that and dispatch. So that has been a very cost-effective method for that as part of this. With the Federal dollars we are required to do a cost analysis compared to other ways that people operate in the State and we have found that we are still very, very effective in this method.

Alderwoman Kelly

You may not know the answer right now I was just wondering if when we did the analysis 12 years if we knew how much it actually saved us, either percentage-wise or dollar-wise?

Ms. Marchant

I don't know off the top of my head, I don't know that I've ever specifically seen that. I know that our insurance costs dropped \$200,000.00 by bringing it under the City; that's just one tiny piece of it. I'm sure that information is out there and I am happy to look for it. I could share the cost-analysis that we did just recently for the FTA comparing like services. It isn't necessarily comparing only in New Hampshire; it is in the region to find something that's a little bit more like us and like contracted services and the hourly rates. That shows that we are very, very competitive doing it this way; I'd be happy to provide that.

Alderwoman Kelly

Sure it sounds like it is what we've been doing, but I just want to know for my own education as we go so I'd love to see that.

Alderman Laws

Director Marchant just took care of all the questions that I had.

Ms. Marchant

Excellent.

MOTION CARRIED

From: Dan Kooken, Purchasing Manager

Re: Pump Station Upgrades Project – Phase 1 Construction Engineering Services (Value: \$409,900)

MOTION BY ALDERWOMAN KELLY TO ACCEPT, PLACE ON FILE, AND AWARD THE CONTRACT TO WRIGHT PIERCE IN THE AMOUNT OF \$409,900. FUNDS ARE AVAILABLE IN DEPARTMENT 169, WASTEWATER; STATE REVOLVING LOAN FUND

ON THE QUESTION

Mayor Donchess

And this is of course Superintendent Boucher from the treatment plant. Could you describe or explain this and the next item which work together?

David Boucher, Superintendent of Wastewater

Thank you, good evening. Dave Boucher, Wastewater Superintendent. This is Phase I of a 2-Phase project for upgrading all the pump stations, the sewer pump stations throughout the City of Nashua and some CSO facilities which transfers water from low gravity sword to a higher gravity sword so it eventually gets to the Wastewater Plant. They are all in need of updating; this is for the first 6. The engineering services from Wright Pierce will oversee the construction phase of the project. I don't know if you have any questions on that.

Alderman O'Brien

Yes good to see you again coming before this Committee. And I know what has happened in the past with the sewage treatment. Is it your hope that instead of doing all 6 in one bite that you can get into a deferred maintenance program or is that part of the deferred maintenance program to get this done? Is this something from past inattentiveness?

Mr. Boucher

Yes this is suffering from the past. So this will be, you know, once it is done, then it will be part of a maintenance program to maintain these. When these were originally constructed, they were constructed in the fashion; you'd build pump stations back then. Everything 20 feet below ground; so a lot of these will be brought above ground where it is safer for the employees to work on pumps. So everything will be transmitted above-ground. So it's not so much, you know, neglect or anything like that, it's making it safer for our guys. A lot of these pumped get clogged, there are a lot of rags in the system. So they have got to be constantly be pulled up. It's also updating the pumps that can handle the type of materials that come through the line without having to take them off-line, pull them apart, take the rags out and put them back in. So there will be more updated pumps in these facilities.

Alderman O'Brien

Excellent, thank you.

Alderwoman Kelly

Thank you, I'm not sure if Mr. Kooken would answer this but I was wondering about the State revolving loan fund, what that is and any history behind it?

Dan Kooken, Purchasing Manager

I don't know.

Mayor Donchess

Yes come on up Treasurer Fredette.

David G. Fredette, Treasurer/Tax Collector

David Fredette, City Treasurer. The State Revolving Loan Fund works very similar to a bond. It is actually a loan from the State and they get Federal funds for this. And in the past we have done some projects with bonds and more with the loans because they tend to be a little less cost. The rates are very good and you don't start paying until the project is about 98% complete which is good. The rates are usually sometimes a half per cent lower than a bond. So we use it a lot at the landfill and at the wastewater treatment.

Alderwoman Kelly

Thank you.

MOTION CARRIED

From: Dan Kooken, Purchasing Manager

Re: Pump Station Upgrades Project – Phase 1 Construction Services (Value: \$3,469,550)

MOTION BY ALDERWOMAN KELLY TO ACCEPT, PLACE ON FILE AND, CONTINGENT UPON BOARD OF ALDERMEN APPROVAL, AWARD THE CONTRACT TO DEFELICE CORPORATION IN THE AMOUNT OF \$3,469,550. SOURCE OF FUNDING IS DEPARTMENT 169, WASTEWATER; STATE REVOLVING LOAN FUND

ON THE QUESTION

Mayor Donchess

Do you have anything to add beyond what you explained on the last item? I know this is directly related.

Mr. Boucher

This went out to bid, Defelice was the low bidder of the three, we checked references and the references came back in favor of awarding the bid to Defelice. They were within the engineer's estimate of the project.

MOTION CARRIED

From: Dan Kooken, Purchasing Manager

Re: Purchase of One (1) Fairbanks Brand Pump from Hayes Pump (Value: \$29,511)

MOTION BY ALDERWOMAN KELLY TO ACCEPT, PLACE ON FILE AND AUTHORIZE THE PURCHASE FROM HAYES PUMP, INC., IN THE AMOUNT OF \$29,511. FUNDS ARE AVAILABLE IN DEPARTMENT 169, WASTEWATER

ON THE QUESTION

Mayor Donchess

Mr. Boucher?

Mr. Boucher

So this is a pump for one of our pump stations called Northgate Pump Station. Typically there are at least 2 pumps at a pump station; one is a backup in case one goes down. We just recently had one go down, we can typically send it out for repairs and rebuild. Unfortunately the one that we had pulled was beyond repair. So this pump is specked out, even though this pump station is not involved in the first 6 facilities to get upgraded because this pump station tended to need less work. Unfortunately this pump came up after the bids went out so this pump that we are purchasing is the same pump that is in the specifications for the Phase II pump station upgrade. So even when we do Phase II this pump will still be valid. Unfortunately they are extremely expensive pumps. It's one of our larger pump stations.

Alderman O'Brien

Thank you Mr. Mayor. With that comment if this is your largest I think in the City, and it is only running on one pump, so is this issue going to get expedited I would imagine, just in case? The other one is equal in age I would imagine?

Mr. Boucher

Yes that's the goal and we are paying close attention that if it does go down, currently we have a crew out there as soon as possible because the pump can't go down, we only have one installed right now. So if it goes down then the sewage backs up.

Alderman O'Brien

Follow-up if I may? This is the one that's closest to the river, am I correct?

Mr. Boucher

Campton Street I think is the one it's close to.

Alderman Klee

In leading to what you said this is the largest pump, we only have one working right now. When we get the new one in, if this is approved and you get the new one in, this becomes your backup. Will you be checking to make sure that this is a sufficient backup and that it doesn't need to be replaced itself or repaired so that we don't end up with just one again? Is that what the plan would be?

Mr. Boucher

Yes we do maintain these pumps; we do have crews that go out there several times a week to check them. Unfortunately the pump that was taken out is beyond repair. But this will be a good pump, it will be the backup and we will continue to service both pumps. When we do the pump station upgrade Phase II the other one will be replaced, the older one.

Alderman Klee

Thank you.

MOTION CARRIED

UNFINISHED BUSINESS – None

NEW BUSINESS – None

RECORD OF EXPENDITURES

MOTION BY ALDERWOMAN KELLY THAT THE FINANCE COMMITTEE HAS COMPLIED WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES FOR THE PERIOD MARCH 16, 2019 TO MARCH 29, 2019
MOTION CARRIED

GENERAL DISCUSSION - None

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN

Alderman O'Brien

I would just like to say that I am very impressed with Mr. Boucher and the work that he's doing. Our sewer systems is one of the silent things that exist out there. But when it fails it does not remain silent. I think to compliment him for catching a lot of this and bringing it up to par. It was an infrastructure that unfortunately for whatever reasons, tax, spending cap, or whatever, but it got put on the back burner. I'm glad it's at the forefront now and starting to get repaired. So I think we are on the right flush sort to speak.

NON-PUBLIC SESSION – None

ADJOURNMENT

MOTION BY ALDERWOMAN KELLY TO ADJOURN
MOTION CARRIED

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

Alderman-at-Large Shoshanna Kelly
Committee Clerk