

**SPECIAL COMMITTEE ON THE
MANCHESTER MUNICIPAL COMPLEX**

March 20, 2012

5:30 p.m.

Chairman Ludwig called the meeting to order.

The Clerk called the roll.

Present: Aldermen Ludwig, O'Neil, Long, Osborne, Shea

Messrs: T. Clougherty, A. Martino

Chairman Ludwig addressed items 3 and 4 of the agenda:

3. Project summary update.
4. Project budget and construction costs.

Chairman Ludwig stated we have some changes in some of the material that was handed out in your packet earlier. Do the committee members have it all in front of them now? These are just updates in some of the revenue projections and on the contract summary so that we can address some of the issues. We have a half hour so we're going to try to move along pretty quickly. Tim, are you going to take items 3 and 4 together? I'm not exactly sure, but I'm going to leave it up to you in terms of where you want to go and try to move this along.

Mr. Timothy Clougherty, Deputy Public Works Director, stated I appreciate that, Mr. Chairman. I think we'll jump right into item 4, which really speaks to budget and construction costs, and the mayor wants to talk a little bit about where we are.

Just so you know, the sheets that we're talking about, we're reading from the yellow, green and blue sheets that were handed out.

Mayor Gatsas stated thank you, Mr. Chairman. The reason why I'm here speaking to you this afternoon is because the sheets that you have before you came forth after a discussion I had with the department on how we should proceed on the project. We have a \$43.5 million project and then we have some potential projected revenues that need to go through the CIP Committee and then allocated, and we're under some constraints for ordering furniture. Let me just go through the one that has the yellow and green lines and the blue ones. As you can see, the projected savings that we have, there are two and they are both the same:

\$1,004,062 on both, likely in the best case scenario, and then the potential future savings on the project, on the best case is \$880,000 and the likely case at \$690,000. That gives us \$1,884,062 in one column and \$1,694,062 in the other.

The projected vehicle buildout right now is \$1,527,431 to get to where the department wants to be. Now that number is a number that I understand could be less, but we're putting that as the optimum price, and it could be down to a lower number but let's just leave it there and that shows us that the project funding balances are either \$356,000 or \$166,000. The next page is probably the one that's a little bit more sensitive than that page, and that's the potential project revenues. Those are not in the budget at this point, so we would have to bring them in under CIP and move them forward so that we could buy the furnishings. I think with the furnishings we are down from \$823,000 from the furniture that has come from Bank of America, to \$595,000. So we have saved over \$200,000 just in the furniture line, and I think the department was a little bit apprehensive as we could be \$154,000 short when all is said and done if we hit the likely scenario. I would think that that number to get us into that project would give us almost six more months before the completion of the Police Department, but I would think that we would work and give the department the authority to order the furniture

because in the worst case scenario we've got to find \$155,000, and I don't think \$155,000 is going to stop the project of \$43,500,000. I would ask the committee to move the first discussion that we had forward and if we hit the number of the \$85,000 of the best case, we could take that \$85,000 at that point and go back in and build the yard storage construction shed that we're going to hold up as you can see on the first page as we had discussion. That's merely holding bricks and lumber that we may have, instead of being under cover it would be outside and that's something the department said is acceptable. I would look again to see if we can't move this in the right direction. I know that this committee is going to ask Kevin some questions. I just wanted to give you an overview from the conversations that I had so that we could separate the two because the potential revenues were in the same sheet as the first page, and I wanted to separate those out because they have to go under CIP so we can accept them. We've already increased our National Grid rebates by about \$50,000 and I think there may be another \$100,000 to \$125,000 there, so we can get in those rebates so by the time the end of the day comes, we could be at zero and be able to potentially do everything without having to worrying about finding the money through other sources.

Chairman Ludwig asked are there any questions from the committee?

Alderman O'Neil stated thank you. Let's take the vehicle storage, and I know last time we met we were talking about we're getting close to go or no go time. We're currently in, without me pulling everything out of the file, at about 25,000 or 26,000 feet. That was in Harvey's base bid price. Does that sound right?

Mr. Clougherty replied that's correct.

Alderman O'Neil asked is it 25,000 feet?

Mr. Clougherty replied it is 26,500 feet.

Alderman O'Neil asked and originally programmed was it 60,000 feet even or 62,000 or something?

Mr. Clougherty replied it was 63,000.

Alderman O'Neil asked so we're getting pretty close?

Mr. Clougherty replied the estimate that you see for the vehicle storage premium would have a 58,000 square foot building, 48,000 being enclosed and 10,000 would be covered shed roof-style structure and our intention would be to use that for packer storage. All three of those options are included in the packet that Ms. Leahy handed out. Figure A is the original at 63,000 square feet; figure B is how we get to the 58,000 square feet, and...

Alderman O'Neil interjected I don't think we have that, Tim. Is that the drawings?

Mr. Clougherty replied yes, they are the drawings.

Alderman O'Neil stated we do have that.

Mr. Clougherty continued figure A is a 63,000 square foot structure, figure B is we remove a little bit of the building to get to the 58,000 square foot structure, and figure C is what's included currently in the project at 26,500 square feet, and that would be the unshaded area.

Alderman O'Neil stated I will try to be quick, Mr. Chairman. You're comfortable that's probably the best we're going to get and that's what we should move on at this point? Andrew you are comfortable with that as well?

Mr. Andrew Martino, Harvey Construction Project Manager, replied I actually haven't seen the recent handouts, but that's what we've been talking about.

Alderman O'Neil stated if the City's comfortable; I know you've been having ongoing talks and this would keep Harvey right on site and continued through and all of that.

Mr. Clougherty responded that's actually why we're here tonight in such a hasty fashion, if you will. Our intention is to get this designed and get it bid out by Harvey as soon as possible so that we can keep with the construction schedule and not have to pay any additional monies.

Alderman O'Neil asked so this would be an amendment to their contract?

Mr. Clougherty replied no, it wouldn't be an amendment to their contract, but we need to get going on this as soon as possible. We've been holding back waiting until such a time that we felt comfortable with some of contingencies and how much money we had spent out of Harvey's contingency, the City's contingency, our hazardous materials contingency in order to maximize the monies that are available within the project and put it toward the vehicle storage.

Alderman O'Neil asked won't some funds have to be put over and above the base contract with them?

Mr. Clougherty replied no.

Alderman O'Neil stated okay. I won't tie you up on how that can happen.

Mr. Clougherty stated yes, that potential does exist under the current scenario with the contingencies. The City's uncommitted contingency would probably have to be shifted over to them in order to fund the full buildout, but what our plan is that we'd like to ask the committee for authorization to proceed with construction if funds are available after we bid it out, and we'd also be looking for just to make sure that that \$1.5 million actually works at that point in time and that we'd be looking for that authorization.

Alderman O'Neil asked but Harvey would stay as our construction manager?

Mr. Clougherty replied yes. That's the current intention.

Alderman O'Neil stated just one follow-up, Mr. Chairman. Your Honor, this will be for you. You said on the fixtures and equipment the \$823,000 was all FF&E. Because if I recall we had some discussion a month or two ago about mechanics, work area and that.

Mayor Gatsas replied I think it started at about \$900,000 as the first original number that we had started with, and I think that that's how they got to the \$823,000. And then from there it's about the surplus equipment that we were able to get.

Alderman O'Neil asked but this is all FF&E?

Mayor Gatsas replied it's all there.

Alderman O'Neil asked not just office fit-up?

Mr. Clougherty stated the \$595,000 is actually just furniture. The equipment that we talked about for the garage last month, the committee authorized us to take that out of construction funds, and that's why on the agenda you see a \$695,000 number and on the sheet that we handed out there's \$595,000 number.

Alderman O'Neil stated okay. I know there's been a lot of movement of things, which is fine in order to get this done. Thank you, Mr. Chairman.

Alderman Long stated thank you, Mr. Chairman. How did we come up with that figure of the \$1.5 million? Is it square footage on what is there now? Are we secure with that number?

Mr. Clougherty replied yes. I'm optimistic with that number. We sat down with Andrew, with Harvey Construction, and went through their estimate. Last month's number and the number that's actually in the agenda is significantly higher than that. It is based on a 63,000 square foot project, and Andrew and Kevin O'Maley and I went through, line by line, and have come to agreement on where we could make reductions in order to get from 63,000 square feet to 58,000 square feet. We're confident with the \$1.527 million. We're not committing anything at this point in time, we're merely going to design the building for this size, and we're going to throw it out there on the street, get some competitive bids in, and make sure that our numbers are real. I'm sure Harvey would like to see more contingencies or more monies just in case something happens there, but I think at this point in time we know enough, we have enough monies in the various contingencies that you see in the yellow, that the department is making a recommendation that we pull the trigger on this, get it designed, and see where the bids come back.

Alderman Long asked the motion you're looking for is the authorization of the 58,000 square feet and this funding scenario?

Mr. Clougherty replied that's correct.

Alderman Long stated one other question. The 275 Clay Street yearly lease, that's not money we have up front so that's why it's not in there. Okay, thank you.

Alderman Shea stated thank you for the explanation. I'm ready to move on it as soon as possible. It is very clear to me. I have no questions. I understand perfectly where you're coming from and I compliment you for giving us the information. Anytime you're ready for a motion, I'll be happy to make that motion.

Alderman Osborne stated I have a little question. As far as the whole project itself, some sort of cushion, what type of monies do you have as a percentage of what you have for safety purposes if the thing goes over? The budget always goes over at the end. What kind of protection do you have outside of what you're doing here? You're spending to the penny or do you have a little left over as a cushion?

Mr. Clougherty replied the protection is generally in the areas that you see it highlighted in yellow. That's a hazardous materials contingency, there's a contingency on Harvey's side and there's also uncommitted contingency on the City side.

Alderman Osborne asked what does it all add up to?

Mr. Clougherty replied roughly \$700,000, plus the \$166,000 at the bottom.

Alderman Osborne asked so you all have something to fall back on is what I'm trying to say.

Mr. Clougherty replied we believe we do.

Alderman Osborne stated I will second the motion.

Chairman Ludwig stated just to be clear. Tim, the way I'm kind of looking at this, are we now going to need three separate motions; it sounds like. Your Honor, you're suggesting a motion to move the revenues to CIP.

Mayor Gatsas stated I would suggest that we would move that to CIP so that it can be accepted and expended according to the finance officer because we can't do anything with that until that's done.

Chairman Ludwig stated I think that should be a separate motion.

Mayor Gatsas stated I think it should be, and I think that certainly I would probably have a conversation with the chairman of CIP because they are under the gun to order from WB Mason to see if we couldn't do that meeting quickly in the next day or two and then take a poll of the board to authorize that moving forward.

Chairman Ludwig stated because that needs to go to CIP, we couldn't move that tonight, but the other two items I think you're looking to move, I know it's against policy, but to the full board for tonight's agenda. Is that right Tim?

Mr. Clougherty replied we would appreciate that.

Chairman Ludwig stated I think if I've got this right, members of the committee would probably need a motion to move the revenues indicated on the potential project revenues indicated on the sheet that's been supplied. Now that is a range right now? Is that right Tim?

Mr. Clougherty replied that's correct.

Chairman Ludwig stated and a range between \$324,000 and \$274,000 to the CIP Committee.

On motion of Alderman Shea, duly seconded by Alderman Long, it was voted that potential project revenue in excess of \$274,000 be moved to the Committee on Community Improvement to be accepted and expended by the finance officer.

Chairman Ludwig stated I believe the second motion, and Tim work with me here, would be to move...

Mayor Gatsas interjected Mr. Chairman, if I may just interrupt; if those rebates become higher...that's why I don't want to narrow the range down on the topside. Maybe we say \$274,000 or higher, that way if the rebates come in at a higher amount.

Chairman Ludwig stated I gave a high side too. I think the mayor is saying that if they come in higher, it doesn't want it to be narrowed to \$374,000.

Mayor Gatsas stated right. If we can get another \$100,000 to \$150,000 from a rebate...

Chairman Ludwig stated if that motion does that, Alderman Shea are you willing to just amend it. You would be amending the motion to a low side revenue of \$274,000 with no limit on the high side.

Mayor Gatsas stated to take care of the furniture. After that it would have to come back to the board.

Alderman Shea moved to amend the previous motion to \$274,000 or above.

Alderman Long duly seconded the motion as amended. There being none opposed to the motion as amended, the motion carried.

Chairman Ludwig stated I think we could move to the vehicle storage, and I believe we're looking for a motion.

On motion of Alderman O'Neil, duly seconded by Alderman Long, it was voted that the vehicle storage facility be constructed at 58,000 square feet.

Chairman Ludwig stated if we are ready to go on that one, the next motion would be approval of the purchase of the furniture at \$595,000.

Alderman Osborne moved to approve the purchase of office furniture at \$595,000. Alderman Long duly seconded the motion.

Alderman O'Neil stated just a clarification. That is a purchase from WB Mason for \$595,000?

Chairman Ludwig replied yes.

Chairman Ludwig called for a vote on the motion to approve the purchase of office furniture at \$595,000. There being none opposed, the motion carried.

Alderman Osborne stated Mr. Chairman, I have one question on the furniture. What kind of a guarantee do they have on that furniture with this particular company? How much do they stand by this?

Mr. Clougherty replied I believe that different pieces have different guarantees. But I know on the majority of the furniture a lot of it has a lifetime warranty.

Alderman Osborne stated lifetime warranty.

Mr. Clougherty stated that's what they're telling me.

Alderman Osborne stated so something like a chair like this it is going to be a lifetime.

Mr. Clougherty replied I don't think that the chairs themselves would, but fabrics and things like that I know... I'd have to get back to you with each individual piece. I'm happy to provide that.

Alderman Osborne asked you have good faith that they are going to stand by all of their equipment and it's going to hold up long enough. Just because they have a low bid doesn't mean it's the best furniture in the world either. I know one of the companies is...

Mr. Clougherty stated one of the manufacturers is All Steel.

Alderman Osborne stated okay. Just as long as we hold safe here. We don't want to replace it every two or three years. That's for sure.

Mr. Clougherty stated we've worked with them in the past at length, and we're confident with the services and the product they provide.

Chairman Ludwig addressed item 6 of the agenda:

6. Information on office lease.

Chairman Ludwig stated from what I understand this is the lease that the Public Works Department currently occupies.

Mr. Clougherty stated that's correct. This is the lease for 228 Maple Street. Just as a little history, our initial lease was a little bit aggressive from a schedule perspective. We need to extend the lease through July, and the current lease runs through April. So it's a three-month period of time. We just wanted to make sure that the committee is aware of that. The lease has gone up a little bit, up to \$3,000 per month, where it's currently at \$1,800 per month. The landlord has told us he's not doing very well financially at the \$1,800, he agreed to, given the economic times, but he wanted to bump it up a little bit for that three-month period. We thought that that was reasonable. So we wanted to get a motion from the committee concurring to that. The monies are available within the project.

Mayor Gatsas stated he wanted \$3,500 when he first started.

Alderman O'Neil moved to approve the three-month extension on the lease at 228 Maple Street and at a rate of \$3,000 per month. Alderman Shea duly seconded the motion.

Alderman Osborne asked who is the owner of that building you're in now?

Mr. Clougherty replied it is CJM Realty.

Alderman Long asked at our last meeting, didn't we extend it already?

Mr. Clougherty replied no. I merely notified the committee that we were going to be bringing it up.

Chairman Ludwig called for a vote on the motion to approve the three-month extension on the lease at 228 Maple Street and at a rate of \$3,000 per month. There being none opposed, the motion carried.

Chairman Ludwig addressed item 7 of the agenda:

7. Update regarding the labor workforce summary.

Mr. Clougherty stated the committee last month had asked for a breakdown, I believe, by major subcontractor of how the labor workforce was broken down. You'll find that in the package along with the traditional list of subcontractors and individual employees and the localities that they come from. I'm happy to answer any questions relative to that.

Chairman Ludwig asked are there questions relative to this item from anyone regarding the workforce update.

Alderman Long stated I do see that the numbers are picking up for Manchester residents. I'm glad to see that, and I know those mechanical trades should be showing us better numbers, hopefully, coming. This is through January?

Mr. Martino replied correct.

Alderman Osborne stated that \$3,000 extra a month bothers me for some reason. What is the reason? Did they give any reason why they are going up \$3,000 a month? What is the reason for the increase over a three-month period?

Mr. Clougherty replied they're going up to \$3,000 a month from \$1,800 a month.

Chairman Ludwig stated \$1,200 a month, Alderman Osborne.

Alderman Osborne asked \$1,200 a month?

Mr. Clougherty replied that's correct. That is the increase.

Alderman Osborne asked is there any explanation?

Mr. Clougherty replied we were getting it below market rate before, and he felt that he needed to market the property at a higher rate and was willing to offer it to us at that \$3,000 rate for that short period of time.

Alderman Osborne stated thank you.

Chairman Ludwig stated we were on the workforce item, which we don't need a vote, it's just for informational purposes.

Chairman Ludwig addressed item 8 of the agenda:

8. Article regarding fleet centralization.

Chairman Ludwig stated the article that I believe Tim or somebody from the department supplied to us relative to the fleet centralization... It's nice to hear that other places are having difficulty with this kind of issue as well. I read it, but I don't know if anyone wants to comment on it. Tim do you have anything to add?

Mr. Clougherty replied no, not really. I just wanted to put that out there. It is a recent centralization of a fleet. There are some challenges, there are high points and some low points, which I just thought it was very informative as we're going through the same thing and we may see some of the same high points and low points as we move forward and actually open this facility.

Chairman Ludwig stated I think seeing them in the article was informative to me. I don't know about other members, but it was to me. Does anyone have any comment?

Alderman O'Neil stated it doesn't paint that it all was successful day one, and if I recall, it lead me to Goggling other articles and they've moved it from who they report to and they now report to the finance director. They didn't originally. There's been a lot of movement for different reason and chargebacks became the norm with it. I'm not particularly a big fan of chargebacks because it's all coming out of the same wallet. I appreciate it, but there are a lot of challenges and I'm not even sure today it's still settled there. That is three or four years ago. We just have to be patient.

Chairman Ludwig stated I would echo those comments, Alderman O'Neil. It's just nice to know that we're not unique to other municipalities having this kind of problem.

Alderman Shea stated when there is a selection made concerning whoever is going to direct that, whether it's going to be a department head or a division head, some of the questions the staff that's going to interview that person can present these particular items to them. I did read through it about some of the problems that they encountered... Of course it was a larger workforce there, but if we handle it properly, I'm sure it would be okay in Manchester if we do the right things and that's what we have to do.

Chairman Ludwig addressed item 5 of the agenda:

5. Information on Fixtures, Furniture and Equipment (FF&E) project history.

Alderman Long asked the moving date for the maintenance facility is still April 1st.

Mr. Clougherty replied it's just about April 1st.

Mr. Martino stated we're right around that date. We're scheduling the move of the City equipment in early April. The move-in date, I think ,we were talking about probably the first or second week in April at this point.

Alderman Long stated describe moving date. Is that full throttle, full services happening on that date, or do we need a week to adjust? When we have a move-in date of let's say April 10th, are we at full complement?

Mr. Clougherty replied we talked about having a transition period for about a week, but until we know exactly who is going in there, I think that's a more important question that we're hoping is answered either tonight or in the very near future, and we'd be able to answer the start time for mechanics more definitively in the new facility.

Alderman Long asked what do you mean who is going in there? What department? Maintenance workers. Is that not the case?

Mr. Clougherty asked excuse me.

Alderman Long stated I thought it was built to have everybody go in there.

Mr. Clougherty stated it is built for everybody to go in there.

Alderman Long asked moving date is...now I'm a little more confused.

Mr. Clougherty stated the facility will be ready to house employees and fix vehicles during the first or second week in April.

Alderman Long asked we're not skipping a beat on any maintenance to any vehicles?

Mr. Clougherty replied no. This works at a pretty opportune time. We're not heavy into the paving season yet, we don't have to worry about snow, especially with the weather we have right now, so this works out pretty well and we've been planning on it for months.

Alderman O'Neil stated the 22 Public Works mechanics can move in there the second week of April without any challenges, the existing facility can be torn down and the project continues. We don't necessarily have to have the balance of everything resolved by that time period.

Mr. Clougherty stated right.

Alderman O'Neil stated there is money in your budget, am I correct, to carry you through June 30th.

Mr. Clougherty replied yes, that is correct.

Alderman O'Neil asked but we could move the 20 or 22, whatever the number is, of Public Works mechanics in there and get up and going and allow the project, the demolition of the existing facility, to come down. Thank you.

Mr. Clougherty stated I have one quick item for the committee. I don't have anything with me, but I planned on bringing something in next month. If you have any input we wanted to hear it. We've been requested to put some sort of a dedication plan together, whether it be trees or with monuments or benches, engraved benches, or bricks with people's names or retiree's names or something like that. So if anybody has any input or any thoughts on that, we welcome the feedback. Over the next month or two we're going to put a plan together, probably over the next month actually, we'll put a plan together and present to the committee exactly how that plan would take place. I just wanted to let people know, we've gotten some feedback requesting that and we plan to present that to the committee for consideration.

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

A True Record. Attest.

A handwritten signature in black ink, appearing to read "Matthew Normand". The signature is written in a cursive style with a prominent initial "M".

Clerk of Committee