

February 15, 2013

TO: Board of Finance
cc: Miro Weinberger, Mayor; Paul Sisson, Chief Administrative Officer; Eileen Blackwood, City Attorney, Marketplace Commission
FROM: Ron Redmond, Church Street Marketplace Department
RE: **REQUEST TO BOARD OF FINANCE FROM CHURCH STREET MARKETPLACE DEPARTMENT TO FINANCE \$12,397.51 OF CAPITAL-RELATED EXPENSES INCURRED IN FY 13**

In FY 13, the Church Street Marketplace Department incurred unbudgeted /unanticipated expenses related to the Church Street Lighting and Electrical Project.

- Items 1 and 2 (shown below) were included in project design specifications approved by FHWA and used by the construction contractor, but are not funded by FHWA.
- Item 3 is an expense incurred due to a design flaw of a federally-funded project at Church & Cherry Streets in 2011.

We are requesting that you approve the interfund loan of \$12,397.51 during FY 13, which will be repaid, including interest at 3%, during FY14. We will budget \$12,397.51, plus the interest, in our FY 14 operating budget.

- 1. Lighting Unitarian Church with Flood Lights:** As part of the Pearl Street Improvement program, lights were added on light poles at Church & Pearl to illuminate the Unitarian Church at the top of Church Street. The lights serve two purposes: 1) enhance the view of the Street in the evening by illuminating an iconic structure; and 2) provide additional security lighting to church ground per Marketplace and BPD community policing program. AMOUNT: \$ **3,040.00**;
- 2. Sound System for Church Street:** As part of the Church Street Electrical and Lighting Program, improvements were made to the existing sound system. System includes an intercom which can be used by public safety officials to make announcements to all who are on the public right of way between Main and Pearl Streets. AMOUNT: \$ **1,491.18** for 200 Watt Amplifier for Music System; \$ **5,978.33** Bose speakers for Church St. Light Poles;
- 3. Saw Cut of Tripping Hazard at Cherry Street intersection:** In 2011, improvements were made to the Church & Cherry Street intersection. A design flaw in the improvements occurred after the 2011 construction was completed, resulting in a tripping hazard. In the interest of addressing this expeditiously, Marketplace Department assumed this expense. AMOUNT: \$ **1,888.00**

A proposed Memorandum of Understanding documenting this interfund loan is attached.

MEMORANDUM OF UNDERSTANDING

The Church Street Marketplace (CSM) has incurred certain capital expenditures that were beyond the scope of the original lighting project conducted over the summer of 2013. In certain cases, the additional costs were a result of unknown obstacles that needed to be removed in order to proceed with the lighting project, and were also related to the Pearl Street renovation project. Another instance included the lighting of City Hall’s clock tower, which was not originally anticipated to be part of the CSM lighting project. In both these instances, CSM believes, and the City Attorney and Interim CAO agree, that the City’s capital budget should pay these costs, which total \$15,800.00.

On the other hand, there were expenditures for items not anticipated as part of the lighting project that benefited only the CSM – namely a Bose speaker system and related amplifier, accent lighting on the Universalist Unitarian Church at the head of Church Street, and the cost of saw-cutting a granite curb on the Marketplace that had become a tripping hazard. These costs total \$12,397.51, and should be recorded by CSM as its expenditures, and not chargeable against the City’s capital budget. However, CSM does not have current resources or budget availability to absorb and pay for these items.

As a result of this situation, the City’s General Fund will provide an interfund loan to the CSM in the amount of \$12,397.51, to be repaid, together with interest at 3% per annum on a 360-day basis, during the period from July 1, 2013 through June 30, 2014. The interfund loan will be made upon approval of the Board of Finance, expected on February 19, 2013. The interfund loan proceeds will be provided to the CSM no later than February 28, 2013, at which point interest will begin to run. As of June 30, 2013, the interfund loan balance including interest through that date will be \$12,521.49.

The interfund loan repayment schedule is as follows:

	<u>Beginning Principal</u>	<u>Monthly Payment</u>	<u>Interest</u>	<u>Principal Payment</u>	<u>Remaining Principal</u>
July 2013	12,521.49	1,060.49	31.30	1,029.19	11,492.30
August 2013	11,492.30	1,060.49	28.73	1,031.76	10,460.54
September 2013	10,460.54	1,060.49	26.15	1,034.34	9,426.21
October 2013	9,426.21	1,060.49	23.57	1,036.92	8,389.28
November 2013	8,389.28	1,060.49	20.97	1,039.52	7,349.76
December 2013	7,349.76	1,060.49	18.37	1,042.12	6,307.65
January 2014	6,307.65	1,060.49	15.77	1,044.72	5,262.93

February 2014	5,262.93	1,060.49	13.16	1,047.33	4,215.60
March 2014	4,215.60	1,060.49	10.54	1,049.95	3,165.64
April 2014	3,165.64	1,060.49	7.91	1,052.58	2,113.07
May 2014	2,113.07	1,060.49	5.28	1,055.21	1,057.86
June 2014	1,057.86	1,060.51	2.64	1,057.87	0.00

Payments are due at the end of each month.

By signing below, the Director of the Church Street Marketplace and the Chairman of the Church Street Marketplace Commission agree and accept the terms of this interfund loan.

By: _____ By: _____
 Ron Redmond Jeff Nick
 Director of Church Street Marketplace Chairman, Church Street Marketplace
 Commission

Date: _____ Date: _____

Witnessed this ____ day of February, 2013, by:

