

## REPORT OF THE FINANCE COMMITTEE

MAY 21, 2020

A meeting of the Finance Committee was held on Thursday, May 21, 2020, at 10:35 p.m. via teleconference.

Vice-Chairman Patricia Klee presided.

### Alderman Klee

As Vice-Chairman of the Finance Committee, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are:

***a) Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:***

We are utilizing WebEx through the City's IT Department for this electronic meeting. All members of the Finance Committee have the ability to communicate contemporaneously during this meeting through this platform, and the public has access to contemporaneously listen in to this meeting through dialing the following number 1-978-990-5298 and using the password 273974. The Public may also view this meeting on Comcast Channel 16.

***b) Providing public notice of the necessary information for accessing the meeting:***

We previously gave notice to the public of the necessary information for accessing the meeting, through public postings. Instructions have also been provided on the City of Nashua's website at [www.nashuanh.gov](http://www.nashuanh.gov) and publicly noticed at City Hall and Public Health Department.

***c) Providing a mechanism for the public to alert the public body during the meeting if there are problems with access:***

If anybody has a problem accessing the meeting via phone or Channel 16, please call 603-821-2049 and they will help you connect.

***d) Adjourning the meeting if the public is unable to access the meeting:***

In the event the public is unable to access the meeting via the methods mentioned above, the meeting will be adjourned and rescheduled. Please note that **all votes** that are taken during this meeting shall be done by **roll call vote**.

Let's start the meeting by taking a roll call attendance. **When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.**

The roll call was taken with 5 members of the Finance Committee present: Alderman Patricia Klee, Alderwoman Elizabeth Lu, Alderman Linda Harriott-Gathright, Alderwoman Shoshanna Kelly, Alderman Michael B. O'Brien, Sr.

Members not in Attendance: Mayor Jim Donchess  
Alderman-at-Large Brandon Laws

Also in Attendance: John Griffin, CFO/Comptroller  
Dan Kooken, Purchasing Manager  
Kim Kleiner, Administrative Services Director

---

Vice-Chairman Klee

Here. I am alone in this room, but in close proximity is my husband my two greyhounds. I am attending this call virtually by the Governor's order.

Alderwoman Lu

I am present, I am alone and I can hear you, thank you.

Alderman Harriott-Gathright

And the Clerk, I am present, I'm alone and I am safe distancing.

Alderwoman Kelly

I am here, I can hear everybody, my 9-month-old is here in the room with me but he's not advising me in any way, shape, or form. I am practicing social distancing.

Alderman O'Brien

I am present, I am alone, and I can hear the proceedings, thank you.

Alderman Harriott-Gathright

Ok, also in attendance is John Griffin, our CFO; Dan Kooken, Purchasing Manager and Kim Kleiner, Administrative Services Director. I also had listed Dave Fredette is he here?

John Griffin, CFO

No, Mr. Fredette is not here.

Alderman Harriott-Gathright

Ok, thank you.

John Griffin, CFO

Thank you.

Alderman Harriott-Gathright

Did I miss anyone else?

Vice- Chairman Klee

Thank you, Madam Clerk. Communications from Dan Kooken, Purchasing Manager.

COMMUNICATIONS

From: Dan Kooken, Purchasing Manager

Re: 14 Court Street Fire Suppression System, Change Orders #1 and #2 on PO #154024

**MOTION BY ALDERMAN HARRIOTT-GATHRIGHT TO ACCEPT, PLACE ON FILE, AND AUTHORIZE CHANGE ORDER #1 IN THE AMOUNT OF \$15,290 AND CHANGE ORDER #2 IN THE AMOUNT OF \$13,283 FOR A TOTAL AMOUNT OF \$28,573 FOR 14 COURT STREET FIRE SUPPRESSION SYSTEM FROM NORTHPOINT CONSTRUCTION, BY ROLL CALL**

ON THE QUESTION

Vice-Chairman Klee

Mr. Kooken, did you want to talk to this? I think you might be muted.

Alderman Harriott-Gathright

It doesn't look he's muted.

Vice-Chairman Klee

It looks like we may have lost him, I'm not sure.

Kim Kleiner, Director of Administrative Services

Alderman Klee, I can speak to it.

Vice-Chairman Klee

Thank you, Director Kleiner, I appreciate that.

Kim Kleiner, Director of Administrative Services

So on Change Order #1 for \$15,290.00 what was found was the existing devices in Liquid Therapy and the Artist Space are not compatible with the required fire alarm panel that we are installing. The devices in those areas will need to be replaced as part of this project. The original bid package did not include replacing those devices so that is the change within the price.

Vice-Chairman Klee

Thank you very much. Are there any questions?

Alderman Lu

Yes, I have a question.

Vice-Chairman Klee

Alderman Lu?

Alderwoman Lu

Thank you. In Mr. Kooken's Memo or (inaudible) details are attached. Did we not get something that was meant to be attached?

Kim Kleiner, Director of Administrative Services

Alderwoman Lu, I can't speak to why he said that, so I received an update from the contractor. I am not aware that Mr. Kooken had the details that I have here. I can go on, since it's all in one Memo, Change Order #2 for \$13,282.50 – that is because originally the existing wet and dry systems in the attic were not part of the scope of work. The Fire Marshall asked that we check the sprinklers just to make sure there were no deficiencies in these systems. What we did find was that the sprinkler heads will need to be replaced in about 2 and ½ years and the compressor for the dry system is at its near end of life. It is almost 30 plus years old so we looked at having the contractor perform this work since the building is unoccupied. The contractor is already on site; it minimizes any future disruption when the building becomes occupied. So that's the second change order.

Alderwoman Lu

Thank you. Just what is the project, when did it begin? This project on Court Street?

Kim Kleiner, Director of Administrative Services

It did. So we began this project shortly after City Hall closed, shortly after the 15<sup>th</sup> of March.

Alderwoman Lu

Thank you. Alderman Klee.

(Audio distortion)

Unidentified Speaker

We can't hear you.

Vice-Chairman Klee

I was muted, I apologize for that. Alderwoman Kelly and then Alderman O'Brien.

Alderwoman Kelly

Thank you. I just wanted to for reference for Alderwoman Lu, this project has been something that we have been talking about for awhile and I think the most striking piece that came up was the Fire Chief saying that the Court Street Building is the one that keeps him up at night. He said it, that's exactly what he said on the record. So I was very happy to have it done and I'll support these change orders. Sorry it's late.

Vice-Chairman Klee

Alderman O'Brien?

Alderman O'Brien

Thank you. When I was a Deputy Chief, I had other buildings I worried about, you know? But Court Street is near and dear to the City, it's one of the oldest, it was a Fire Station. It was reconfigured into our original Performing Arts Center. And yet the City of Nashua leads the way, we demand of the public to have fire protection and that goes into residential and commercial properties. We should be the leader of that in our

own building to make sure that our sprinkler systems are up to par. From what Kim Kleiner said with the air compressor, we actually called it in the fire service a (inaudible) and that keeps the dry system dry. When the dry system is no longer dry, the reason it is dry is because it is an area that will freeze. When the dry system is no longer dry then you are paying a lot more money on broken pipes and damages and everything else. So this is very much money well spent for fire protection and for the integrity of the building. I support this, thank you.

Vice-Chairman Klee

Thank you, Alderman O'Brien. Ms. Kleiner, I just want to reiterate something that you said or just ask you, by doing this now versus waiting for the 2 years or 2 ½ years when everything is going to need to be done again, we would then disrupt the current occupants at that time, as well as possibly costing us even more money in the end. And as Alderman O'Brien pointed out, if we don't take care of this, we have the potential of other issues going on. Is that correct?

Kim Kleiner, Director of Administrative Services

That is correct. So we would be concerned, just as Alderman O'Brien stated, that the dry system did not remain dry which could cause several problems. But also because of if there's any happy side to this, when we closed City Hall, we also closed Court Street to the tenants, so it's empty right now. We got the contractors in there and we asked them to really work on this project while no one was in the building. They've been able to do so; in fact we expect that it will be near completion next week which has really helped both the contractors and any potential disruption to any programs which wouldn't be the case most likely in two years.

Vice-Chairman Klee

Thank you very much. Sorry, Alderman O'Brien.

Alderman O'Brien

Yeah and please indulge me. You are in my level of expertise go figure. But anyways this is part of the normal procedure. Sprinkler heads do have a life expectancy and they need to be changed. I can't really, now you've got me going back to the NFPA Books, I thought I retired. But they do need to be changed; if you don't change them then you can get what's called in the business a "cold flow" in other words the sprinkler head lets down and again it is saving the taxpayer's money to have a properly maintained, and may I give my usual PR for the sprinkler system. There's been about a 96 – there's never been a loss of life in a properly operated sprinkler system, a building that has been properly operated. So it goes a long way.

Vice-Chairman Klee

Nice to hear. Are there any other questions? Madam Clerk, could you please call the roll?

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Klee, Alderwoman Lu, Alderman Harriott-Gathright, Alderwoman Kelly, Alderman O'Brien	5
Nay:	0

**MOTION CARRIED**

Alderwoman Lu

I have a quick question.

Vice-Chairman Klee

Sure, Alderman Lu?

Alderwoman Lu

Alderman O'Brien, why don't I see him on my Finance Committee roster?

Alderman O'Brien

I'm on the Finance Committee.

Alderwoman Lu

I never thought you were. Thank you. I don't know.

Alderman O'Brien

I can go if you want.

Vice-Chairman Klee

Oh no you don't.

Alderwoman Lu

I just wondered.

Alderman O'Brien

Alderman Lu it is a late night.

Vice-Chairman Klee

Madam Clerk if you could continue? Thank you.

From: Dan Kookan, Purchasing Manager

Re: Contract for Two Year External Audit Contract with Melanson Heath (Value: \$122,500) Department: 126 Financial Services; Funds: Professional and Technical Services \$89,900; Department: 168 Solid Waste; Funds: Professional and Technical Services \$13,000; Department 169 Wastewater; Funds: Professional and Technical Services \$19,600

**MOTION BY ALDERMAN HARRIOTT-GATHRIGHT TO ACCEPT, PLACE ON FILE, AND AUTHORIZE THE TWO-YEAR EXTERNAL AUDIT CONTRACT WITH MELANSON HEATH IN THE AMOUNT OF \$122,500. FUNDS ARE AVAILABLE IN DEPARTMENT 126 FINANCIAL SERVICES; FUNDS: PROFESSIONAL AND TECHNICAL SERVICES \$89,900; DEPARTMENT: 168 SOLID WASTE; FUNDS: PROFESSIONAL AND TECHNICAL SERVICES \$13,000; DEPARTMENT 169 WASTEWATER; FUNDS: PROFESSIONAL AND TECHNICAL SERVICES \$19,600 BY ROLL CALL**

ON THE QUESTION

Vice-Chairman Klee

Director Kleiner, would you speak to this or would it be Mr. Griffin or Mr. Kookan.

John Griffin, CFO

This would, Madam Chairman, this would be Mr. Griffin, CFO for the City.

Vice-Chairman Klee

Thank you, please go ahead Mr. Griffin.

John Griffin, CFO

By way of background I provided a Memo to Finance Chair Mayor James Donchess. Hopefully, that was communicated to you folks as well. My recommendation is to keep the incumbent, Melanson Heath which has an office locally in Nashua. They do a great job. They know our systems, Lawson, Munis being admins. They've been auditing us for several years. What they do is, from time to time, they change principal, with the principal on the engagement hours as they employed (inaudible). The audit culminates in the comprehensive annual financial report, which you may recall when we reviewed it last year. We will set up a meeting going forward. This year, it has been difficult with the remote meetings and so forth so they will need to get in to talk to us on that. And on the Finance Committee Meeting, the \$122,500.00 is the amount for this year and as you mentioned in the reading of the request, not only do they do the General Fund Audit, but they also audit the Solid Waste and Wastewater. So that's a good deal for us.

On their end, they help us with the financial statements included in the CAFR, Comprehensive Annual Financial Report. So we think it is a good amount, reasonable amount for the City. It is roughly 2 ½% over last year. And the following year is around 2%, \$125,000.00, it is in the Memo. So with your votes tonight you will enable us to retain Melanson Heath and start working on the audit for this Fiscal Year, Fiscal 2020. If you have any questions, I'd be happy to answer them. Thank you.

Vice-Chairman Klee

Thank you, Mr. Griffin. Are there any questions?

Alderwoman Lu

I do have a question.

Vice-Chairman Klee

Go ahead Alderwoman Lu.

Alderwoman Lu

Thank you. Did any of the Committee receive the Memo to Mayor Donchess?

Vice-Chairman Klee

It was not attached to the Agenda that I could see, other than the original letter that requested this from Mr. Kooken. We did not get that letter. Alderwoman Lu, do you have any specific that you feel that you need to ask?

Alderwoman Lu

Well, I wanted to ask (inaudible) but I also wonder if, I think pursuant to 5883 this type of financial service would be accompanied with a couple of things from the Purchasing Manager such as a description of the work to be performed and the hourly rates not to exceed contract price and any exceptions to this solicitation. I think

things like that are usually part of the packet. This packet tonight seems very sparse and I don't have a lot of sense of, you know, I know there aren't bids required for this particular contract. But that is my comment.

Vice-Chairman Klee

And I cannot disagree with you, Alderwoman Lu. Usually our packet is much bigger. I don't know what happened, if we have seemed to have lost it. I went in and double-checked on the Agenda also to see if there was something that was missing.

John Griffin, CFO

Madam Chair, if I may, included in the submittal for tonight's review was the actual contract. Do you have the contract?

Vice-Chairman Klee

No we don't have it.

John Griffin, CFO

So what I could do is send you Committee Members the Memo that I just described to the Mayor and then I would also send you the contract. The contract is very similar to ones that have been approved in the past and that has all of the representations. It's a multi-page document and it would have all the representations of the services being provided. It culminates in a final rate. I could send that to you and the Committee Members. I can't do it tonight. I'll certainly do it tomorrow morning early. The reason why we actually put this on the Agenda with respect is so we can start scheduling the pre-audit work which is really important. It keeps down the expense. The Melanson Heath Team usually try to pre-audit before close (inaudible) other things before they get into the heavy audit, which usually takes place in August and October. So that's why we didn't postpone this particular one until the next month's meeting.

Vice-Chairman Klee

Before we go any further I am going to ask the members with that lack of information, so what if we weren't to act on this today, and they weren't able to do the audit, what would be the additional cost to this contract. I think we need to know that before we act in any way.

John Griffin, CFO

It's more of a time – they are not going to change the cost of the contract. It's just that the senior accounting manager, she schedules them and they fit everything in, in a timely fashion. Their fee for service, they have people allocated, they don't want to come in if they don't have a bonafide agreement. So they are waiting for this to have them work on our audit, the pre-audit side of it within the next few weeks.

Vice-Chairman Klee

And I appreciate that. I am going to take the question from Alderwoman Harriott-Gathright and then go back to Alderwoman Lu.

Alderman Harriott-Gathright

Ok you spoke of a Memo, was it the Memo 20-105?

John Griffin, CFO

My particular Memo, Alderwoman Gathright, was dated to the Mayor, May 12<sup>th</sup>. To Mayor Donchess, from John Griffin and Rosemarie Evens, May 12 recommendation to extend Melanson Heath and Company contract. This contract is its 2 years, we will also require next Tuesday Board of Aldermen approval. So I would definitely go forward post-haste to get you this Memo as well as the actual contract.

Alderman Harriott-Gathright

Alright, thank you.

Vice-Chairman Klee

So just so that I can clarify this to the rest of the members, when we approve or disapprove this, we have another vote that happens at the Board of Aldermen on Tuesday. Correct me if I am wrong, Mr. Griffin. And if we do pass this here with a recommendation, then the Board of Aldermen makes the final decision and we have the Memo and we will make sure that all of the Board of Aldermen get that Memo. I don't know what happened, probably because we have been trying to rush things with COVID, something got slipped through the crack. Am I correct on that?

John Griffin, CFO

Madam Chair, John Griffin, CFO – that would be much appreciated and in a Communication, I had cc'd Ms. Graham and Mr. Kooken. Mr. Kooken has every intention of providing the Memo to the Full Board of Aldermen and we can make sure we can attach these two documents. That may work as well. It usually comes in to your folks as a Communication.

Vice-Chairman Klee

Thank you very much. I think I would like to keep going forward. But Alderwoman Lu, I would like to hear from you. You are muted.

Alderwoman Lu

I am just wondering; I feel as though there is so much missing in this paperwork and would it be OK if I abstained from this vote?

Vice-Chairman Klee

Well you can vote "no" if that's how you feel? I am going to be honest with you. I don't know if we can do an "abstain". I know on the State side, I know we can't abstain if we are there. I don't believe you can hear, but you know. Feel free to vote "no" if that's how you feel.

Alderwoman Lu

Thank you.

Vice-Chairman Klee

And Alderman O'Brien did you have a question?

Alderman O'Brien

No I did not but I do agree with the no abstention.

Vice-Chairman Klee

OK thank you very much.

Vice-Chairman Klee

Alderwoman Kelly did you have a comment?

Alderwoman Kelly

I do not.

Vice-Chairman Klee

OK it's getting to be a late night. If there are no other questions, Madam Clerk could you please take the roll?

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Klee, Alderman Harriott-Gathright, Alderwoman Kelly, Alderman O'Brien	4
--	---

Nay: Alderwoman Lu	1
--------------------	---

**MOTION CARRIED**

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS – None

NEW BUSINESS – ORDINANCES - None

RECORD OF EXPENDITURES

**MOTION BY ALDERMAN HARRIOTT-GATHRIGHT THAT THE FINANCE COMMITTEE HAS COMPLIED WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES FOR THE PERIOD FROM MARCH 1, 2020 TO MARCH 12, 2020 AND FOR THE PERIOD FROM MARCH 13, 2020 TO MARCH 26, 2020 BY ROLL CALL**

ON THE QUESTION

Vice-Chairman Klee

The reason we have these March 1<sup>st</sup>, March 12<sup>th</sup>, March 13<sup>th</sup>, and March 26<sup>th</sup> was we did not, I believe, have a meeting during the month of April. So this is carrying this forward. They will also be, Mr. Griffin, there's two signed sheets for this particular one. Is that correct? Or just one?

Alderman Harriott-Gathright

It's 2.

Vice-Chairman Klee

There's two signature sheets for this one?

Alderman Harriott-Gathright

Yes.

Vice-Chairman Klee

Ok thank you. And are there any questions on this?

Alderwoman Lu

Yes, I have a question. Actually before, if I could just go back to the, are we voting on the other three items that were on that Memo tonight? The \$89,000.00 and the \$13,000.00 and the \$19,000.00.

Vice-Chairman Klee

Our past vote was for every one of the items within that Memo.

Alderwoman Lu

OK. So about this vote, I am just voting "no" because with less than six hour's notice I didn't have a chance to look at this and it didn't occur to me to do that back in March. So I haven't looked at them and I can't (inaudible).

Vice-Chairman Klee

OK. Are there any other questions? I know we haven't gotten to the roll; I am asking if we have any comments? If not, Madam Clerk could you please call the roll?

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Klee, Alderman Harriott-Gathright, Alderwoman Kelly,  
Alderman O'Brien 4

Nay: Alderwoman Lu 1

**MOTION CARRIED**

Vice-Chairman Klee

Ok the Motion carries with 4 to 1. Mr. Griffin, I just have a quick question for you. Alderman Lu did not vote for this so she will not sign that, is that correct.

John Griffin, CFO

That would make sense, yes. If I could make just one final point of clarification if I may? Prior to each Finance Committee Meeting, one of our staff members e-mails the Record of Expenditure to everybody and that seems to be working well. So I just wanted to share that. So on a Friday before the meeting, which is generally on Wednesday, hopefully each one of you have the opportunity to look at the Record of Expenditures. And as the Chairman and Mayor Donchess has indicated, if you have any questions, feel free to send me an e-mail and we will get you some responses.

Vice-Chairman Klee

I appreciate that Mr. Griffin and we did get that; she did e-mail that to us.

Alderwoman Lu

Could I ask a quick question?

Vice-Chairman Klee

Sure.

Alderwoman Lu

Mr. Griffin, is that new practice, just beginning this week?

John Griffin, CFO

No that would have been, this is Chief Financial Officer Griffin, that would have been done 3 meetings ago.

Alderwoman Lu

Really?

John Griffin, CFO

You should be getting, on a Friday, e-mail with the attachment being the Record of Expenditures and then we put that on the web site under "Record of Expenditures" in the Financial Services Section.

Alderwoman Lu

I received – go head.

Vice-Chairman Klee

That's ok, yes and she has been sending us those and the signature page has been attached to them within the same e-mail I believe. I'm sorry, Alderwoman Lu.

Alderwoman Lu

My mistake. Thank you, Chairwoman Klee. So I think I got it for the first time this week, but regardless, this week did we get all three of the periods and if so I apologize, because I got the e-mail but I assumed it was the same thing that I typically pull from the web site. So I didn't even look at what was e-mailed to me. I figured, "Oh I can get that from the web site" and, in fact, I had already done that. I'm sorry if it was sent out. I didn't realize that.

John Griffin, CFO

No worries, I think we've all been dealing with the Zooms and COVID-19. We are all trying to adjust so I appreciate your indulgence in that. But we want to make sure we get you the information that you need. David Fredette and I are ready, willing, and able to answer any question you may have. Thank you.

Vice-Chairman Klee

And in all fairness, Alderwoman Lu, we were getting a bunch of e-mails all at the same time and I can see the confusion. To be honest with you, when I first looked at them, I kept thinking, "Is this the same e-mail that I was getting" and so on, I thought I had duplication. So we are all doing mistakes and so on, obviously. We are still learning; we will get this down by the time we don't have to do it anymore. So that passes 4 to 1. Motion Carried. Madam Clerk?

**MOTION BY ALDERMAN HARRIOTT-GATHRIGHT THAT THE FINANCE COMMITTEE HAS COMPLIED WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES FOR THE PERIOD FROM MAY 1, 2020 TO MAY 14, 2020 BY ROLL CALL**

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Klee, Alderman Lu, Alderman Harriott-Gathright, Alderwoman Kelly, Alderman O'Brien	5
Nay:	0

**MOTION CARRIED**

GENERAL DISCUSSION - None

REMARKS BY THE ALDERMEN

Alderwoman Lu

I did have one question. Just in the Melanson Memo, why did we vote for those expenditures under \$50,000.00? I thought they weren't 'usually included, I thought....

Alderman Harriott-Gathright

It's \$10,000.00 isn't it?

Vice-Chairman Klee

I believe its \$25,000.00 and truthfully, I think it comes when there's a grouping of them. Perhaps Mr. Griffin can explain this. But oftentimes when there's small amounts that add about to larger amounts, just out of courtesy we get these this type of information. Am I correct, Mr. Griffin?

John Griffin, CFO

Yes that's true. Just so it wasn't so unclear it was the very first one that included a \$15,000.00 Change Order and a \$13,000.00 so because that's more than \$25,000.00 Director Kleiner brought that in for your approval.

Vice-Chairman Klee

And on the second motion I think which is what I think Alderwoman Lu was referencing, the Melanson Health; there is a \$13,000.00 and a \$19,000.00. I think those are the ones she was referencing.

John Griffin, CFO

Oh ok, thank you for that clarification. That contract is \$122,500.00. We just split it up for your information. We charge the General Fund, Financial Services, Solid Waste and Wastewater for their allocated share because those are the Enterprise Funds. We are just splitting out where it is charged, the contract value is \$122,500.00 which is greater than \$25,000.00.

Vice-Chairman Klee

Thank you very much, I appreciate that and I appreciate your question also Alderwoman Lu because it helps the public to understand as well as the rest of everybody here. So the total was \$122,500.00 so I appreciate your question. Thank you so much.

Alderwoman Lu

Thank you.

NON-PUBLIC SESSION - None

ADJOURNMENT

**MOTION BY ALDERMAN O'BRIEN TO ADJOURN BY ROLL CALL**

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Klee, Alderwoman Lu, Alderman Harriott-Gathright, Alderwoman Kelly,  
Alderman O'Brien 5

Nay: 0

**MOTION CARRIED**

The Finance Committee meeting was adjourned at 11:12 p.m.

Alderman Linda Harriott-Gathright  
Committee Clerk

**BUILDING TRUST FUND APPROVAL**

Requesting Department: \_\_\_\_\_

Purpose of Funds: K1 Court ST Fire SUPPRESSION system  
Project Change order # 1

Budget: 15,290

Detailed expenses (please note type of expense):

Account	Amount	Vendor if known
_____	<u>15,290</u>	<u>North Point Construction</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Division Director Approval: Bamberly Keenan Date: 4/30/20

Mayor or Designee Approval: James W. Dunbar Date: 4/30/20

Financial Services Use Only:

Accounting Unit: \_\_\_\_\_  
Account: \_\_\_\_\_  
Activity: \_\_\_\_\_  
Account Category: \_\_\_\_\_



**BUILDING TRUST FUND APPROVAL**

Requesting Department: Administrative Services

Purpose of Funds: 14 Court St Fire Suppression System  
Project Change order #2

Budget: \$13,282.50

Detailed expenses (please note type of expense):

Account	Amount	Vendor If known
_____	_____	<u>North Point Construction (PO#154024)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Division Director Approval: Kimberly Kleiner Date: 5/7/2020

Mayor or Designee Approval: James W. Donohue Date: 5/7/20

Financial Services Use Only:

Accounting Unit: \_\_\_\_\_  
Account: \_\_\_\_\_  
Activity: \_\_\_\_\_  
Account Category: \_\_\_\_\_



**PCO #02**

NorthPoint Construction Management  
 22 Hampshire Drive  
 Hudson, New Hampshire 03051  
 Phone: (603) 546-2000  
 Fax: (603) 546-2002

Project: 19056 - 14 Court St Nashua  
 14 Court Street  
 Nashua, New Hampshire 03060

**Prime Contract Potential Change Order #02: Requests from Nashua Fire Department**

<b>TO:</b>	City of Nashua Purchasing Dept. 229 Main Street Nashua, New Hampshire 03061	<b>FROM:</b>	NorthPoint Construction Management 22 Hampshire Drive Hudson, New Hampshire 03051
<b>PCO NUMBER/REVISION:</b>	02 / 0	<b>CONTRACT:</b>	1 - 14 Court St Nashua Prime Contract
<b>REQUEST RECEIVED FROM:</b>	Jay Hunnewell (City of Nashua Purchasing Dept.)	<b>CREATED BY:</b>	Jillian Shedd (NorthPoint Construction Management)
<b>STATUS:</b>	Pending - In Review	<b>CREATED DATE:</b>	4/28/2020
<b>REFERENCE:</b>		<b>PRIME CONTRACT CHANGE ORDER:</b>	None
<b>FIELD CHANGE:</b>	Yes		
<b>LOCATION:</b>		<b>ACCOUNTING METHOD:</b>	Amount Based
<b>SCHEDULE IMPACT:</b>	5 days	<b>PAID IN FULL:</b>	No
		<b>TOTAL AMOUNT:</b>	\$13,282.50

**POTENTIAL CHANGE ORDER TITLE:** Requests from Nashua Fire Department

**CHANGE REASON:** Client Request

**POTENTIAL CHANGE ORDER DESCRIPTION:** *(The Contract is Changed As Follows)*

**CE #02 - Requests from Nashua Fire Department**

Requests from Nashua Fire Department

The below mentioned items were looked at by request of Nashua Fire Department and in conjunction with the Life Safety Fire Protection walk through. Please note we were unable to get into the space occupied by Liquid Therapy.

- Add head in first floor bathroom
- Add head in vestibule entry
- Add head where we show a wall that is no longer going to be there
- Move (2) heads at top of 2nd floor landing
- Add head in entry to dressing room
- Add 4" grooved control valve to dry system
- Add flow switch to dry system
- Add head to soffit on 2nd floor
- Pipe out 2" drain of dry valve
- Relocate two heads in light equipment room

**TOTAL FOR ABOVE C.O.R. BASE BID WORK \$5175**

Suggestions noted below.

- ADD ALT 1- Change all existing heads out to new quick response head. (all head will be outdated in 2.5 years. \$4700.00
- ADD ALT 2- Replace existing air compressor. \$2200.00

**ATTACHMENTS:**

#	SubJob	Cost Code	Description	Type	Amount
1	N/A	15-300 - Fire Protection	C.O.R. BASE BID WORK	Subcontractors	\$5,175.00
2	N/A	15-300 - Fire Protection	ADD ALT 1- Change all existing heads out to new quick response head. (all head will be outdated in 2.5 years)	Subcontractors	\$4,700.00



January 14, 2020

Mr. John Griffin  
Chief Financial Officer  
City of Nashua  
229 Main Street  
Nashua, New Hampshire 03061

Additional Offices:  
Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

Dear Mr. Griffin:

You have requested that we audit the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Nashua, New Hampshire (the City), as of June 30, 2020 – 2021 and for the years then ended, and the related notes to the financial statements. In addition, we will audit the City's compliance over major federal award programs for the years ended June 30, 2020 - 2021. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the City's major federal award programs.

Accounting principles generally accepted in the United States of America require that certain information be presented to supplement the basic financial statements, including the management's discussion and analysis (MD&A) and various pension and other post-employment benefits (OPEB) schedules. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

Supplementary information other than RSI will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America.

We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Supplementary Statements and Schedules

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section
- Statistical Section

### **The Objective of an Audit**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in accordance with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

### **General Audit Procedures**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures also include certain tests of documentary

evidence that support the transactions recorded in the accounts. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

### **Internal Control Audit Procedures**

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and Government Auditing Standards does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

### **Compliance with Laws and Regulations**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Audit of Major Program Compliance**

Our audit of the City's major federal award programs compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the City has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement*

for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the City's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the City's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Schedule of Expenditures of Federal Awards**

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

### **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

## Management Responsibilities

Our audit will be conducted on the basis that management acknowledges and understands that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.
- c. For identifying all federal awards expended during the period including federal awards and funding increments received prior to December 26, 2014, and those received in accordance with the Uniform Guidance generally received after December 26, 2014.
- d. For preparing the schedule of expenses of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance requirements.
- e. For the design, implementation, and maintenance of internal control over compliance.
- f. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented.
- g. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings.
- h. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings.
- i. For submitting the reporting package and data collection form to the appropriate parties.
- j. For making the auditor aware of any significant vendor/contractor relationships where the vendor/contractor is responsible for program compliance.
- k. To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - ii. Additional information that we may request from management for the purpose of the audit.
  - iii. Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.
- l. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the City's auditor.

- m. For identifying and ensuring that the City complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs and implementing systems designed to achieve compliance with applicable laws, regulations, grants, and contracts applicable to activities and its federal award programs.
- n. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- o. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
- p. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

## **Reporting**

We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to the Mayor and Board of Aldermen of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraphs, or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

## **Provisions of Engagement Administration, Timing, and Fees**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Edward J. Boyd, Jr., CPA is the engagement principal for the audit services specified in this letter. Those responsibilities include supervising the City's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered monthly and are payable upon presentation. Our fees for audit services for June 30, 2020 - 2021 will be \$122,500 and \$125,000, respectively.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

## **Other Services**

We will assist in compiling the financial statements, including note disclosures, and preparing the government-wide financial statements (by consolidating various funds into governmental activities, and recording all long-term assets, long-term liabilities, and net position classifications from information provided by the City).

We will also assist in the compilation of the following information based on information gathered during the audit process:

- Management's Discussion and Analysis
- Data Collection Form

With respect to any nonattest services we perform, which may include assistance with the compilation of financial statements, the City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed;

- (d) evaluating and accepting responsibility for the results of the services performed; and
- (e) establishing and maintaining internal controls, including monitoring ongoing activities.

### **Group Audit Considerations**

Our audit will be a group audit as defined by AU-C Section 600. We have identified Pennichuck Corporation and Nashua Airport Authority as components of our group audit. Our Firm will act as the auditor for Pennichuck Corporation. Another firm will act as the auditor for the Nashua Airport Authority and we will communicate to the other auditor our intention to rely on their opinion on the applicable components' financial statements. At the conclusion of our audit we will obtain this representation and approval to rely on such opinion.

### **Other Matters**

We understand that your employees will locate any documents or support for any other transactions we select for testing.

We are not hosts for any client information. You are expected to retain all financial and non-financial information to include anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals, including ShareFile, are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

In accordance with the requirements of *Government Auditing Standards*, a copy of our latest external peer review report of our firm is available upon request for your consideration and files.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- a. Our view about the qualitative aspects of the City's significant accounting practices.

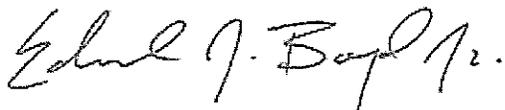
- b. Significant difficulties, if any, encountered during the audit.
- c. Uncorrected misstatements, other than those we believe are trivial, if any.
- d. Disagreements with management, if any.
- e. Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process.
- f. Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- g. Representations we requested from management.
- h. Management's consultations with other accountants, if any.
- i. Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Melanson Heath and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Melanson Heath's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,



Edward J. Boyd, Jr., CPA  
Principal

\*\*\*\*\*

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Nashua, New Hampshire by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_