

**SPECIAL MEETING  
COMMITTEE ON COMMUNITY IMPROVEMENT**

**June 1, 2010**

**5:30 PM**

Chairman O'Neil called the meeting to order.

The Clerk called the roll.

Present: Aldermen O'Neil, Ludwig, Shea, Craig, Greazzo

Messrs: B. Sanders, K. O'Maley, T. Brennan

Chairman O'Neil addressed item 3 of the agenda:

3. Amending Resolution providing for the appropriation of funds in the amount of Six Million Four Hundred Thousand Dollars (\$6,400,000) for CIP #310310 School Administration Offices, CIP #310410 School Building Energy Efficiency Project, and CIP #310510 School Facility Improvements.

On motion of Alderman Shea, duly seconded by Alderman Greazzo, it was voted to discuss this item.

Chairman O'Neil asked Bill, are you going to lead the discussions on the resolutions?

Mr. Bill Sanders, Finance Officer, replied thank you, Mr. Chairman. There are three bond resolutions this evening being presented. They are detailed under item four; they are combined in item three. They basically cover three items. The first bond is an authorization for new school administrative offices of about \$2.4 million. The second is for a \$1.1 million interest-free school energy efficiency bond that we have authority from the State to issue. It will be interest free. The firms that buy the bonds would get a tax credit for the purchase of the bonds in lieu of receiving interest. They would economically be in the same place and it would be cheaper for the City. The final \$2.8 million school facilities bond, there is a series of projects that the School Board and the Building and Sites Committee had identified as a priority list earlier in the budget process. They would need to go through that list now and prioritize something that comes up to \$2.8 million. They have not yet done that. The School Board has not voted on these bonds.

They will be meeting on, I believe, June 14<sup>th</sup>. The reason we are bringing these bonds to you this evening before the School Board has approved them is for three reasons. The first is State building aid is likely going to be suspended if not eliminated for projects approved after June 30<sup>th</sup> of this year. The School District had filed a place holder with the Department of Education and had received approval for building aid on upwards of \$20 million of projects which we are not suggesting doing tonight. If we don't get the bond authorizations in place before June 30<sup>th</sup>, our paperwork would not be complete to proceed with those bonds. The first reason we are here tonight is to assure ourselves that we will have building aid, which is essentially 40% of the value of these bonds, so 40% of the \$6 million, or \$2.4 million, would be paid with building aid money, revenue we get from the State which wouldn't require any tax increases for the amount. The second reason we came this evening, before the Board of School Committee has met on them, is because the Board of Aldermen have to vote twice in the course of a month to actually authorize a bond issue. Until it has completely been enrolled you have to vote on it this evening, assuming it passes, by a vote of ten Aldermen, it would have to be returned to the Aldermen and I think the plan is right now it would be somewhere around June 22<sup>nd</sup> that there would be a special meeting and assuming these bonds were approved, we would have them reenrolled that night and have you vote on them again. We're not going to issue these bonds right away. In fact, the last one, the \$2.8 million, the Board of School Committee still needs to identify which projects they want to use, but we are a little bit out of cycle because of the timing and getting to June 30<sup>th</sup> to get the bonds approved and make sure we are all in sync with the State of New Hampshire. I hope that provided some explanation as to why we are here this evening.

Alderman Shea stated thanks for the presentation. The designation that is listed under each one is flexible as far as how the money, which we will bond, can be used even though there are designations under each particular item? In other words, school administrative offices or school building efficiencies, each one of these has a designation; however, if the bond is for this amount of money, it can be used for other purposes as well?

Mr. Sanders replied it could only be used for other purposes beyond those listed here by coming back to the Board of Mayor and Aldermen and getting a two-thirds vote to designate the money to another project. The Aldermen do have that authority. It would have to be a project of similar life and that sort of thing when the bond is issued.

Alderman Shea stated if one required a little more money, money could be taken out of another item. In other words, instead of \$2.4 million for school administrative offices if it were \$2.8 million then other monies could be used within this context in order to meet that obligation.

Mr. Sanders stated yes, some portion of that. The third bond could be reallocated, but it would require a two thirds vote.

Alderman Craig asked does this money have to be used by a certain time?

Mr. Sanders replied no. The second one, the \$1.1 million bond, needs to be issued by December 31<sup>st</sup>. That is because it is part of the economic measures that Congress has passed. Most of those lapse at the end of December unless they are renewed. The other two projects do not have time limits associated with them.

Alderman Craig asked could you please give me a couple of examples about the school facility improvements? You said that there is a list. I'm curious that if it isn't prioritized and it is not nailed down, how did you come up with this number?

Mr. Sanders replied I can answer the second question and Mr. O'Maley can go through the prioritization. We were attempting, working with the Business Administrator at the School District, to develop a level of bonding that would keep our debt service level as some debt fell off in the next few years after being fully paid off, the debt service for this would keep it level so there wouldn't be an increase in debt service. I'm sure that if we could have done \$15 million there would be \$15 million of projects on that list. We came to the \$6.4 million by trying to work with a number that, to the best of our ability, would keep that service constant over time.

Chairman O'Neil asked Kevin, do you have something to add to that?

Mr. Kevin O'Maley, Chief Facilities Officer, replied sure. Some of the projects that we have been considering are ones that the Building and Sites Committee has been looking at for a number of years. They include installing elevators at Bakersville and the code improvements that we had talked about over the course of the next number of years was always considered.

Chairman O'Neil asked Kevin, do you have a list that you can get us?

Mr. O'Maley replied sure.

Chairman O'Neil asked can you hand it out tonight?

Mr. O'Maley replied it would be something that we would work on with School administration before we did. I can give you a copy of the CIP list of what has been considered.

Chairman O'Neil stated my understanding is that the only thing that needs Board of School Committee approval is the last one. Correct?

Mr. Sanders replied they all need to be approved by the Board of School Committee. I know that they have not approved the second one and I'm pretty sure that all three require School Committee approval.

Chairman O'Neil stated we must have some idea. As a matter of fact, what we have in the School administration offices...we have no information. There has to be some explanation on the \$2.4 million. We don't have a lot in this packet is my point. I know we rush to get these on the agenda, but we have limited backup information. We need some lists on what this money is going for specifically, whether the Board of School Committee has approved it or not. That list of recommendations should have been part of this package to us.

Mr. Sanders stated it is backwards; I acknowledge that. We were trying to preserve the building aid component of it and that was the reason. I don't think the \$2.4 million for the school administration offices has been fully discussed by the Board of School Committee.

Alderman Ludwig stated Kevin, you started to mention some items. Elevators I think you said. Wouldn't those be more related to the third item and the \$2.8 million?

Mr. O'Maley replied correct.

Alderman Ludwig asked can you or are you at liberty to discuss at all what is in, as Alderman O'Neil just brought forward, the school administrative office at \$2.4 million or do we not really want to go down that road right now?

Mr. O'Maley replied I really don't have a lot of information on that. I don't know if the superintendent does or not.

Alderman Ludwig asked is this for the existing offices?

Dr. Tom Brennan, Superintendent of Schools, replied as you may recall, we currently rent our space and we have been directed to get out of that space by September. We have been looking at various parcels of land and/or buildings and have come up with a proposal that would allow us to purchase some space in the building which would meet the needs of the district. It would not be covering the current space; it would be new space that the City would own as we move forward and be more designed in keep with what the district needs so that we're not continuing to pay rent on property. The reason I haven't talked about this too

much is the fact that we are still negotiating and that is the place holder number that we believe is appropriate to accommodate the conceptual draft that I have seen of the property as well as additional \$700,000 for parking spots in a garage.

Alderman Shea asked would the State then contribute 40% towards the purchase or any kind of facility?

Dr. Brennan replied yes sir, that would be the case.

Alderman Shea stated so if it were more than \$2.4 million or if it were around that figure, 40% of the State funding would obviously be contributed.

Chairman O'Neil asked is there a possibility...this was asked to be referred to the full Board tonight, between now and the full Board that someone could generate a list? To be honest with you, it was asked to be brought in. I thought things were a little more prepared than this. I don't think it is an unreasonable request. You are asking for certain amounts. You know what it is going to; we don't.

Mr. O'Maley asked are you just asking for a summary of the projects?

Chairman O'Neil replied correct and what is the breakdown. Dr. Brennan mentioned the \$2.4 million. Kevin, I think in a brief conversation last week, mentioned a half million of the \$1.1 million and the energies for the West High boiler.

Mr. O'Maley stated that is coming out of another part of the funds.

Chairman O'Neil asked so it has nothing to do with either of these?

Mr. O'Maley replied no.

Chairman O'Neil stated I think it would be good if we had a list for the full Board tonight if you are asking the full Board to vote on it. The Clerk can work with you on generating that list.

Alderman Shea moved to accept this item. The motion was duly seconded by Alderman Ludwig.

Chairman O'Neil called for a vote on the motion. The motion carried with Alderman Greazzo voting in opposition.

Chairman O'Neil addressed item 4 of the agenda:

4. Bond Resolutions:

“Authorizing Bonds, Notes, or Lease Purchases in the amount of Two Million Four Hundred Thousand Dollars (\$2,400,000) for the 2010 CIP #310310 – School Administration Offices.”

“Authorizing Bonds, Notes, or Lease Purchases in the amount of One Million One Hundred Thirty Thousand Dollars (\$1,130,000) for the 2010 CIP # 310410 - School Building Energy Efficiency Project.”

“Authorizing Bonds, Notes, or Lease Purchases in the amount of Two Million Eight Hundred Seventy Thousand Dollars (\$2,870,000) for the 2010 CIP #310510 – School Facility Improvements.”

Alderman Craig moved to approve these Bond Resolutions. The motion was duly seconded by Alderman Ludwig.

Chairman O'Neil called for a vote on the motion. The motion carried with Alderman Greazzo voting in opposition.

Chairman O'Neil stated these will be reported to the full Board tonight. If we could work on that list it would be appreciated.

Chairman O'Neil addressed item 5 of the agenda:

5. Communication from Sam Maranto, Planning and Community Development, requesting that the City acquire property located at 434 Lake Avenue for \$300,000 and at 203 Mammoth Road for \$46,900 using federal Neighborhood Stabilization Program Funds.

Alderman Shea moved to approve this item. The motion was duly seconded by Alderman Craig.

Alderman Greazzo asked all of this is federal money?

Chairman O'Neil replied correct. Before we take a vote on the motion, I mentioned to Mr. Maranto that I think we need to have a little advance notice when this stuff is coming in. I was aware that they had reached a deal on Lake Avenue, but as late as last week I was told that they had not reached a deal on Mammoth Road. I think out of fairness to the Committee we have to get information in a timely manner.

Chairman O'Neil called for a vote on the motion. There being none opposed, the motion carried.

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

A True Record. Attest.

Clerk of Committee