

## COMMITTEE ON COMMUNITY IMPROVEMENT

April 14, 2009

4:00 PM

Chairman Garrity called the meeting to order.

The Clerk called the roll.

Present: Aldermen Garrity, Shea, O'Neil, Smith  
Alderman Gatsas arrived late

Messrs: B. Sanders, C. DePrima, J. Minkarah, P. Goucher, K. Sheppard,  
L. LaFreniere

Chairman Garrity addressed item 2 of the agenda.

3. Discussion relative to CIP cash and bond projects.  
(*Note: Updated report to be submitted by staff under separate cover.*)

On motion of Alderman O'Neil, duly seconded by Alderman Smith, it was voted to discuss this item.

Alderman O'Neil stated I guess staff can help bring this around. I know we have a number of communications. I guess we would probably start with the communication from Bill Sanders.

Mr. William Sanders, Finance Officer, stated on Friday I provided you with an update of the open cash and bond projects of the City as of the close of business on April 8, 2009, consistent with the ones we provided you before. They show you the unencumbered balances. I wanted to point out two things about the bond projects. One of the questions that the Committee had the last time that we looked at this in February was what are the rules if you want to reallocate bonds or use bonds for different projects than originally anticipated? The notes on my letter point out that for issued bonds the amounts must be allocated to projects of a similar nature, i.e. capital projects that have a similar use for life as the original bond. So if we had a bond to build a building that was a 20 year bond and we wanted to reallocate that to something else, we would need to pick a long lived asset like a road or something of that nature. Also I would like to point out that transfer of bond balances requires a two-thirds vote of the Board of Mayor and Aldermen, which is consistent with the two-thirds vote that you have to take to authorize the original bond.

In essence when you are reallocating you are authorizing a new bond. A couple points I would make about the schedules, on page one, which is the updated list of CIP projects, cash, first of all this excludes the \$170,000 that the Committee and the BMA approved to transfer to the contingency account back in January. The Committee already closed out a number of projects and transferred \$170,000 to the contingency account of the general fund. The second point I wanted to make is regarding the first item on the cash projects list, the Hackett Hill Development. Previously there had been some uncertainty as to whether this money was available to be moved to the general fund or not. We have now concluded in working with the City Solicitor, Planning Department and EDP that this money is available for transfer to the general fund, the \$250,671.

Alderman O'Neil asked Bill, just to confirm, it is okay to transfer that money?

Mr. Sanders replied it is okay to transfer that money to the general fund.

Chairman Garrity asked on page one, the remaining balance is \$527,000 in cash. Would that be available?

Mr. Sanders replied yes and the Hackett Hill portion is \$250,000 of that.

Alderman Shea stated before we transfer anything, in discussing this with Alderman Lopez he has concerns as to whether we should transfer to the 2009 budget or just keep it in abeyance until we find out what is going to be needed in the 2009 budget or whether we should use some of those funds for the 2010 budget. Again, the contention is, is it more prudent to transfer it today when we can or would it be more prudent to wait until we settle the present budget and determine what the impacts are going to be on the budget in 2010? I hope the members would keep that in mind.

Chairman Garrity asked as the Finance Officer, do you have a recommendation? Can this be held over to the 2010 budget?

Mr. Sanders replied yes, it could be. These balances could be continued to be maintained. The BMA could wait until July of 2009 or the beginning of 2010 to make a determination as to whether they want to transfer them at that time. Right now, if they are transferred before June 30, 2009, they would have to go into the 2009 budget.

Alderman Smith asked Bill, going down to the other cash projects, one is the bridge maintenance program and the other one is the parks improvement program. What is your thought on those things? They are cash and there is a balance of \$18,000 and the other is \$1,000. They were issued in 2007. That is why I am bringing it up.

Mr. Sanders stated I think, Alderman, if Mr. DePrima is here he might be best to talk about the parks projects relative to the availability of that money. What was the project number, Alderman?

Alderman Smith stated the project number is 510807. Chuck, there was \$1,860 issued in 2007. Do you have any uses for it right now?

Mr. Chuck DePrima, Acting Director Parks, Recreation & Cemetery Director, stated not right now, no. There is still a balance in there because that account was reimbursed from the Mother's Day flood by FEMA so it was almost depleted at that point and then it got reimbursed from those flood events. It has taken me a little bit longer to spend down the remainder of that balance. I have other 2009 cash project that I can use for the same purposes. Although I would like to utilize it, it is not critical.

Alderman Smith stated the other project is the bridge maintenance program from 2007.

Mr. Kevin Sheppard, Public Works Director, stated all of our bridge projects we ask that we would be allowed to continue on with those. We have the Nazaire-Biron bridge, which we are using some of that money for, as well as this past winter we had four bridge joints that need to be repaired and there was a letter that was sent to the City Clerk's that is probably going to be on your next agenda. We anticipate that cost somewhere in the area of up to \$150,000 for that work. If we don't repair those, it could create long term issues for those bridges. It would be further deterioration at a quicker rate.

Alderman O'Neil asked Kevin, you are saying that if we stay with just old cash projects, 2007 annual bridge maintenance program, you are asking us not to move the \$18,326?

Mr. Sheppard replied correct.

Alderman O'Neil asked as well as one other project that still has funding and that is a sign inspection for approximately \$6,600?

Chairman Garrity stated I think we have already had this discussion at CIP and they have given their recommendations on what they would like to keep.

Alderman O'Neil stated you just have to refresh my memory. There are only a few of them on here that are not this year.

Mr. Sheppard stated if you look at the projects we have on here, we wouldn't want to give up any of this money right now. I think Alderman Garrity mentioned we did go through this once before. The first project, the annual bridge maintenance program, shows a \$40,000 balance. For the Chronic Drain project there is no money in next year's proposed CIP budget so we would ask that that money be allowed to stay.

Alderman O'Neil stated I am okay on the 2009 projects. I was just looking at the balances from previous year cash projects. Those are all I am looking at right now. Kevin, there are two of them the annual bridge maintenance and the sign inspection.

Mr. Sheppard stated I would have to double check on the sign inspection.

Chairman Garrity asked isn't that the monies that we put in contingency already, the \$170,000? We had this discussion on 2005, 2006, 2007 bonds a couple CIP meetings ago. I thought we had already put that in contingency. Is that right Mr. Sanders? Is that the \$170,000 or is this besides that?

Mr. Sanders replied this is above and beyond the \$170,000. That has already been eliminated from those cash projects. I can't speak with perfect knowledge of that \$6,000 but I know the \$170,000 has been completely removed.

Alderman O'Neil asked could we get Mr. DePrima to speak quickly on the two park projects, the 2007 parks improvements for \$1,860 and Crystal Lake master plan for \$626,000? They are not huge amounts but can we move those? They are old projects.

Mr. Chuck DePrima stated I would be willing to recommend that we move the \$1,800 but I believe though that there are plans, and I would have to check with the ward Alderman, for the remaining balance of the Crystal Lake master plan.

Alderman O'Neil asked for \$700?

Chairman Garrity stated I have had a discussion with Alderman DeVries and she has plans for the \$727.

Mr. Sheppard stated just to speak on the sign inspection project, I believe that it has already been taken.

Alderman O'Neil stated it shouldn't be on this list then.

Alderman Gatsas stated thank you Mr. Chairman, I apologize for being late. Bill, can you tell me what the open encumbrances are to Hackett Hill Development? I don't know if I missed that discussion or not.

Mr. Sanders replied it is a contract with MHRA for the projects that they are doing over there. A \$785,000 contract was signed with MHRA a few years ago and there is \$167,000 remaining on that contract.

Alderman Gatsas asked to do what?

Mr. Sanders replied I would have to ask Mr. Minkarah to answer that.

Alderman Gatsas asked is there an open end on that contract that we could end it?

Mr. Minkarah replied the work remaining on the contract is really seeing through the rest of the approval process and it was supposed to be for the development administration as well. The contract for the \$785,000 was to go from planning and design of the project all the way through implementation. This would recover their administration costs throughout the project. As I understand it, it is a 90 day notice provision to terminate the contract.

Alderman Gatsas asked is the \$167,000 for open encumbrances?

Mr. Minkarah stated right now we do have some invoices that have not been paid and at this point I think it is approximately \$100,000 in invoices that have not been paid.

Alderman Gatsas asked what are those invoices for?

Mr. Minkarah replied basically engineering is probably the biggest chunk. There are two different chunks of engineering because MHRA has contracts with OST engineering and they also had contracts with Gove engineering for wetlands work. Those are big chunks as well as administration, which is probably the next largest cost under that. I do have a breakdown of all the different costs.

Alderman Gatsas asked what is the administration cost monthly?

Mr. Minkarah replied it has varied considerably from month to month. The total that we have spent under the contract actually expended to date is just about \$135,000. It has ranged from \$3,500 to \$4,000; sometimes it has been less than that. I couldn't give you an average but the most typical is probably about \$3,000 a month. It has varied widely over the months.

Alderman Gatsas asked have we received the permits in hand on this project?

Mr. Minkarah replied we have received environmental state permits but I am still waiting on a sign off from the Planning Department subdivision plans.

Alderman Gatsas asked our Planning Department? How long have you been waiting for that?

Mr. Minkarah replied yes, as I understand it OST submitted the plans in February and we are just waiting on the determination as to whether or not the plans are consistent with the approval.

Chairman Garrity asked this has been since February?

Mr. Minkarah replied I don't have an exact date but I believe they were submitted in February.

Chairman Garrity stated we are in April. It is our Planning Department that we are waiting for?

Mr. Minkarah replied yes, basically they have to go through the plan sets to determine whether it is consistent. There were changes since the original approval two years ago. There is some time involved in reviewing those plans to make sure that they are consistent.

Alderman Gatsas moved that we pay encumbrances of \$100,000 and stop payments going forward. The motion was duly seconded by Alderman Shea.

Alderman O'Neil asked are we just looking for background on the \$167,000?

Alderman Gatsas stated what we just heard was that there is \$100,000 of bills that haven't been paid. I am not too sure what the other \$67,000 in open encumbrances are.

Mr. Sanders stated the \$167,000 total is the remaining amount due under the contract. We just encumbered the entire remaining amount of the \$785,000 contract so \$100,000 has been invoiced to date.

Alderman Gatsas asked what is the balance of the contract?

Mr. Sanders replied today it is \$167,000.

Alderman Gatsas stated obviously it is a 90 day out clause in the contract. My questions is, what is the \$67,000 for?

Mr. Sanders replied just remaining amounts under the contract.

Alderman Gatsas asked are those the monthly costs?

Mr. Sanders replied I would presume so, yes.

Alderman Gatsas stated that is an awful lot of months. That is close to 20 months if it is \$3,000 a month. We could stop the bleeding at \$9,000 if we just stopped the spending.

Mr. Minkarah stated one of the reasons why I say \$100,000 is because we just got a very large invoice in March. It was larger than what we had previously seen. To answer your questions, MHRA anticipated that they would continue to administer this project through the development process and that is why there is still a fair amount left. That is why it would be a number of years out. I think that is accurate but the assumption was that it would be a number of years before the development was complete.

Chairman Garrity asked do we have an estimated time of when the Planning Department is going to have the permits?

Ms. Pamela Goucher, Deputy Director Planning & Community Development, stated I just had a meeting with Ken Edwards yesterday and we have been looking at the material that OST Associates submitted trying to adjust all the conditions that were put on them when they approved the plans. As I indicated to Mr. Edwards yesterday, it looks like we are at a point that we can get the mylars in to sign. I don't know if there are some outstanding dollars that OST will be submitting in a bill for the remaining mylars and paperwork that they are going to be submitting to us but we look like we are in a position to sign the mylars now. The Planning Board approved this project about a year and a half ago. When they approved it, it was subject to a dozen or so conditions. Most of those conditions had to do with OST Associates and their engineers securing permits and approvals on wetlands etc.

Alderman O'Neil asked from NH DES, correct?

Mr. Goucher replied yes and it took them basically this amount of time to wrap up all the permitting. They had to make some minor revisions and they had to agree that they would do some pervious pavement and those sorts of things in order to get the approval. So it took some time but they have finally gotten all of those permits in place. We have received the package and I have been looking at it, and as I said, I met with Ken Edwards. I believe that the staff can sign those mylars now if the conditions of approval that the Board put on that project when they approved it are complete. The mylars are signed in house as representatives for the Planning Board and then they can put them on record. I imagine they would go out and market them and see what kind of a...

Alderman O'Neil interjected Pam, does that mean if for some reason a developer was out there, once it is signed off by staff, they could go to the Building Department and pull building permits?

Ms. Goucher replied once it is signed off and recorded, which should be a short time frame. Someone that is looking to just purchase a lot, they could negotiate with MHRA whatever the price is. As far as pulling a building permit, they would have to propose a project. Those lots are just lots. Upon signing them now there are lots that could be marketed.

Alderman O'Neil asked the road would still need to be built out, correct?

Ms. Goucher stated there is major infrastructure that still has to happen.

Alderman O'Neil asked has there been funding approved for that?

Mr. Minkarah replied there are some funds available that could be tapped but the City has not approved funding the infrastructure improvements. There are however three lots. There are a total of 12 lots and three of those lots do have frontage currently on Hackett Hill Road. Those could be developed.

Chairman Garrity stated we don't want to get into the minutia.

Alderman O'Neil stated I want to make sure if we are going to hold money, we know what we are holding it for. That is what I want to make clear. This project has gone on a while. I appreciate Mr. Minkarah pointing that out.

Chairman Garrity stated I will agree with Alderman Gatsas that we are months and months away from anything happening up there. I think it is important that before we encumber \$67,000 let's find out what it is for and let's get the documentation.

Alderman O'Neil asked is that what the motion is to get documentation on what the \$67,000 is for?

Alderman Gatsas stated also to not spend any more money. Having an economic developer in place if we are going to market those lots, he can market them as well as MHRA.

Alderman Smith stated I think these are contract commitments with MHRA and I sit on the MDC and we have taken this up. I believe there is a broker right now and we are in the process of probably developing those three lots. Am I correct?

Mr. Minkarah stated MHRA put out an RFP for a broker last year and awarded it to Seavey Richard Ellis to market the lots.

Chairman Garrity asked so the signs are up on the lots but nobody really has any interest yet?

Mr. Minkarah replied not yet because you can't sell the lots until you have subdivision approval and the subdivision is actually recorded.

Chairman Garrity asked how far are we away from that?

Mr. Minkarah replied I think as Pam has indicated...

Ms. Goucher interjected we are not far away from having plans on record that they can sell the lots. I can't answer how far away they are from someone buying them.

Alderman O'Neil stated just a comment...

Chairman Garrity interjected I don't think it is the intent to just keep the money aside until....

Alderman O'Neil interjected there is a lot of guessing going on here and we don't do our best business when we are guessing. We should probably have everyone, all the players, here at some point. Are we asking them to come back in to give us an update on where they are? Are we looking to table this?

Alderman Gatsas stated I would certainly love to see where \$881,000 has been spent.

Alderman O'Neil stated I don't know if that is our Committee but I guess that it would be because we are the funding source. If that is part of the motion to come back in at a future meeting, I am okay with that.

Chairman Garrity called for a vote on the motion to pay encumbrances of \$100,000 and stop payments going forward. There being none opposed the motion carried.

Chairman Garrity stated this is my recommendation on the other cash projects, gentlemen, including the 2009 project years... it is \$527,000 total, right Bill?

Mr. Sanders stated yes, but you must subtract the \$6,634 that I inadvertently included so it would be \$521,000.

Chairman Garrity stated before they spend any further monies I would like them to come to this Committee for approval on the cash balances, at least the 2008, 2007 and beyond. The 2009 they may need for their operating expenses. Again we have \$170,000 that we have put into contingency already. Mr. Sanders says we can use the remaining balances for the 2010 budget, correct?

Mr. Sanders replied yes you could.

Chairman Garrity stated that would be my recommendation.

Alderman Shea stated I am not sure if we should just make a commitment for the 2010 budget or whether we should keep that money and wait to see what difficulties we may have so that we don't commit it to a certain project or a particular account and wait and see when we find out exactly where we are with the 2009 budget and where we will be with the 2010 budget. That is what I feel.

Chairman Garrity stated part of my recommendation would be, as you stated at the beginning of the meeting, if we need to use it for 2010 or 2009 we can make that determination.

Alderman Shea stated right, but if we determine now to give it to the 2010 budget, we would obviously make that commitment.

Chairman Garrity stated I don't mind if we have some flexibility for 2009 and 2010 but I don't think we should put it all in contingency if we are not going to need it and then we have to spend it in the 2009 budget, correct?

Mr. Sanders stated correct, I would recommend that the Committee keep this on its agenda and look at it next month and the month after as we approach the end of June and determine whether they think we need it for this year or whether they would like to wait and see how next year goes.

Mr. Leon LaFreniere, Director of Planning & Community Development, stated I would like to point out that the departments, when they provide responses to the Finance Department, really we are looking at cash balances for 2007 and earlier projects. There are some ongoing projects here such as Weed and Seed and some other projects that still need funding, so if you were to freeze those funds or remove those funds for example, that would have an effect on the Weed and Seed program, just as an example. I don't believe the departments to date have provided the Committee with any feedback on what those effects might be.

Chairman Garrity asked would it be alright if we do 2007 and 2008 that they don't spend those monies and they can still use the 2009 project years?

Alderman O'Neil stated other than the exception from Mr. Sheppard because of the bridge issues in the City he was looking for the 2007 bridge maintenance project for \$18,326. He was looking to stay committed to this.

Mr. LaFreniere stated I would also point out that if we are looking at 2008 and earlier money now, the Tax Department did submit a letter...

Chairman Garrity asked why is that on here? I thought we came to the decision last time that we talked about cash projects that the Tax Collector could have that money back because she had a bill to pay?

Mr. Sanders replied it is still an open cash project, that is correct. The Tax Collector does need the money but they still have not encumbered all of the funds for it. She does need the money for 2008 from that project.

Chairman Garrity asked so the balance is not \$521,000?

Mr. Sanders replied it would be more around \$470,000 if you added back a few.

Alderman Lopez stated I have a comment for the Committee. There is very little here. If we could put asterisks in front of the ones that have to continue, that would help everybody I think. The ones that have to continue is the motor vehicle registration, the 2007 annual bridge maintenance program for \$18,000, and the \$727 for Alderman DeVries. How about the employees memorial project?

Chairman Garrity replied that is a 2009 balance and obviously the \$51,599 for Tax Collector Porter.

Alderman Lopez asked what is the total you are going to be holding?

Chairman Garrity stated Mr. Sanders is going to be giving us a total after. We have to move on.

Alderman Shea stated the last sheet on the Finance Department report says Planning & Community Development CIP bond balances. Bill, for clarification, I realize that you said earlier you cannot transfer bond issues indiscriminately; they have to be related to some sort of another bonding type of situation. One of the problems that I have is when you consider bond balances, it might be helpful or if it were possible to just say that there are existing balances that we might be able to transfer to this existing project or that one so that there would be some sort of connection when you make a decision as to whether we would want to do that in terms of project A or project B. Do you understand what I am saying?

Mr. Sanders replied yes, I think I do. On page four...

Chairman Garrity interjected before you go there Bill, I was going through the CIP budget and some of it is in the 2010 CIP budget, so my recommendation for the bond balances, we are obviously going to have a CIP meeting for the CIP budget and we will address those at that time. If there are already in the 2010 budget, because I know Gold Street is and a few other ones.

Alderman Shea stated my question to him is, there might be certain bond balances that could be applicable to certain types of bonding type of issues. I am not aware of how that might be done.

Mr. Sanders stated we can go through the list of bonds and provide the Committee with what the lives of each of the bonds are.

Alderman Smith stated I think Alderman Shea wants you to itemize it and say this amount can be used for this 20 year bond.

Chairman Garrity asked can we do that in Committee during the CIP budget process? Or would you like to take some bond balances tonight? There are some fairly old ones. My recommendation would be to do it during the CIP budget process, now that it is in our hands.

Alderman O'Neil stated I think we should wait for the discussion.

Alderman Shea stated I agree with that.

## **TABLED ITEMS**

4. Discussion relative to CIP bond projects.  
*(Note: Report attached from William Sanders, Finance. Tabled 2/17/09. Communication from Leon LaFreniere, Planning & Community Development, identifying the source of funding for Hackett Hill Development Project CIP # 650300. Report of the Committee on Joint School Buildings attached as per the Committee on 3/31/09.)*

This item remained on the table.

## **NEW BUSINESS**

Alderman Smith stated as you well know, I have been trying for seven years to get the lights done at Varney, Log and Main Street. With the proposal for the Nazaire-Biron Bridge coming up next spring, that is going to be a vital intersection for traffic. I would

like to get some funding for it. Like I said, I have been harping on this for seven years and I would like to have Kevin Sheppard make a presentation.

Mr. Sheppard stated under the 2009 budget there were two projects. One was for Elm Street mast arm replacement for \$150,000 and another one for traffic signal reconstruction for \$100,000. Under the proposed CIP budget from the Mayor's office, the second project, traffic signal reconstruction for \$100,000, is proposed to be zeroed out. I would like to request to change the description of the Elm Street mast arm replacement project to intersection improvements. That will allow us to move forward with the project for Alderman Smith.

Alderman Gatsas asked where is the Elm Street arm?

Mr. Sheppard replied the Elm Street mast arms is various intersections along Elm Street. We actually did a minor repair to Bridge and Elm Street just recently. We had to weld one of the bases because it is starting to rust. We took a look at the projects and we feel we can go maybe one more year. In response to Alderman O'Neil's request regarding CIP projects, one of my concerns is that there are projects that we can put off this year but it is pay now or pay later. They are coming to a point that we need to spend some money on them. I felt that the Elm Street mast arms we can survive until next year but it was important to get that intersection completed that Alderman Smith was talking about because...

Alderman Smith interjected Mr. Chairman they are Merrimack, Hanover and Bridge Streets for mast arms.

Chairman Garrity stated I have an amount that has got to be frozen to add to the previous discussion on the cash side. It is \$252,531.69.

On motion of Alderman Shea, duly seconded by Alderman Gatsas, it was voted to move the \$252,531.69 to contingency.

Alderman Gatsas stated Mr. Sanders, we were just talking about some mast arms that are going on Elm Street. Are those bondable items? Kevin, what is the life expectancy?

Mr. Sheppard replied at least 20 or 30 years. That was a bond.

Mr. Sanders replied it is on an unissued bond. It is in a bond that was previously approved.

Alderman Gatsas asked if we find other bonding money as we go through these projects, can we move them to do Elm Street ones? I would hate to see one of those rust out and fall on a car? I know that Log Street is important.

Mr. Sheppard replied we have evaluated those, and we actually found the one at Bridge and Elm rusted almost three-quarters around the base of the mast arm and we had to weld it. We have checked the other mast arms. We feel that if need be we could push them off to next year and again next year we will be looking for...

Chairman Garrity asked as the public works director, are you alright with us solving that during the CIP budget process this year? We can see if we can find some bond balances.

Mr. Sheppard stated the most important thing to me tonight is changing that status or the existing action that Alderman Smith was talking about.

Alderman O'Neil asked Kevin, not that it is necessarily real relevant, the work you are going to do, is it going to be done in house or contract out to Varney Street?

Mr. Sheppard replied we have actually gone out to bid already and it has been put on hold because of the CIP. It is contracted out. We will be doing some of the work, maybe some of the street work on that.

On motion by Alderman Smith, duly seconded by Alderman Shea, it was voted to change the description of the Elm Street mast arm replacement project to intersection improvements.

Mr. LaFreniere stated Mr. Chairman, just to clarify, it is our understanding the action required to execute this would be to actually rescind the existing bond issue and open a new one. I just want to make sure the motion of the Committee reflects what the actions have been taken.

Chairman Garrity stated I think that was Alderman Smith's intent.

There being no further business, on motion of Alderman Shea, duly seconded by Alderman Smith, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee