

FINANCE COMMITTEE MEETING
JULY 1, 2008

Finance Committee Chair Mr. Knuchel opened the Finance Committee Meeting at 6:00 p.m. In attendance from the Committee were Mr. Knuchel and Mr. D'Ambrosio. Committee member Mr. Lajeunesse advised he would be late in arriving. Also in attendance from Council were Mr. Zontini, Ms. Vaughn, and Mr. Morley. Council President Mr. Elshaw advised he would be late in arriving.

In attendance from the Administration were Mayor Andrzejewski, Finance Director Condron, and C.T. Consultant's Ms. Brusas. City Engineer Mr. Gwydir was absent and excused.

Also in attendance were members of the public in the audience.

BID AWARD: ROBIN, KING AND FOREST DRIVE PUMP STATIONS

Ms. Brusas: The City has three existing pump stations for which it received OPWC money – all three stations will be re-habbed. Robin Drive is in the flood zone – this will be raised. King Drive is in the flood zone and Forest Drive is partially in the flood zone – but not the building. Mr. Gwydir asked me to advise you that all the paperwork was mailed Friday. The low bid was from ABC Piping Co. in the amount of \$1,182,670 and we are recommending them. The original funding we asked for was \$1,069,300 – we got a \$253,200 grant, given a loan of \$50,000 and I understand the City will be getting an additional loan of \$70,000.

Mayor Andrzejewski: The loan is a very low interest rate loan so we can hoard our cash for the upcoming projects next year. We have a big pump station coming up next year – Quentin Road and we need the cash. The loan will be zero interest and we can pay it off in time.

Mr. Knuchel: Mr. Condron, how much money will come out of the fund for the pump stations – we have \$740,000 this year allotted for that purpose.

Mr. Condron: Right, most will be done in 2008 but a portion will be done in 2009. The bid did come in higher than the estimate which is noted in the C.T. cover letter.

Ms. Brusas: Within 10%.

Mr. Condron: We may have to supplement a little bit from our own funds to make up the difference.

Mr. Knuchel: Ms. Brusas, is the \$253,200 from OPWC?

Ms. Brusas: Yes.

Mr. Knuchel: Mayor, the loan for \$50,000 is from the State?

Mayor Andrzejewski: Both. We knew the pump stations had to be replaced. The \$253,000 represents about 25% of the cost. We wanted to get some money because we would have to do the work anyway. \$253,200, \$50,000 and \$70,000 came out nice.

Mr. Lajeunesse joined the meeting at this time.

Mr. Knuchel: So the \$50,000 and \$70,000 are no interest loans?

Mr. Condron: If I understand it correctly. If there is any difference in that we will send a memo or call you.

Mr. Morley: Is there a difference on the bids as to why ABC's material is so much less than the rest – the other bidders are not even close.

Ms. Brusas: That is not unusual – they got such a good bid on their contract road program because the guy needed the job.

Mr. Morley: The big one to me – the pump station shows \$87,000 in material – one was \$182,000 and the other was \$448,000. That is amazing. That is a big difference. They are still lowest but I do not know how the material can be that much cheaper for them than everyone else.

Ms. Brusas: Sometimes the quote different parts of the job depending on how they want to get paid – sometimes it depends on how much they need the job.

Mr. Zontini: There is nothing for labor – they put it all in material.

Mr. Morley: I just don't want to have issues down the line.

Mayor Andrzejewski: That is C.T. Consultant's job to see that does not happen.

Ms. Brusas: The pumps are spec – that is important.

Mr. Knuchel: The total amount of this is \$1,182,670. The grants and the two loans - \$373,000 – we have \$470,000 allotted this year – is the rest of the money to come from next year's budget.

Mr. Condron: I think we have some cash already in Fund #423 – we have \$250,000 to transfer from #501 "Sanitary Systems."

Mr. Knuchel: And that would be enough to meet our obligations?

Mr. Condron: Yes.

Mr. Knuchel: How much of this do we expect to have done and paid for in 2008?

Mr. Condrón: For this current year – 75%.

Upon review, the Committee agreed to move forward with this item for passage at the next Council meeting.

RECOGNITION OF THE PUBLIC

There was no one who wished to speak.

The meeting was adjourned at approximately 6:13 p.m.

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