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July 25, 2007

### **REPORT OF THE COMMITTEE ON FINANCE**

The Committee on Finance convened on July 25, 2007, with Chairman Maryann Heuston presiding and Committee Members Aldermen Bruce Desmond, Dennis Sullivan, John Connolly and Robert Trane also present and voting. Also present were Alderman Rebekah Gewirtz, DPW Commissioner Stan Koty, Ginger Barrett and Peter Mills from the DPW, Finance Director Ed Bean, Michael Lambert from the Mayor's Office and interested members of the public.

Doreen Hamilton and Dan O'Callaghan, from Honeywell, made a presentation on the ESCO agreement reached with the city and outlined some key aspects of the project. The city issued the RFP for the project in November of 2006 and 2 vendors submitted bids, with Honeywell being selected in May of 2007. The overall goal of the project is to make improvements to facilities to make them more energy efficient. The cost of the contract is \$7,876,680 for a 20-year program. The city will realize a guaranteed energy savings of \$464,975 per year. The operational savings will be \$70,000 per year. Overall, 19 buildings will be impacted. Ms. Hamilton told the members that Honeywell would coordinate its work with the DPW to ensure that the work progresses without any difficulty and also said that the city would be covered under Honeywell's liability insurance. Commissioner Koty told the members that most problems have been alleviated by Honeywell, almost immediately. Some of the improvements to be made include retrofitting and insulating steam pipes, replacing heating units, installing transformers, mechanical upgrades, installing additional steam zone valves, replacing a heat pump system, installing a new pass valve and upgrades to HVAC systems.

Mr. Bean said that the city is working to draw up an order for debt service amortization and is performing its due diligence to secure the best possible terms.

Alderman Desmond requested that Honeywell provide data on energy efficient recommendations outside the scope of the RFP. Alderman Trane asked that information on the cost of installing a new boiler at the Recreation building, and removing the old one, be provided to the committee by the next meeting. Alderman Trane also asked for a copy of the contract and the consultant's recommendation. The committee requested data on other buildings that were studied and also asked the Administration and

Honeywell to provide information on what would happen to the infrastructure and completed work if a building is sold.

Chairman Heuston will schedule a follow-up meeting before the next Board of Alderman meeting.

The committee discussed matters before it and took action on the following 2 items:

**183712:** Communication from Mayor - Requesting approval to expend a \$40,000 grant from the MA Board of Library Commissioners to the Library for library construction planning and design.

**RECOMMENDATION:** Should be approved

**VOTE:** Unanimous, 5 - 0 in favor

**183713:** Communication from Mayor - Requesting approval to expend a \$30,000 grant from the MA Technology Collaborative to the Office of Sustainability and The Environment to develop a program on using local green schools for project-based instruction in science, technology engineering and mathematics.

**RECOMMENDATION:** Should be approved

**VOTE:** Unanimous, 5 - 0 in favor

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Alderman Maryann Heuston, Chairman  
Committee on Finance

**COMMITTEE REPORT**

Report of the Committee on Finance, July  
25, 2007

In Board of Aldermen

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Clerk