

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(RE: MUNICIPAL COMPLEX)**

November 9, 2010

7:00 PM

Mayor Gatsas called the meeting to order.

Mayor Gatsas called for the Pledge of Allegiance to be led by Bill Whitmore, Bill Roy and Greg Hunt, representatives from Sweeney Post.

A moment of silence was observed, keeping those men and women who have fought valiantly for this country for our freedoms that we are enjoying now in our thoughts and prayers.

The Clerk called the roll.

Present: Aldermen Craig, Ludwig, Long, Roy, Osborne, Corriveau, O'Neil,
Lopez, Shea, DeVries, Shaw, Greazzo, Ouellette, Arnold.

Mayor Gatsas stated I am going to take a moment first before we get into discussions of the Municipal Complex. November 11th is Veterans Day and I thought it would be appropriate for us to recognize the men and women who have served this great country who are City employees and also Board members; Alderman Shea, Alderman Lopez, Alderman Greazzo and Alderman Osborne have served to protect us and give us our freedoms. I would ask Alderman Lopez to call out the names of the City employees. When you hear your name, please come forward. We have a little memento for the services you have given us and certainly we are thankful for the City employees who have served.

Alderman Lopez stated when I call your name please advance to the Mayor's chair. From EPD Mark Forester; from the Fire Department Paul Bissard and Wayne Georgiana; from the Highway Department Richard White, from Information Systems Jean Fortier and Robert Josephson; from Water Works Richard McLachlan; from the Police Department Allen Aldenberg, Victoria Catano, Officer Michael Dunlap, Martin Swirko, Officer Francis Swirko, Anthony Duquette, Stephen Flynn, Kevin Jusza, Stephen Orr, Brian Riel, Derek Sullivan, Officer Matthew Winn, Derek Cataldo, Timothy Gregg, John Cunningham, Robert Keating, Jared Morey; and Alderman Osborne, Alderman Greazzo and Alderman Shea.

Mayor Gatsas stated we also have some active member employees who are out there right now protecting us: Luis Gonzalez, City Clerk; Natalie Starr, Airport; Willie Phelps, Fire; Ryan White and Matt Winn, Police. With that I congratulate you all and I thank you for your service, and certainly for the ladies and gentlemen who weren't here this evening, we will make sure the Chiefs can get those back to those employees. I would appreciate it. Thank you very much.

Alderman Lopez stated they can all become American Legionnaires. We can sign them up.

Mayor Gatsas stated if the gentlemen from Sweeney Post that led us in the pledge would come forward, we would also like to present you with one.

Mayor Gatsas advised the purpose of this special meeting is for review and discussion of the Manchester Municipal Complex. All Aldermen have been given a package including a detailed project budget, building description, a draft agreement between the City and the Construction Manager, general conditions of the contract for construction, and communication from the City Solicitor regarding external legal counsel for the project. I

hope they have had an opportunity to review it. Before we get started I would like to make some comments. I can tell you that the departments involved have worked very, very hard to bring this project forward. They have brought in the budgeted number. I hope that the construction management team that we have selected brings it in under budget and ahead of schedule. There are discussions that I have been having with people as they have been calling. We have a \$43 million project and we are talking about possibly laying off employees in the City. I think it is very important that I address those concerns right up front. This opportunity to construct this Municipal Complex may be once in a lifetime. I don't think we are ever going to see an opportunity with the bonds that we have coming forward that save us about \$895,000 a year, over a 30 year period, which is about \$27 million. I don't believe we are ever going to see the ability in the construction field to get things done at the prices that we are going to get them done. I think that is roughly about a \$17 million savings that we would see on this project on future forecasts. That is \$44 million. There would be additional costs if we didn't do this project today. I know that we are in very, very difficult times financially but I can tell you that the synergies that we will gain are between \$500,000 and \$700,000 a year, and if you base that on that same 30-year scope that is another \$20 million. I think that's why it is important that we must talk about this project in a very positive light. We have employees who work at the Highway Department and Facilities who have been there an awful lot of years. They give us incredible effort. They give us 100% every day that they are on the job. They don't have a 100% facility to operate in. They don't even have a 20% facility to operate in. I think the amount of time that we spend clearing snow, starting trucks, filling them with salt and sand, is probably 45 minutes per truck, per storm, per year. I haven't done the analysis on the financial basis of those savings but I think that it is important that we understand that. The men and women of the Police Department are out there every day protecting us and doing the best they can do. If you went in and took a look at their facility, and I know a lot of you have been in there because the Chief has done a great job of promoting his building, you have walked around and seen the space that they utilize. We couldn't ask the men and women of the

Police Department to possibly continue doing what they do in the building that they are in. Certainly, as we look at that and we take a look at some other departments that we have in the City, I believe that we probably have the best Information Technology Department in the entire state. We make them operate in the basement of a building. I think that must change. When we talk about this structure and we talk about the cost, we should take those things and keep them in the back of our minds because those are the reasons why we should be looking forward at this piece of construction and not finding reasons why we shouldn't do it. We as a Board have been working for the last ten months and it is funny that we have never heard the word no, that we couldn't do something. We have found every way to overcome obstacles when they have been put in front of us. I think this is something that we must do as we move forward and do it as an entire Board. I think it is best for the City of Manchester, not only for all the residents and the taxpayers but our employees. With that let me open it up to the gentlemen who are going to do this presentation. I think they will address all of the questions that you may have. I will be shocked if there are any questions that somebody is going to have to tell you, we will have to get back to you with an answer. Any questions as far as contracts, the City Solicitor will address. Any concerns with Financing, our City Finance Officer will address. With that, I will open it up to our Public Works Director.

Mr. Kevin Sheppard, Public Works Director, stated thank you, Mayor. I want to thank the Board of Mayor and Aldermen for allowing us to come before you tonight to make this presentation on our project. I echo the Mayor's comments as far as the hard work that the team has done to bring this project to a \$43.5 million budget, as approved previously by the Board of Mayor and Aldermen. First, I want to show the Aldermen the team that we have put together for this project. From the City we have from the Public Works Department, Tim Clougherty, Kevin O'Maley who oversees our Facilities Division, myself, and many others; Police Chief Dave Mara; Fred Roach from the Police Department and GZA as our geotechnical engineer. From Lavallee Brensinger we have Chris Drobat who is here with us tonight; Barry Brensinger and Katherine Robinson are

also here tonight. Below that is listed a lot of the sub-consultants that Lavallee Brensinger has used on this project. Some of those will appear tonight as the Mayor explained. We hope to be able to answer any and all questions that Aldermen may have. Last, we have Harvey Construction Corporation, who is the construction manager chosen by the interview team for this project. As many Aldermen know, we started out with 12 proposals on this project. We narrowed that down to five, then four and in the final round we were down to three. Ultimately the interview team chose Harvey Construction Corporation for this project. With us tonight is Bill Stevens, President of Harvey Construction, Rob Prunier from Harvey Construction and also Richard Burke who is the Senior Estimator. What I would like to do is introduce them and perhaps have Rob Prunier introduce the company to the Board of Mayor and Aldermen.

Mr. Rob Prunier, Harvey Construction, stated good evening everyone. I appreciate being here tonight. It is a good opportunity for our company. Certainly the City has assembled quite a team that we feel very privileged to be a part of. We wanted to take two seconds to give you a little bit of background on Harvey Construction Corporation. Many of you probably know who Harvey is. Hopefully you have come across a sign in the City. We are headquartered in Bedford, New Hampshire. A majority of our staff lives in the area and 100% of our staff lives in New Hampshire. Most of the people that work for our company live in Manchester or within a ten to fifteen minutes ride from the City. It is an opportunity for us and our staff to really work hard for the people in the community that we care about. Many of the projects that you have probably come across over the years with Harvey's name on it include the expansion of the Manchester Airport, the FAA Air Traffic Control tower that resides at the Airport, more recently the expansion of the Boys and Girls Club, and the expansion of the Currier Museum of Art. We have been working at Catholic Medical Center for a long time and more recently up at Southern New Hampshire University you may have come across a new dining center that we constructed about 18 months ago. We have gone through this process. We feel very comfortable about where we are at. The team has vetted this process and the project

out with great due diligence. I just want to thank you for giving us this opportunity. We feel very privileged to be here tonight and to be a part of this project. We look forward to hearing more about the project. If you have any questions as we go along, please feel free to ask.

Mr. Sheppard stated we are going to start the presentation with a quick overview of the proposed project. I believe the Aldermen have seen this before. The Police Department is at the corner of Maple Street running north/south and Valley Street running east/west. The new Public Works administration building, the new vehicle maintenance building is there. The existing Water Works is staying. The Vehicle storage building will be behind Water Works, just east of Water Works. The shop building is proposed to be where the used furniture building was. To the south we have the salt barn and our vehicle fueling area. I would now ask the Chief to go through the plans to show the Police Department.

Mr. David Mara, Chief of Police, stated I am going to hand it over to Captain Roach and answer questions after.

Mr. Frederick Roach, Police Captain, stated I will keep my comments brief and focus on the Police facility. The packet that you received late last week and what you are viewing this evening depict the future Manchester Police Facility. As you can see, it consists of three floors, a partial basement and a mechanical penthouse on the roof. It is representative of the work of Lavallee Brensinger as well as Architects Design Group out of Florida to address what we see as our space needs and our adjacency needs within the facility. When we went through this process, we had three main areas of concern. Those would be our training within the department; our evidence, both storage of evidence and evidence processing; and locker room space. I believe that what you see here addresses those adequately. The facility itself contains features such as increased evidence storage areas, evidence processing areas, including several vehicle bays, where we can process cars, trucks, and other vehicles. It also includes a training room, a defensive tactics lab,

community meeting room, a firing range and a drive through sally port. The overall square footage is 72,126 square feet.

Mr. Mara stated the firing range area is going to be built enough to accommodate ten lanes. After value engineering we are now at five lanes but for future expansion we are going to be able to expand to the ten lanes, which I think is crucial as the department grows and for the amount of officers that we have that need to be certified each year in firearms. A lot of you have taken the time to walk through our building and know that the locker room space has people jammed in there. That is one of the concerns that we had. Ten or twenty years from now, as our complement increases, are we going to be able to accommodate the new officers? I believe that we have ample locker room space for that. It is the same thing with the female locker room; we believe that is enough space to accommodate any future female officers. We have also a SWAT locker room, where the members of that team have specialized equipment that is big and bulky. Right now it is stored all throughout the building. All of that equipment can be locked there. On the first floor we have the booking area. It was designed where it can be manned by one booking officer. That booking officer is going to be able to directly view each person being held. Currently, what we try to do, if we have somebody that we have arrested that doesn't make bail, we transport that person to Valley Street. We have a drive through sally port. One thing that we wanted to do with this building, as you can see from the façade and from the looks of it, we didn't want this to be fortress looking or looking like a jail. We wanted this to be more of a community place, a welcoming place. We will hold meetings there and we want to attract community groups to come to the station and to hold meetings. That is why we have this community room right off the lobby. The second floor is the evidence area. I am not going to dwell on what we have now but currently we do store evidence in several different places. This is going to be able to accommodate growth. It is going to be able to process evidence and it will be stored there, all in one spot. We believe that this is going to be ample space for growth in the coming years. Training, this is another area as Captain Roach said, that we are very

concerned about for future expansion. We have two classrooms with a divider which can be combined and used as one large room. This way we can accommodate a large training group. We have a defensive tactic room. We learned from being in the current building for a long time that you don't want communications people distracted. You want them to have their own area. They are going to be on the second floor as well. The third floor will have administration as well as detectives, special enforcement, juvenile and domestic violence. A lot of these rooms we have for growth. We have, for instance, multi-use rooms. We have two conference rooms and a soft interview room that can be converted in the future and then juvenile has a small room as well. In thinking about the design and the constraints that we had, we were always thinking about future growth, if we have to expand, if we need more office spaces for future investigators. That is how this was designed. We have a visual as well of what the officers' work areas will look like. We also have a visual of the community room on the first floor.

Mr. Sheppard stated I will go through some of the other buildings on the site. The Department of Public Works administration building is on the corner of Valley and Lincoln Streets. We have elevation views. The first elevation view is how this building will look from Valley Street from the north. Another view is from Lincoln Street from the east or the Water Works side. We have a view of the south elevation which is facing towards the parking lot of the vehicle maintenance area. Then we have a picture of the main entrance to the building. That is off the parking lot, which is the parking lot for the Police and the Highway Departments. The entrance comes off of Valley Street. We have a view of the basement of the Highway Department. You can see the larger mechanical area in the basement of the Highway Department. What we are proposing for the facility is a centralized heating plant, which will serve the whole Municipal Complex and most of the area is taken up by that. The first floor of the Highway Department is what we consider more of our operations, the day to day operations area. The muster room will also act as a training room for our employees but that will be the area where they come in. They will be punching in and that is where they will come at the beginning of the day

and at the end of the day. Our dispatch area is on this floor, which will have views up and down Lincoln Street. We have the locker rooms in the middle with the bathrooms for the crews. Also viewed is the central lobby with a receptionist where people will be coming in. There will also be an archive area there and permit area where people will be coming in for permits for the Highway Department. We also have an area for the field superintendents on the first floor. On the second floor we have work stations. The majority of the second floor will consist of our engineering division and some of our inspectors. Facility personnel will be working the second floor. We see our engineering division working in this area as well as some offices on the north side of the building. The third floor is our administration area. We have officers for our chief positions and our BSO. The second floor will be engineering and the third floor will be mostly the administration for the department. We have three dimensional views of the lobby as people will be walking in. We have an example of the work area as well. It will be open concept almost like an industrial view. The next building is our vehicle maintenance building, which is just south of the Highway administration building. We have elevation views of what the vehicle maintenance building will look like. What we are showing is a layout. We have twelve heavy duty bays, which are for large trucks and large equipment. This will be able to service any piece of equipment that the City owns at the current time. We have what we call light duty bays, which are used for police vehicles and smaller vehicles throughout the city and various shops. We have a tire shop and a welding shop all in this building. We have views of the shops building. This is where the used furniture building currently is right now, on the corner of Lincoln Street and Valley Street. We have a layout of the shops building. We have talked about a shops building in the past. I think some people were probably wondering what we meant. We have a carpentry area, sign shop for the Traffic Divisions signal shop, the locksmith, which is part of our Facilities Division. There is a Facilities area as well as a stock room for most of our day to day activities. That would all be located in the shops building. There is a mezzanine area for storage as part of the shops building. We have more elevation views. We have a vehicle storage building, which is pretty self-explanatory as originally

proposed. We have some refuse truck storage off to the east and larger equipment and smaller equipment stored in this area in here. Again we have more elevation views of the vehicle storage building. We will also have a vehicle wash and fuel island area. We also have elevation views for those areas. We will have a salt storage area at the southern end of the site across from Water Works. We have a plan of what we have gone through as a part of the value engineering. Not only was the team able to value engineer several items throughout the project, we actually value engineered somewhere between seven and eight percent of the project, meaning non-program type value engineering by taking a look at the roofs and different things throughout the project. I think that is important to note, the time and effort that went into it from everyone from the City, Lavallee Brensinger, as well as Harvey Construction, the value engineering. Beyond that, what we had to do was look at some program areas. One of those program areas includes reducing the size of the salt shed from about 12,400 tons to about 8,000 tons, which we feel very satisfied with. Our current salt shed has maybe 2,300 tons. In a typical year we may use around 12,000 tons and we typically do not have problems with salt delivery, which we get out of Portsmouth. We are satisfied with an 8,000 ton storage facility. The vehicle wash area has been integrated into our vehicle maintenance building, which I think is a great idea. It frees up room on the property and allows it also to be right near the vehicle maintenance building, which makes some sense to us. The vehicle storage building, the area has been cut roughly in half but it will be constructed and designed so that it can easily be expanded in future years. The last area is the used furniture building. Our proposal is to use the existing structure as it exists for our shops building. We are confident that we will be able to fit our shops in there. I think we will be able to do that. We may end up having to do some interior work or whatever work is necessary there. We potentially would do that with some of our own crews. Those are the larger program items that were taken out of the project but at the current time. Similar to the Chief, we feel very happy to be getting what we are getting. I think the administration and vehicle maintenance were the highest priorities for me. Most Aldermen have seen our garage so this would be state of the art equipment for our mechanics to work in. Similar to the

Chief, I like this project. I think we will be able to store the necessary equipment within the vehicle storage area during the winter months and during the summer months and whenever necessary with the potential of expanding that in the future. It is the same with the shops building; we are going to move into the existing structure but if possible, at some time in the future, we will build a new shops building. Quickly, I will go through the process that we have been through to get to where we are today. The master planning began in the fall and winter of 2009. The design took place during the spring and summer of 2010. The construction manager selection was in the summer and fall of 2010 as explained early, we started out with 12 and eventually made it down to three and ultimately chose Harvey Construction. Over the past couple of months, we have been doing the value engineering, which has taken a lot of work. As you can see from the attachment that you received, the five-page spreadsheet, the amount of work that went into it. Tonight we are hoping to move forward and get the approval to proceed. The construction documents will be completed through November 2010 and January 2011 and with Harvey beginning construction sometime in January of 2011. Lastly, you have a sheet that is part of your package that explains the funding for this project. This was a GMP that was originally proposed. The next column over is what we call proposed non-program value engineering, which we feel is not affecting the programs of the buildings. That total came to \$3.7 million, roughly. The fourth column on your sheet is proposed program value engineering, which is some of the items I just went through. These are items that affect the program but ultimately the project is where we feel it needs to be with the potential of future projects. The yellow column on the sheet you have shows our final numbers, total \$43.5 million, which is a number that was brought before the Board of Mayor and Aldermen at a previous meeting. That concludes our presentation. If there are any questions, we would be happy to answer them.

Alderman Osborne asked Chief Mara, the Police community room, once this is there could ward meetings be held there? I used to hold a few meetings back in the early 80's. Even now you will find that a lot of people don't like to go to certain places for a meeting

because the area is too dark such as Beech Street School. Some of the other wards like ward 3, and possibly wards 4, 7, and 5...I don't know about the west side; it would be a distance for them but in these areas where we are right in the heart of the city, center city, it would be nice for the people and more secure to go to a ward meeting in this particular community room. How do you feel about that?

Mr. Mara replied I think that is a great idea and this is the type of activity that we want conducted within the Police Department. I see the building and the Highway Facility as being an anchor for that neighborhood. I see people wanting to come to the Police Station. I think it will fit right into the community policing that we are trying to do.

Alderman Lopez asked in reference to the dispatch room, the construction phase, do all the hookups come with the computers and everything that needs to be done or is that extra cost?

Mr. Mara replied that is factored into the cost that is before you now.

Alderman Lopez asked you and I have talked many times and some of the other Aldermen know...where would your war room be, where you brief dignitaries or other state police? Where would you do that?

Mr. Mara replied there are several rooms that we are calling multi-purpose. Depending on the size of the meeting, and we have had many discussions about such a room, but the administration conference room would fit that purpose and there are some other rooms as well.

Alderman Lopez stated I am thinking of a place that I have read about and seen where they have a large TV and they can produce like you do on the computer, a crime analysis and all that.

Mr. Mara stated we are hoping to have something of that nature in the administrative conference room.

Alderman Lopez asked Mr. Sanders, as the Chief Finance Officer, in reference to the bonding, would you go over why it is important to do the bonding now and our bonding capacity is, if we do this?

Mr. Sanders replied certainly as the Mayor mentioned in his comments, we have this unique opportunity today to take advantage of the Build America Bonds 35% interest rebate as well as \$30 million of this project is being financed with Recovery Zone Economic Development bonds, which receive a 45% rebate from the federal government. Both of these programs only have about six weeks remaining on them of the Build America bonds and the Economic Recovery Zone bonds. Opportunities will expire on the 31st of December of this year. I think the most likely outcome is that they will not be renewed by the new congress and they will not be in place. Over the course of this project there would be considerable savings from the rebate over the next 30 years. In addition to the rebate, we also have an interest rate environment that is probably almost generational in terms of the interest rates that we are seeing today. Treasury bills for ten years are less than 2.5% today so we stand a very good chance when we go into the bond market in the first week of December to see interest rates that the City has never bonded for. Not to say that situation is going to go away at the end of December but it is in play right now and we have a unique opportunity to take advantage of that. As it relates to the capacity of the \$43.5 million, it fits within the capacity of the City today to issue \$43.5 million. From a legal or statutory point of view we are nowhere near our maximum but just in terms of the policies that the Aldermen have established and that we over many years have shared with the rating agencies, we have always tried to stay within a 14% to 16% of our general fund expenditures or revenues being debt service. This borrowing of \$43.5 million will put us just about at 14%, which would be the low end of that 14% to

16% range. It gives us the flexibility if we have absolute emergencies or essential bonding that needs to be done in the near term that we would have some capacity available to us to do that and still stay within the policies of the Aldermen and policies that the rating agencies hold in high regard. This is a significant amount of debt and we do need to be frugal over the next three to five years, I would say, in what we bond for and make sure it is essential. We need to recognize that we are approaching the high end of the range. I would say it still leaves us ability for two or three, or at the outside, four million dollars of additional debt service. It is within our policies. It is within guidelines that the rating agencies understand and we shared with them last week when we met with them. There were no real questions about the capacity or utilization of capacity. They did ask about future projects that might impede on that. They take it very seriously, so they are of the opinion that this is the major project in Manchester for the next five to ten years. There are no other major projects that we are facing. Any additional bonding that we do will be modest until this begins to pay down.

Alderman Lopez asked Kevin, Document A201-2007 and Document A133-2009, could you go through those briefly? I imagine from these two documents, which are probably standard in the construction industry, a complete contract will be made. Can you go over how this is going to work? Maybe Tom Clark can help us.

Mr. Sheppard replied sure, I will let Tim speak on our standard and typical contracts and then he could probably pass it on to Tom Clark.

Mr. Timothy Clougherty, Deputy Public Works Director, stated the A-133 and A-210 are standard forms of construction contracts in the industry. They are produced by the American Institute of Architects. The Department of Public Works has worked with the Solicitor's Office over at least the last decade in utilizing these specific documents and tailoring them to our needs. Relative to the specific clauses, I would like to ask Tom Clark to talk about some of those things.

Mr. Thomas Clark, City Solicitor, stated these documents are put out as national documents. Our office, along with the Public Works Department, has been tailoring and massaging these over the last ten or twelve years. We are very comfortable with the terms and conditions as they now exist that we use for City projects. These documents have been given over to the firm Sheehan Phinney; Ken Viscarello has given them a preliminary review. We didn't want him to do too much work until we got the go-ahead for the project. He has looked at them. He has noticed where the City has changed and massaged the documents over the years to try and protect ourselves further. The changes we have made meet with a lot of the changes he recommends for his clients. I am confident with his review and a second set of eyes to look at these documents that the City is going to be very well protected in this contract.

Alderman Lopez stated in approving this tonight, we are basically approving the two documents and there will be a complete document drafted by the attorney and your office to go along with these two documents.

Mr. Clark stated these documents will be massaged to become the terms and conditions of the contract. That contract will also incorporate the final specs as drafted by the architect and approved by the departments. That will become the full set of contract documents.

Alderman Greazzo asked Director Sheppard, looking at your value engineered site plan, are the grey areas what the buildings will look like now going forward?

Mr. Sheppard replied correct.

Alderman Greazzo asked specifically the Police headquarters, what is the square footage of that now?

Mr. Sheppard replied the Police headquarters, the top area is actually showing a mechanical enclosure that was on the roof at one time. It had some curved edges to it and we have squared off those edges and actually that saved the project some money. It hasn't taken away any square footage.

Alderman Greazzo stated so that won't be the footprint of the building. That is just the mechanical room.

Mr. Sheppard stated that is a good question, I should have clarified. That's correct.

Alderman DeVries stated I have a series of questions. If I could go first to Mr. Sanders, I just wanted to make sure I have clarity because I heard a couple of timelines given out to retire debt. At first you said it would be three to five years and then later I heard five to ten years before a new debt capacity becomes available to us. Maybe you could clarify that for me and if you could also give me more clarity as to if an emergency does arise. We remember we had a bridge that was set on fire. We lost our wiring harness that was strung underneath and that cost us a million dollars. Is that something that we would still have capacity for?

Mr. Sanders stated just to give you a frame of reference, for next year, after financing the \$43.5 million, we would see our gross debt service go in the general fund up to about \$17.5 million dollars from about \$14 million this year. That is before the rebate the Mayor referred to but just to stay with the gross debt service. It will remain in the \$17 million range until about 2015 and then it will slowly begin to decline into the \$16 million and the \$15 million in 2016 and 2017, not to go too far out. The comments that I was making was for the next three to four years into the 2015 timeframe. Our debt service is elevated and just as you pay your home mortgage, after you get a few years under your belt the debt service begins to come down more quickly as the principle

amount is paid off. For the first few years, I think that the capacity, the additional annual debt service, would be a maximum of four million dollars. Now for four million dollars you can borrow probably \$20 million if you only have to pay the annual debt service. I am a finance person so I am not recommending that we max out our debt service at these ranges. Emergencies always happen and you need to be very frugal with it. Once we get out into the 2016 to 2019 timeframe we will have swallowed a big piece of the debt service associated with this building. It will still be high but by 2017, we would almost be back to where we are today, if you had some appreciation for that. If I haven't been too confusing, it is later in the period than in the five to ten years that there would be more capacity available to us.

Alderman DeVries asked how does that interface with the city-wide needs, the Master Plan, if you would, for equipment, purchases, fire trucks and that sort of thing?

Mr. Sanders replied the current vehicle replacement program is at about three million dollars a year, which in a 20 year bond is about \$240,000 a year of additional debt service so we can manage that as we move forward. Once again, I am going to ask us to be frugal in making sure that the vehicles that we are purchasing, particularly in the early years, we really see a need for it. Maybe we can start ramping back up to the three million. That is just me speaking.

Alderman DeVries asked in that bonding capacity, the limits that we have hit includes schools as well, correct?

Mr. Sanders replied no, the schools stand on their own. All of these percentages are based on the General Fund budget for the City alone. The schools stand on their own.

Alderman DeVries stated Kevin, I noticed in the value engineering matrix that you have distributed to us, there have been some deletes or changes that have occurred and I thought maybe you could comment on a couple of them. The garage equipment, I noticed nothing is allocated within the grid that was presented to us. It would be garage equipment, lifts, tools, and equipment. There is a note saying that we would pay with future cash allocation rather than bonding. Would you speak to that for me?

Mr. Sheppard replied that is line item that you are probably familiar with: furniture, fixtures and equipment for the buildings. That is to furnish the new buildings for the Police administration and the Highway administration. Most of the equipment in the vehicle maintenance is actually covered under the Harvey contract but there is some City-provided equipment in the vehicle maintenance building. I think the intent there is looking at probably at least a year out that we are going to need that furniture, fixtures and equipment. I believe the Mayor's intent is to work with the Aldermen on that.

Mayor Gatsas stated let me just jump in on that because I think it is important that discussion happens. Rather than reducing the scope of the building by another \$1.5 million and understanding that it is probably 12 months to 14 months before we will be ready to occupy the buildings, we have some opportunities. Hopefully we can get the Hackett Hill Fire Station up and running and take the revenue from that project and put it into our one-time account. Hopefully we will talk about selling Wellington Hill so that we can take that money and put it into a one-time account and probably some other acquisitions and sales. We have the Facilities building that we will be selling on Clay Street which we can utilize some funding on. I think that rather than reducing the scope of the building by \$1.5 million we should look at avenues how in twelve months...and I know that we are very creative with finding ways to do things, that we take that and put it into the building and then come back and look at that \$1.5 million in twelve months so that we can furnish it. Certainly, I can tell you that as we scrutinize the furniture, I think

you will find that we can probably do some things and change the concepts of what we are looking at and how we are moving forward on that. I think that has got to be something that I didn't want to see the scope of the buildings reduced anymore and I thought it was important to put that \$1.5 million into at least vehicle storage and also the maintenance garage so that we as a Board can come back and find that money to furnish those buildings.

Alderman DeVries stated thank you for the clarification on that. I guess you are saying 12 months to 18 months.

Mayor Gatsas stated I think you are going to find, that the timeline that we are talking about for the Highway building to be constructed is probably 12 months to 14 months, sometime in March of 2012.

Alderman DeVries asked I guess the clarity that I am looking for is, are you looking for cash allocation in next year's budget to appropriate for this?

Mayor Gatsas stated no, I would be looking at some of the funds that would be replaced to us from the School District because we gave them a loan so we would be seeing probably somewhere in the vicinity of \$400,000 to \$800,000 in that timeframe that we may be able to use one-time moneys. To be buying furniture, I don't think that furniture should be part of a bond as we go forward. It doesn't make sense to bond a desk that you are going to replace in ten or fifteen years, not that they have had much replacement at either Highway or Police but to take it out for a 30-year period doesn't make much sense.

Alderman DeVries stated I guess the note that was included with this must not be quite correct because it seemed to be talking about the hydraulic lifts for the garage as well.

Mr. Sheppard asked do you know where that is? Can you explain that?

Alderman DeVries stated I am looking at the large matrix that was handed out to us. If you look at the front page, it doesn't have a number but it is right between 0-1 and 0-2. It is the second item down. It says garage equipment, lifts, tools and equipment.

Mr. Clougherty replied the \$1.5 million that was referenced...

Alderman DeVries interjected it doesn't have a dollar amount there.

Mr. Clougherty replied I understand that. I apologize. Number 0-1...

Alderman DeVries interjected is that part of 0-1?

Mr. Clougherty replied yes it is. The \$1.5 million that isn't on this sheet but is being referenced as the amount that is required is broken down roughly \$800,000 in Police furniture, \$400,000 in furniture fixtures and equipment for the administration building and then \$300,000 for other miscellaneous garage and shop equipment.

Alderman DeVries asked so that is a catch-all phrase that was next to it?

Mr. Clougherty replied that is correct.

Alderman DeVries stated changes a little further down on the sheet provided, it looks like we had to drop some of the LEED engineering, whatever you would call the LEED program. We aren't in any way jeopardizing part of the federal dollars because of the changes to the LEED status of the buildings, are we?

Mr. Clougherty replied we are not.

Alderman DeVries stated the changes that have been made to the insulation...the note indicates that there may be some additional long term costs for the heating of the building because we are going from one inch to three-quarter inch insulation in the roof. How did that work out? What is the actual trade-off? What is the recoup time of the savings that we would have had if we expended for the greater insulation?

Mr. Clougherty replied I am going to let Chris Drobat with Lavallee Brensinger, who has been administering the LEED program on our behalf, answer that question.

Mr. Chris Drobat, Lavallee Brensinger, stated with regards to the insulation, our engineer, Dennis O'Leary from RDK Engineers, who is here, ran the numbers. Behind the scenes they have what they refer to as an energy model. It is a pretty in-depth calculation. That said on fairly short notice since these changes have taken place, we have had him run the numbers. They are not all final. He thinks the insulation is approximately \$500 a year increased energy costs for each building. The white roof that is on there, which changes from a white, PVC or plastic roof, to a EPDM more like a rubber roof, which is a black color so it absorbs a lot more heat and you really pay for that with cooling costs in the summer. That is about \$1,000 additional costs. If you run the numbers back in there, some of those take a pretty long time to return that investment based on the numbers that we can save. It is a question of how far out you want to go. They go beyond the normal five-year payback. You would have to look at the life of the building before you get to see paybacks. From a LEED standpoint, it would take a much more complex analysis. The LEED system is a point-based system so each of these accumulates points. There may be a point or two that may impact that. That said, we still haven't put ourselves out of the running of achieving a LEED certified building. Right now we are in a high LEED certified level. There are four levels; certified, silver, gold and platinum. We were shooting for silver; right now we are in a LEED certified level, which is the lower level.

Alderman DeVries stated thank you for the indulgence, Your Honor. I don't think we have had the discussion at this Board. Why would we care about having any LEED certification?

Mr. Drobat stated LEED is certainly the process, aside from the benefits in energy savings, which presuming you would do otherwise, that is the key decision. A code minimum building versus a LEED building are two different items. You are looking at a much higher performing building with a LEED building than you would be if you said we are going to do a code minimum building. To the City, it is understood to be the means by which you represent. Do you care about designing and building a green facility? Many cities use that as the benchmark that would represent that this is the first LEED project in the City of Manchester. There is sort of a residual value that is maybe difficult tangibly but assuming you are otherwise putting the green features into the building and you are able to achieve that then this is merely a public recognition of that. It is a national and international public recognition that you have a green building.

Alderman DeVries asked in this project, we haven't been tied to any dollars that are coming to us because we are building out a LEED silver level?

Mr. Drobat replied not that I am aware of. As far as a LEED label, if you have received any dollars, such as an energy efficiency rebate, it would come due to the energy efficiency features you put in. Not just as a LEED.

Alderman DeVries stated so those would be separate and rebateable for each individual item that we are implementing. Thank you for the clarification.

Mayor Gatsas stated let me tell you that the objective I gave the committee is that if we couldn't recoup money within a five year period, that it was going to take ten or fifteen...in the private sector if you are not going to get your money back in five, the

amount of dollars that you are investing doesn't make sense. We shouldn't do it at the public level, when you are not going to do it at the private level.

Alderman Corriveau asked Your Honor, can I follow up on this line of questioning, if that is alright?

Mayor Gatsas stated we will get to you there are a few ahead of you.

Alderman Ouellette stated I am going to follow up with what Alderman Greazzo was getting at in terms of the site plan. The difference between the proposed site plan and the value engineered site plan, I just want to make sure going forward that the changes that are being made...and what I am also hearing is that we are planning for future growth... I guess Kevin, one of my questions is about the MPD headquarters. The first MPD headquarters slide is the same building that the proposal is going to be building so in terms of square footage, it is the same. We are not cutting down on the square footage?

Mr. Mara stated the square footage remains the same. That mechanical area was not in the equation.

Alderman Ouellette asked have you added in that square footage ample room, in your opinion, for growth within the foreseeable future?

Mr. Mara replied yes.

Alderman Ouellette stated Kevin, your buildings are significantly reduced but what I am hearing is you are not planning on growth or significant growth in the near future.

Mr. Sheppard stated I believe that our administration building as well as vehicle maintenance building will allow us for growth by integrating the vehicle wash into the vehicle maintenance area. That did impede some of the square footage but I think the most important part of that is the twelve large bays and the five smaller bays for vehicle maintenance. That was sized for the City's fleet that we will be maintaining at this facility. Again, one of the most important and probably the most important part of this project to me was the vehicle maintenance building. If you have ever seen our garage or the safety of our garage, this is going to be a state of the art facility that will be safe for the employees. The vehicle storage building, like I said, was cut roughly in half. I think it is going from roughly 58 vehicles to maybe 20, so a little bit less than half, but it will be able to be expanded in the future should we be allowed to. For the shops building we believe we will be able to use that existing structure but potentially in the future if monies are available there would be potential to construct a new shops building. I think we have hit the high points of what we need. For the salt shed, 8,000 tons is an adequate quantity to store during the winter months. Since I have been at the Highway Department, or Deputy Director, I think there has only been one storm or one time that we had trouble getting salt or sand but 8,000 tons will take us through quite a few storms before the need for refilling that facility.

Alderman Ouellette asked with the salt shed and the vehicle storage area, what is going to happen now? That should free up quite a bit of land there, whereas the vehicle storage building is almost cut in half. What are we proposing? Are we proposing parking there?

Mr. Sheppard stated that will continue to be vehicle storage but it will be exterior storage versus interior storage in that area. Especially up in the salt barn and where we moved the vehicle wash over to the vehicle maintenance building, that area may get laid out a little bit differently. Where the salt barn is there was a retaining wall along the railroad bed, which is to the east of that building. That salt barn may get shifted a little

bit westerly so we can eliminate that retaining wall and create some savings for the project. The intent is for future growth of both the vehicle and shops building.

Alderman Ouellette stated I guess I am not clear on the answer. Looking at the vehicle storage building, I see a line drawn right through the middle of it. Is that where the building is going to end now?

Mr. Sheppard stated that is where the building is going to end.

Alderman Ouellette stated the area that is not shaded in green, to the left, is going to be held over for future growth.

Mr. Sheppard stated held over for future growth but outside vehicle storage will be in that area.

Alderman Ouellette stated the furniture store...obviously to me that is a cost saving measure right there. It is why we are going to keep the existing structure.

Mr. Sheppard stated correct.

Alderman Ouellette asked have we looked at the existing structure? Is it sound?

Mr. Sheppard replied I know Tim has looked at it. We have all taken a tour of it. We have actually been through it with the Building and Fire Departments as well. Kevin O'Maley and Tim Clougherty have taken a look at it for our uses and they feel comfortable that we are going to be able to provide the storage and the shop areas within that existing structure that we need.

Alderman Ouellette stated again, just to get it on the record, you are very comfortable, I have talked to you today too and you are comfortable today but you are comfortable moving forward with this plan and you are recommending that this is the way you want to go, as a Department Head

Mr. Sheppard stated correct. Based on the funding, we support this 100%.

Alderman Shea asked are we borrowing \$43.5 million or \$45.5 million with the bond? I think we added two million to Water Works. Is that correct?

Mayor Gatsas stated no, we are bonding \$43.5 million. That includes purchase of the storage building and purchase for \$400,000 the land from Water Works.

Alderman Shea asked where are they coming up with the two million?

Mayor Gatsas replied that was another plan. That was if we were going to take their property in its entirety and they were going to move elsewhere but they are staying where they are at so that two million dollars is not part of this deal.

Alderman Shea stated when he came before us to make improvements to the system, in other words, the roads and so forth, he mentioned two million dollars that we did vote on. Where is that? Is that a separate bond?

Mayor Gatsas stated Alderman Shea, we also asked the Commission to come in and only accept \$400,000 for the land that we were purchasing because the \$2.4 million was to buy the building they were in and also the garage. Subsequent to that...

Alderman Shea interjected no, at the last meeting or the one before that, Your Honor, the Water Works Department appeared before us and they wanted \$2 million in order to maintain the improvements that they are doing.

Mayor Gatsas stated that is a bond that was approved previously. It is not part of this bond today. That is another bond.

Mr. Sanders stated the bond for this public safety complex is \$43.5 million. An additional \$2 million has been approved by the Aldermen and by the Water Commissioners for projects completely unrelated to the public safety building. That \$2 million is going to be used for various capital replacements and improvements to the water system and is unrelated to this particular bond. We are bonding the additional \$2 million when we go to market with this \$43.5 million.

Alderman Shea stated this main not be germane but it is interesting to me, when we borrow the \$43.5 million and we begin to pay the expenses, do we get interest on the money that we don't pay off until we have to use it? Do you put that in the bank and get 1%? Would you explain that please?

Mr. Sanders stated yes, we do put the \$43.5 million in the bank and it will be paid over the next two years as this project is developed. The City does earn interest on that \$43.5 million. There are some tax rules that we have to go through which I won't bore you with but potentially there might be some residual interest income that would be available for the project as we reach the final conclusion of it.

Alderman Shea asked how much would you estimate that we might get from that?

Mr. Sanders replied I don't have a draw-down schedule at all, at the moment, as to how the money would be spent. Assuming it would be ratable we would probably over two years have about \$20 million in the bank on average and we would probably make about \$200,000 maybe on average.

Alderman Shea asked can that be used towards the furniture that the Mayor was speaking about?

Mr. Sanders replied it could be used for project-related costs; that is correct.

Mayor Gatsas stated if we were really lucky, Alderman, maybe interest rates will go up to 5% or 6% and we will hit a windfall.

Alderman Shea stated I am sure we would all share that information.

Alderman Arnold stated first, I would like to compliment the Public Works Director and all the individuals, City staff as well as all the individuals who have been retained. I think they did a remarkable job. I am not sure if it is Harvey, Kevin or your office or the team as a whole that deserves credit for the matrix but I found it incredibly helpful. Whomever the thanks go to, I thank you. I will start with some comments to the chief. Chief, as I think you know, both because you and I have had conversations about it and I believe other Aldermen have expressed an interest in it as well, a concern I had with this project was are we forward thinking enough so that we can account for what your needs and the City's needs will be beyond the day that this new building opens? I am glad to hear several of the comments you made tonight, which is that you have planned for expansion. So in the future, I am presuming that if funding becomes available, whether it is through grants or some other means, the opportunity is there to meet those future needs. Is that correct?

Mr. Mara replied that is correct. One of the main concerns that I had was if 20 years from now we have 50 more police officers, are they going to be able to fit in this building? I feel confident that there is going to be locker room space. There is going to be enough room to accommodate the extra evidence coming in as well as. We would still be able to train them in our building and provide very good training at that facility.

Alderman Arnold stated I will just use the firing range as an example because it was indicated as an example of future growth potential in one of the slides. Do you have some kind of funding earmarked for that? Is it just if funding becomes available through a grant or something that that would expand?

Mr. Mara stated I don't want to be too overconfident but I feel that we are going to be able to find out if we are going to be able to get funding from a couple of different sources, so before this project even gets finished, the initial construction gets finished, we are going to be able to have the ten lanes. That is what I am going to be working on, to make sure we are able to do that. I am also confident though, that if for some reason we are not able to do that in the future we will keep pursuing those funds that we will be able to expand.

Alderman Arnold stated to the Public Works Director or the Deputy Director, I think I have had conversations with both of you about a couple issues here. One thing I wanted to check on is the salt storage. I think it makes sense if our current storage capacity is what it is and what's being proposed is quite a bit higher. That makes sense. You guys are comfortable with that, correct?

Mr. Sheppard replied correct.

Alderman Arnold asked do we pre-purchase the salt for the City? Are the prices locked in?

Mr. Sheppard replied we actually lock in a rate typically during the summer months. We go out to bid in the late summer, early fall. In the past we have actually gone onto the state bid but typically we found that we are getting better numbers than the state. For this coming season we were actually able to lock in at the past years price on salt. We do lock in so that it is a fixed number for the year.

Alderman Arnold asked so we won't run into the situation where we need to buy more salt and therefore find ourselves succumbed to January rates, right?

Mayor Gatsas stated that is a great question that you asked, Alderman. I can only tell you that probably four or five years ago, there was an Alderman in Ward 2 who asked the question, 'Can we pre-buy salt and store it?' because we had a surplus. Come to find out we were able to do it. I think at the time we heard from our Finance Officer, not the current Finance Officer, that we couldn't do it. Come to find out we could have done it.

Alderman Arnold stated excellent job, Your Honor.

Mayor Gatsas stated we have the ability to pre-buy. It is just a matter of, if they have a good winter, if there is a surplus, does it make sense for us to buy salt at a lower level and certainly it does.

Mr. Sheppard stated one point that Tim just brought up and it typically has never been the case for us but typically when we bid this out we say an average of 10,000 tons of salt per year but if we have an extraordinary winter and we end up needing 20,000 tons, there may be an escalation, or unanticipated increase. We have never run into that issue but I wanted to make sure I clarified that.

Alderman Arnold stated I appreciate that. My other concerns were addressed by questions from other Aldermen. One other issue, Your Honor, which I believe is properly directed at you, at least in the first instance. It is my understanding that the construction manager contract once Sheehan, Phinney, Bass and Green has it drafted, is going to come back before this Board before it is executed. Is that correct?

Mayor Gatsas stated I will leave that up to Mr. Clark. I think that is a process that is different each time we are presented because I think normally, the way I remember it as an Alderman, is that the Highway Department enters into those contracts. We merely tell them to move forward. Mr. Clark can address that.

Mr. Clark stated as you have explained, Your Honor, that is the normal process. The Highway Department as the lead agency in this project would negotiate the contract using either my office's help or outside counsel. In this case there will be both. Outside counsel will be sitting down with City staff going through the terms and conditions and refining those and then incorporating all the specifications for the construction work. Then we will be meeting with the construction manager, Harvey Construction Corp. and possibly their attorneys to make sure we are all on the same page. Normally those contracts are then executed by the Highway Department, Kevin Sheppard, but as with any action of the City, if the Board so chooses to tell him to come back here before they sign it, that is a Board decision.

Alderman Arnold asked Attorney Clark, do you have a timeframe right now from Sheehan Phinney as to when we can expect a draft of the contract?

Mr. Clark replied they haven't given me a timeframe yet. They do have our normal terms and conditions and supplementary terms and conditions. They reviewed them quickly. My instructions to them were to do some brief preliminary work, not to get into

any heavy lifting because their fees are going to be coming out of the \$43.5 million and I don't want to incur expenses that I don't have the money to pay for.

Mayor Gatsas stated I have negotiated that down as low as I can get it.

Mr. Clark stated the Mayor did a good job on that.

Alderman Arnold stated the reason I ask about the timeframe is because my next question was going to be to the Public Works Director, whether or not there is any problem time-wise with coming back to this Board, once we have a draft of the construction manager contract. I know you might be facing some time sensitive issues but I am wondering if it is not at least possible for us to do it that way.

Mr. Sheppard replied my only concern is, I know Harvey Construction has actually put in quite a bit of work to this project already, and it was stated clearly in the proposal that they submitted that there was no reimbursement for Harvey Construction as part of the pre-bid package and going through this construction management or value engineering process. What we have approved right now is \$2.1 million, which covers the architectural costs.

Mayor Gatsas stated I think some of the question is we need to get the bonds out to the marketplace.

Alderman Arnold stated no question, Your Honor. I guess I should clarify my concern. I have no problem voting to move this project forward tonight. However, when Alderman Lopez mentioned the construction manager contract, we don't have that contract yet. I guess I am wondering if we can't separate it out so that the contract comes back to this Board. I guess whatever the City Solicitor feels the earliest possible time it

can whether it is at the next full Board meeting or what. I don't think that precludes the project from moving forward.

Mr. Clark stated authorizing the City staff and my office and your office to move forward with the \$43.5 million project now basically commits the City to the construction manager contract. We can't bring a contract back to this Board and have the Board then say, no, we don't want to do it. We would then be incurring expenses based upon those bondings.

Alderman Arnold stated and Tom, you have to appreciate the position we are in that you are asking us to commit to a contract that we haven't seen yet.

Alderman Lopez stated the two documents which we received here that have been scrutinized and many paragraphs scratched out, are going to be mostly the final document that is going to be drafted up. If there are any major changes to that, I definitely think those major changes would come back.

Alderman Arnold stated I heard that too Alderman Lopez, and I think that is a misnomer because I don't believe the documents we have before us have at all been touched by the outside counsel that we are going to be paying a certain amount of money to draft this final version. I will defer to Solicitor Clark. Am I misunderstanding something?

Mr. Clark stated no, as I told you, they have given it a preliminary review. The word that they have gotten back to us is the changes and the tweaking that the City has done over the last ten years to these AIA documents are basically in line with the changes that he recommends for his clients. There will be some minor tweaking to further provide guarantees and safeties to the City to protect the City. These documents are in large effect what the final product will be.

Alderman Arnold asked may I ask whether or not the documents that we have been provided tonight came from Sheehan Phinney or if they are the templates that have come from your office, from years of tweaking?

Mr. Clark replied those are the templates that were provided from the Highway Department. That office and my office have worked on them over the years. They have not come from Sheehan Phinney.

Alderman Arnold stated that suggests to me then that whatever we are paying Sheehan Phinney for, we have not yet seen. I guess I will defer to other individuals who have questions, Your Honor. If we are paying attorneys to do something and we are saying, 'Whatever you come up with, that is fine,' doesn't quite jive with me.

Mayor Gatsas stated I think you will remember that I thought it was imperative that we find outside counsel to make sure they protect us in this because I don't have the ability to go after Mr. Clark's E&O insurance if he fails or has a problem.

Alderman Arnold stated I agree with the move, Your Honor. I just wish that this Board saw a final version of the contract before it was executed but I will defer to other colleagues. Thank you.

Alderman Corriveau stated thank you, Your Honor. I would like to follow up on Alderman DeVries's line of questioning in regards to some of the sustainability and efficiency initiatives on this project. I guess I will go back to the white roofing to start. Chris, I think you mentioned that essentially the white PVC roofing would save approximately \$1,000 per year per building in energy costs on average. Is that right?

Mr. Drobat stated that is for two of the buildings. That is the Police building and the administration building. Those two buildings have air conditioning.

Alderman Corriveau asked now, on page 2 of Harvey's value engineering matrix, at the bottom, it looks like there are six buildings, is that right?

Mr. Drobat replied that is correct. Each of these letters correspond to a building type, A being administration, M being maintenance, V being vehicle storage, S being shops building, the wash building and the Police station.

Alderman Corriveau stated those line items add up to about just over \$141,000. I have \$141,393. Is that correct?

Mr. Drobat replied that seems correct.

Alderman Corriveau stated you said it was about \$1,000 per the two largest buildings.

Mr. Drobat replied it is due to the air conditioning. The savings is in the summertime primarily because in the winter time, the roofs are covered in snow. It is technically a white roof. In the cooling season is when your savings relate to the white roof membrane.

Alderman Corriveau stated the other four buildings, do you have any sort of numbers on those? Obviously it would be under \$1,000 a year per building.

Mr. Drobat replied it would be much less. I will give you a good example. The vehicle storage and the vehicle maintenance for example, have so much ventilation air that they are essentially making themselves the ambient air temperature of whatever the given day is. They are passing a fair amount of air, especially the vehicle maintenance garage needs to keep that ventilated so there is not a build up of carbon monoxide and any other fumes in there. You are really not holding air trying to keep it cool inside on a hot

summer day. You need to ventilate it so it is really not part of the discussion for those types of buildings.

Alderman Corriveau stated for the police station \$22,322 and for the administrative office is that the \$12,877?

Mr. Drobot replied correct.

Alderman Corriveau stated those two numbers add up to about \$35,000. It would cost essentially \$1,000 per building. So for the two years, \$2,000, theoretically we would make up the \$35,000 in 17 years.

Mr. Drobot stated that is assuming that current savings remain constant. If energy prices increase, which is likely, that is not taken into account.

Alderman Corriveau asked do you think that is a minimum?

Mr. Drobot replied I don't know how much higher rates will go. Without doing a very extensive analysis of this, it is hard to say exactly where. You would have to run some scenarios. As you do with the life cycle cost analysis, you look at projections of where energy costs may go.

Alderman Corriveau asked are there any additional benefits apart from the energy efficiency savings from the white PVC roofing as opposed to the black?

Mr. Drobot stated the reason that white PVC is recommended is two part. One if for the energy savings of the immediate building and the second is what they refer to as the heat island effect. Buildings in urban environments accumulate heat over the day and anybody who either works in the city and lives five miles out of the city in the suburbs

will recognize this effect. The buildings, the pavements, all of that accumulates heat and is referred to as the heat island effect. After a stretch of sunny weather, the entire area heats up and contributes to warming of building and air around it which requires air conditioning systems all around to work harder in order to keep it cool. The more heat you can reflect off of the building, send back up into the atmosphere essentially and keep that from heating the buildings overall, the better. It gets even more illusive to try to determine how heat built up on the roof of the police station say, affects the DPW administration or for that matter a neighbor across the street. Each of those has a little bit of an effect that does accumulate over time. It is part of that green thinking or green practice to try to keep those roofs cool in the summertime for an all around benefit.

Alderman Corriveau asked based on my rough calculations, admittedly rough, do you think it would take approximately 15 to 20 years for the City to recoup its energy savings?

Mr. Drobat responded based on the initial analysis that seems to be in reason.

Alderman Corriveau asked what is the projected lifetime of these buildings?

Mr. Drobat replied actually just to put it in perspective the lifetime expectancy of the roof is 20 years. It is a 20 year warranty. For the building, 50 years is not unrealistic. During that time you are going to be doing rehabilitation at some point but on the structure, the building as it exists. These are plans for long-term buildings for the City.

Alderman Corriveau asked Kevin or Tim, do you have anything you want to add to that?

Mr. Clougherty stated I think Chris did a great job talking about the sustainability aspects of the white roof. In general, there are obviously sacrifices that we have made throughout the five pages here. From a maintenance longevity perspective, the PVC roofs are great. They are more expensive but they are better constructed. They have better seams. Things like that. Again, we have had to make some sacrifices. We are happy with the document. We are happy with the scope of the project.

Alderman Corriveau asked is the PVC more likely than the black EPDM to take you through the 20 year warranty?

Mr. Clougherty replied it is hard to say. It really depends on how much maintenance you perform on the roofs. If you are keeping it free of leaves and making sure that when your maintenance technicians are up there working with their tools, that they are protecting the roof...I believe that the PVC is a tougher material. It is not as susceptible to the UV degradation that EPDM is, being a rubber product. So, yes, I think generally PVC would last longer. Again, we have had to make some sacrifices. If there are dollars and cents that we can put back into the project after we go through bidding, and quantify some of the savings, this would probably be one of the first areas that I would recommend.

Alderman Corriveau stated I was curious because if we are looking at \$35,000 and the City has had some roofing issues, whether it was Central High or Engine 8 or in my ward. It is just an issue that I would prefer that we have at least an initial discussion on in terms of most sustainability and the long term effects of roofing. In terms of the insulation Alderman DeVries discussed, those six items by my calculation, actually added up to an even \$26,000. You said that we are looking at roughly \$500 a year in energy savings per building. Is that for the two big buildings you were discussing, administration and police?

Mr. Dennis O'Leary, RDK Engineers, stated the \$500 is a number for the heating portion of these buildings. Any building that is heated would save about \$500 per year. That would be for the police station, administration building as well as the vehicle maintenance building. Unheated buildings would not be in that portion. The other thing that I want to point out is that we are talking about paybacks and energy savings. There are a lot of energy savings to the entire scope of this building. We try to be very choosy where we spend our dollars. For example, 17 year paybacks are not exactly what we are looking to spend our dollars on. We would take those dollars and cents and actually put them into energy recovery units where the bang for the buck is much greater than that. You get paybacks for two, three, four, or five years. Radiant heating is an example in the space and high efficient chillers. We also try to spend our money in areas where we are going to get rebates back from the utilities so we have a plan to go back to these utilities to get money for our condensing boilers, high efficient chillers...

Alderman Corriveau interjected would there have been any rebates on the insulation or the PVC roofing?

Mr. O'Leary replied no. There are two types of rebates. One is what they call constrictive. You put a high efficient chiller in, you get some money for it. You put in a high condensing boiler, you get about \$1,000 for the boiler depending on the size. Then beyond that, there is what is called a customized program. That is where you look at the entire building efficiency. The utilities look for rebates. That only comes back about seven and half years, tops. It is well beyond their envelope for that. We try to focus our dollars and cents on the ones that we cover year after year, routinely for a good period of time. There are a lot of savings between the first few inches of insulation but after you get to the top layers between 20 and 24 U or R value there is not a lot.

Alderman Corriveau stated as I said, I added those figures up. It came up to \$26,000. I was wondering in how many years we would make that back in energy costs. Granted we are obviously estimating here.

Mr. Drobat stated at least \$500 for all buildings.

Alderman Corriveau stated at least ten years probably more.

Mr. O'Leary stated well beyond ten years.

Alderman Corriveau stated regarding the electronic flush valves and faucets, to follow up on that, I added those items up and it came to \$15,633. How long would it take us to make up for that in the water savings?

Mr. Drobat stated just to clarify, not every one of those is a water savings. The electronic flush valves have a benefit of being touch free, as we all know. So there is a sanitary aspect. That is certainly the primary reason for the use of these flush valves. Secondarily depending on the environment, it is a less vandal prone usage of it. Where there is a physical lever, especially in a school environment for example, you could use it and cause damage or cause it to run indefinitely. Regarding the faucets, we did some homework on your question and we appreciated that. There is the electronic type which is a sensor hand faucet. The next level from that would be using what they refer to as a metering faucet. These are the type that you see, you press them down and the water runs for 15 seconds and then stops. It stops after a certain amount of water has come out of it. You still return the water savings but it is a manual faucet so the cost savings is found there as well. We would still be proposing a metering, low flow so it's negligible, any water savings for those types of fixtures.

Mayor Gatsas stated we don't pay for our water so it is okay.

Mr. Drobat stated all the fixtures are low flow and ultra low flow fixtures so we would have to maximize basically the state of the industry, the state of the shelf if you will, what is good practice today to maximize water savings.

Alderman Corriveau stated thank you for answering my questions. I certainly appreciate it.

Mayor Gatsas asked Mr. O'Leary, can you discuss the radiant heat and what you think that cost is for implementation and recovery?

Mr. O'Leary replied radiant heat in a vehicle maintenance building allows you to keep that building at a lower temperature. One of the big issues on heating such a large area, a large open area, is stratification. What is happening is you are down low trying to maintain a 65 degree temperature. Up in the ceiling space it is considerably harder. Radiant heating we calculated about a seven and a half year payback for the radiant heating to use underground heat for the vehicle maintenance building.

Mayor Gatsas asked that radiant heat would come from the...

Mr. O'Leary interjected right now the plan that we have, there are three or four gasified condensing boilers. Those condensing boilers run at 95% to 97% efficient. The heat would come from that.

Mayor Gatsas asked what is the additional cost on the flooring?

Mr. O'Leary responded I don't know that.

Mayor Gatsas asked what about insulation?

Mr. Drobat replied the total cost is \$48,000.

Mayor Gatsas asked what is the recovery of that?

Mr. O'Leary replied about seven and a half years, we estimate.

Mayor Gatsas stated that is with the understanding that the radiant heat is traveling underground to get to the police station, to get to the maintenance building and it is coming out of the Public Works building.

Mr. O'Leary replied correct. We have one central plant gasified condensing boilers. We will have underground piping to both the police station and to the radiant space also.

Mayor Gatsas asked where have you seen most of that construction happen, in the south or the north?

Mr. O'Leary replied north. The farther north you go, into Canada and northern Massachusetts there are a lot of facilities with radiant heating for these large areas. The basic reason for it is you can run it at a little lower temperature and you don't have that huge stratification low to the ceiling.

Mayor Gatsas asked where was the last building that you have seen built with this kind of square footage in the north?

Mr. O'Leary replied a lot of car dealerships have them. The MBTA bus station in Lexington, Massachusetts has one.

Mayor Gatsas stated I would assume that is going to be a value engineering discussion that I thought we had but maybe we need to revisit it. Thank you for your candor and your insight.

Alderman Craig stated it is my understanding that the vehicle storage building is going to be pre-engineered. I was curious as to whether or not you looked into having the vehicle maintenance building be pre-engineered and if so if we would realize savings. We could make the storage building a little larger.

Mr. Sheppard stated that is a good question and you are correct the vehicle storage building we have looked at the pre-engineered building and I will let Chris answer regarding the vehicle maintenance building.

Mr. Drobat stated thank you for the question. It is a good one. It is one we looked at as we considered cost savings. The pre-engineered buildings work best and they are most cost effective if they are more or less unchanged out of the box. It is pre-engineered, pre-designed; it was designed for somebody else maybe many years ago. More or less they pick these designs and then build the size of the building that you need. For the vehicle maintenance garage there are a number of elements to that that will require that system to be customized because we have a lot of heavy systems that are hung from steel. For instance there is a bridge crane that is actually mounted to the steel structure. There are very specific, what we refer to as, point loads, heavy weights that could be on this crane in its use for lifting a vehicle body or an engine off. They can do the required maintenance on that. So each time you do these little modifications, you begin to close the gap above that Y delta of cost savings. When it is a large warehouse it is most advantageous but as you start to customize it the cost savings shrinks. After discussing this with Harvey, and they have had numerous experiences with doing these types of buildings, they said it is really not in our best interest cost wise; by the time we are done, we probably won't realize the savings. The second piece is these pre-engineered

buildings, if you have ever been in one, have enormous steel frames. They are much larger apart than you would have normally. The problem is when they come down to the floor slab, they actually could stick several feet into the floor area and create an encumbrance. Something that forever they will have to walk around and keep clean. Whereas with the system we have designed, we have a relatively flush wall system that allows for free movement of people around the different areas.

Alderman Craig stated I have a few other questions. I agree with Alderman Arnold in terms of the work that was done here in this matrix. It is very impressive in terms of the line items that you have worked on, to the point that you have gotten down to a cost savings of \$187 and five pages. With that, I was a bit surprised to see that there is still a contingency of \$1.5 million associated with Harvey. I was wondering if you could explain that, please.

Mr. Sheppard stated yes, we see that as a project contingency. The plans are not 100% at this point. We will be taking that through to completion, the plans to construction documents sometime in early January so it is not only design contingency, construction contingency, it all depends on who you are talking to what contingency that is. We don't feel it is a contingency of \$2 million out there. There may be other costs that are identified.

Mayor Gatsas stated there may be other savings in the contingency and I agree with you, Alderman Craig that before one penny is spent out of that contingency it will come before the subcommittee of this Board.

Alderman Craig stated that was my question, should it be an owner contingency versus...

Mayor Gatsas interjected that is exactly who it belongs to and certainly when the final number is going to be put on the table that somebody is going to have to live by, that \$1.5... It used to be \$2 million, if you notice it started at \$2 million and they moved some of those dollars around within the document. There is not going to be additional spending on any drawings. There is a number in place and that is what we are going to do the architecture in, without a question of a doubt. I agree with you, \$1.5 million in probably two months when the final document is before us and the final drawings are before us that committee is going to maybe withdraw that or at least take a look at it. I agree with you.

Mr. Sheppard stated the Mayor is correct. It is actually \$2 million contingency; there is \$1.5 million and another \$500,000 identified in hazardous materials. There is actually I think \$300,000 up higher, roughly. The Mayor is correct.

Mayor Gatsas stated it may even grow a little bit more if we change our radiant heat situation.

Alderman Craig stated in the owner soft costs, the \$4,678,000 there is a line item or place holder for moving expenses for Highway and Police and PSNH relocations but there is no money associated there. Where is that money coming from to pay for those?

Mr. Sheppard stated we have moved those moving expenses. We feel that we can do most of the moving with City employees, with our own crews. We are talking about moving from our existing building across the yard. As far as Public Service, we have been working with the Mayor and the Mayor's Office regarding the utility costs, PSNH costs and the City Solicitor's Office, there is a potential that there would be no cost attached to that. Again, we are working with the City Solicitor and the Mayor's Office. There is \$50,000 carried in Harvey's number for utilities but we are hoping that number is actually zero.

Alderman Craig asked the assumption is that we are not going to spend any money?

Mr. Sheppard replied correct.

Alderman Craig stated on pages four and five at the bottom of the pages, we have a review lighting package and there is about \$100,000 associated with that. If we are saying to review it, is that a true savings at this point?

Mr. Sheppard replied that is the site lighting I believe.

Alderman Craig stated it is in administration and maintenance shop.

Mr. Clougherty stated those are lighting packages for the buildings themselves. Based on Harvey's work with the potential electrical subcontractors and the lighting suppliers, they feel that based on the specifications we provided they can achieve some savings by providing alternative products or through alternative manufacturers.

Alderman Craig asked have they done the review already and those would be true savings that we would realize?

Mr. Clougherty replied that is correct.

Alderman Roy stated thank you for all the information tonight. I appreciate it. First I want to agree with the individual about the radiant heat. I couldn't have said it better myself. When you are talking about a big building and open space that is the only way to go. With that in mind, is the vehicle maintenance building going to have radiant heat?

Mr. Clougherty responded that is actually the only building we are talking about that has radiant heat.

Alderman Roy asked the vehicle storage building isn't heated?

Mr. Clougherty replied the vehicle storage building is heated but it would be heated by either a rooftop or ceiling hung gas-fired unit.

Alderman Roy asked so that is the one we are talking about possibly doing with radiant heat?

Mr. Clougherty replied no.

Alderman Roy stated I am hearing that there may be a discussion here in the future. You were talking about maybe going forward with radiant heat.

Mayor Gatsas stated no, let me correct it...

Alderman Roy interjected let me just explain where I am going. I know that the best thing for a building with a large open space is radiant heat. If we are going to do it in a vehicle maintenance shop, why wouldn't we do it in a vehicle storage building as well? I will leave it at that. You are going to have that discussion in the future I am sure. I am looking at this list. Are these all of the things that are going to be eliminated?

Mr. Sheppard stated if it has a one next to it, I believe those are the accepted items and two is the rejected and three is the tentative. You will see that most of the items have a number one so they are an accepted item, meaning they are going to happen.

Alderman Roy stated okay so on page four of five, P6-A through P6-P, it has a two next to the trap primers that are being eliminated from the floor drains, which means it may be eliminated?

Mr. Sheppard stated no, two is rejected meaning we did not accept it.

Alderman Roy stated okay because it is a violation of the plumbing code, so I am sitting here looking at this and it made me think of my next question. Are there another violations of any code in here that you found and took care of it the same way, saying you are not going to do it?

Mr. Sheppard stated I think during this process code was reviewed but we are definitely not eliminated anything that would affect our code compliance for this project.

Alderman Roy asked everything is going to be up to code?

Mr. Clougherty replied period.

Alderman Roy asked the hazmat number, how solid is that? I see it went from \$200,000 to \$500,000. Have you done enough research to have a firm number or is that something that is a wild card?

Mr. Sheppard replied I don't think we can ever say that we will ever have a firm number until you dig in the ground. I guess as Chris puts it, you can poke a hole every ten feet but you have that five foot difference in between the two. We feel comfortable that we know what is there but until Harvey Construction actually starts digging for the foundations, we can't be sure.

Alderman Roy stated there is at least one tunnel that has plenty of asbestos in it. I am sure you already know that. I am just wondering how many other tunnels there are there from those other buildings back in the day when we used to heat them from the incinerators, that and other storage there. That is a cost that could still fluctuate.

Mr. Sheppard stated we have actually gotten some refunds through the Oil Fund Disbursement Board, which is a state board for underground storage tanks. Back in 1996 when we replaced our underground storage tanks at the Highway Department, we actually found some holes in the tanks that we replaced. The state has been reimbursing us the cost for cleanup for that. Right now we are in a monitoring phase but we have talked to the state regarding this project and if there are some materials that need to be removed that were due to that leak, it is highly likely that they will reimburse us for those costs. Again, that is \$500,000 plus or minus that may be hopefully a higher number with the intent that we would get some reimbursement from the state for the soils.

Alderman Roy stated I am looking at this, and it is pretty impressive. We went from \$54 million down to \$43 million. That is a 20% drop. My question is, the construction manager cost hasn't changed. I always believed that the construction management cost went on percentage basis and it had relationship to what the scope of the project was. I know that isn't apples to apples with the scope of the project being 20% less but it has dropped because buildings have been removed and whatnot. How come the construction management cost has remained the same and not dropped?

Mr. Sheppard stated well, we have talked to Harvey Construction about that but if you want I will let Rob Prunier or Bill Stevens answer that.

Alderman Roy stated sure.

Mr. Bill Stevens, President of Harvey Construction, asked are you talking the construction fee at \$688,984?

Alderman Roy stated yes.

Mr. Stevens stated when the proposal came out, this last time that we bid it, we were allowed a maximum of 1.75% on construction management fee. The project was not contemplated to be a \$54 million job at the time when the numbers were coming in. We made a conscious decision, as a local business, to reduce our fee to 1.5%. If you do the math, that is where we come up with the \$688,984. We have been working on this job for the last month as part of the deal to try to get the project moving forward. If you take the \$688,984 that is currently shown on the reduced dollars, we are back up to the 1.75% that we were allowed to be at originally. Our percentage did go up but the dollars stayed the same. That was our logic in keeping that number where it was.

Alderman Roy asked so when it was \$54 million you were willing to work for 1.5%? Now that it is down to \$43 million you want to get 1.75%.

Mr. Stevens replied yes, it is based on our return on dollars per labor spent. We make a conscious decision, obviously as your number go up, your percentage can go down and the dollars can stay the same.

Mayor Gatsas stated I can only tell you that will be a negotiated item before the last round hits.

Alderman Roy stated okay, thank you. One last comment, if I can, Your Honor.

Listening tonight, I guess the message that I have gathered from some of our staff is that this isn't exactly what they wanted but with the budget that we have, it is acceptable. Am I catching that right?

Mr. Sheppard stated I can say from my standpoint, yes.

Mr. Mara stated it still fits what we are talking about looking to the future.

Alderman O'Neil asked Kevin, would you agree that the program with the non-program VE is \$51 million?

Mr. Sheppard replied correct. That is on that sheet that you see.

Alderman O'Neil asked Chris would you agree with that number that this is a \$51 million project?

Mr. Drobat replied yes, with the non-program VE, if you didn't take anything out.

Alderman O'Neil stated I said to include as presented in that one page, the non-program VE, it is \$50,977,055.

Mr. Drobat stated that is correct.

Alderman O'Neil stated okay, so you agree that it is a \$51 million project.

Mr. Drobat stated agreed.

Alderman O'Neil stated I don't know if Bill or Rob wants to answer this, you can just stand up and say yes or no, if you don't agree. Would you agree that it is a \$51 million project?

Mr. Stevens stated without any program cut.

Alderman O'Neil stated right, \$51 million with non-program VE.

Mr. Stevens stated correct.

Alderman O'Neil stated it is really through outstanding work by our City staff, everyone that is sitting up front, there are some in the audience, Lavalley Brensinger and their sub-consultants as well as Harvey Construction that got over \$3.6 million in non-program VE. If my math is correct that is about 8%. I am told by people not associated with this project that the industry standard is between 3% and 5% so well done to all the firms involved and well done to City staff. I for the life of me can't figure out where we backed into this \$43.5 million. I went back and looked at the slide that got us there back on June 22nd and it has this potential current construction market savings with fast track approach. The number above it was project development costs \$51 million. We are all in agreement that is what this project is. That \$7.7 million is where this thing has gotten hung up and required a lot of extra work. I am not sure that is where we are actually seeing the savings to get down to the \$43.5 million. Tim used the term earlier; there is some sacrifice to get down to that \$43.5 million to the tune of almost \$6 million. Kevin, would you agree that it is coming out mainly of vehicle storage and the DPW shop? I know there are some other items that make that up but that is the majority of it.

Mr. Sheppard stated correct.

Alderman O'Neil asked it does not include \$1.5 million in furniture, fixtures and equipment, correct?

Mr. Sheppard replied correct, whatever the furniture, fixtures and equipment number turns out to be.

Alderman O'Neil stated so no matter what way you add the numbers, subtract the numbers, this is a \$51 million job and through \$6 million in program VE reduction, gets us down to about \$45 million and if you back out the furniture, fixtures and equipment it gets us magically to \$43,499,070. After meeting and speaking with the Public Works Director, Kevin Sheppard, and his staff and with Chief David Mara and his staff I am comfortable with the programs presented this evening. It is not ideal but with the efforts of all and with some luck, the project can hopefully be completed for \$43.5 million. I have shared with those up front, as well as some of my colleagues today, a concern though with the lack of contingency dollars in this budget. I met with them today, along with Alderman Long. I am told that traditionally an owner contingency on a project is 3% to 5%. We have less than 1%. I am told that the construction manager contingency is 3% to 5%, we may be somewhere around that number. I am told that at this stage it would not be unusual to have a design contingency of somewhere up to 3% and we have zero. I am concerned about contingency. We have some unknowns. This Public Services item that is referenced in the matrix provided by Harvey could have a value of \$210,000 that is not currently budgeted. I know that the City has done testing and they believe they have a very good idea of soil conditions but that site has seen a lot of activity over many, many years. As somebody referenced today, if we hit a curb, the only way to address it currently is to cut additional building program because there are no additional funds. We still need to fund furniture, fixtures and equipment in the future for \$1.5 million. Again, I think everyone has done a great job. I don't particularly think that how we got there was the right way to do it. I believe it is actually a bigger project than \$43.5 million. I certainly would not build my house this way. I do believe at the end of the day, we are going to get a complex that will help these departments to better serve the citizens of our city, so I have full intention of supporting the project moving forward.

Alderman Shaw stated thank you, Your Honor. I think my colleagues have brought up most of the monetary and construction questions. I just have a couple of other questions. The elimination of the salt shed I hope is not going to eliminate the public service.

Mr. Sheppard stated no, we will still have sand available for the public, which we have now.

Alderman Shaw stated the present police station is known as the Ralph Miller Safety Complex. Have you given any thought to how that is going to be handled?

Mr. Mara stated I have given it some thought. I think it would be premature for me to say anything now at such an early stage. Of course that wouldn't be just my decision to make. I would rather go through the proper procedure.

Alderman Shaw stated I think maybe you could think about, if you haven't already, offering memorials to the public for the granite benches and trees, similar to what's around Gill Stadium or around City Hall. Maybe you can save money by having people donate money for benches and things.

Mr. Mara stated as far as I am concerned, that is a great idea.

Mr. Sheppard stated we have taken a look at that. When we went on a street discontinuance view of the streets, the iron gates and things like that, maybe they can be integrated in and/or as part of the demolition costs for this site. That is all taken into consideration of salvage value of a lot of materials. A lot of the salvage value materials are actually taken into consideration as part of this number but we don't disagree with ideas like that.

Alderman Long stated I pretty much have the same sentiments as Alderman O'Neil. I never would have believed that we would have gotten to \$43.5 million. Sure we compromised on some material but I am very pleased with the opportunity for expansion. That was my goal. If we were going to go to \$43.5 million, I didn't want to compromise

on expansion. I am satisfied that with the Manchester Police Department, the growth. That is covered in this proposal. I am going to support the \$43.5 million. I also agree with the contingencies. This is a tight contingency. My belief is that you can't have this contingency and the oversight committee as we have it. We have an oversight committee that is going to the Board of Mayor and Aldermen. For example we hit some hazardous material in the dirt. Harvey Construction could start the process tomorrow. However, it has to go through this oversight committee and then it has to go through the Board of Mayor and Aldermen. There is a cost associated with that. Harvey Construction is not going to assume a cost. If I can get this done in two weeks but I have to wait three weeks for the Board to approve it, then there is an issue. With a tight contingency like this, this oversight committee has to look at the rules of what they are going to do. I see a problem with opening up damages for delay of projects where it would be on the City side waiting for the Board to fulfill that. I don't know if the Solicitor sees the same thing. We also need to incorporate federal requirements. These bonds are federal dollars, so there are some federal requirements. Davis Bacon, let's say that electrical company A didn't fulfill their federal requirement with reporting Davis Bacon certified payroll. They get terminated from the job. There is a hold back. This goes through the oversight committee and we are once again waiting. We can find another subcontractor easily but what is that process and is that going to be addressed in these documents?

Mayor Gatsas stated I don't think that is our problem. Once we decide we are going to pay someone 1.5%, that is their problem. That is not our problem. They are going to give us a guaranteed price. With that guaranteed price, they have to find the sub that is going to do the work.

Alderman Long stated with respect to the federal requirements Harvey assumes all of that responsibility.

Mayor Gatsas stated all of that responsibility. I agree with you but let them come up and give that answer to us verbally.

Alderman Long stated I want to be sure. That is what we want black and white.

Mr. Sheppard stated we are going to work with them to choose which sub that gets awarded to. Again, that does fall on Harvey as a responsibility. Those first three subs that bid the project are prequalified and should be prequalified and should be able to do the project. Harvey is basically saying they agree with who we are putting out there for them to bid with or who they are choosing to bid with. Once a subcontractor or a sub-consultant is chosen, that is Harvey's sub-consultant. I think Rob would agree with that.

Mr. Prunier stated Kevin is absolutely right on the way the process works, Alderman Long. We will go through a process to prequalify subcontractors who are qualified to bid the job. In essence this should be all set.

Alderman Long asked the prequalification is through your process? You are prequalifying them?

Mr. Prunier replied correct.

Alderman Long stated so if Kevin wants alternative two, not your recommendation, then they are still prequalified with you, so that is not a risk to us.

Mr. Prunier stated I think I know where you are going with this. If we come to Kevin with the bids that we received and we recommend contractor X because it is the low number and it meets the scope. The committee or Kevin says that the other firm is from Manchester and provides us with a little better opportunity to get Manchester residents on the job and it is going to cost us \$50,000 more. That is something that is going to be an

increase to the project but the subcontractor should be qualified to do the work. It is not a contractual issue in terms of who is responsible for the contractor. It is a cost issue in terms of where is the actual money coming from.

Mayor Gatsas stated let's assume that the low bidder was at \$200,000 on an issue and in the specs that you passed out today, we have a line item of \$250,000. The gentleman that had Manchester employees was at the \$250,000. We are going to employ Manchester people and the number was a \$250,000 number in there, then I would think that people would be looking at that and saying we are hiring Manchester people because we agreed to pay \$250,000 and we are not looking to save the \$50,000 when those employees can come from out of town. I think that is where you are going with it.

Alderman Long stated I know you said it would be an added cost to the project but as the Mayor said, if that was the number, then that was the number. We are not going to have the \$50,000 savings. My point is the City's risk when we are not taking your recommendation.

Mr. Prunier replied the subcontractors we have looking at this job will all be qualified to do the work.

Alderman Long asked so they will still be your risk?

Mr. Prunier replied yes.

Alderman Long asked whether we pick one, two or three?

Mr. Prunier replied correct. We are going to make a recommendation though.

Alderman Long stated to be clear you are recommending a contractor and Public Works is picking the contractor authorizing you to use them.

Mr. Prunier stated we make a recommendation and the Highway Department authorizes us to move into a contract with them. I should make one quick point. We are completely focused on getting Manchester residents to work on this job. That is in the best interest for us. They are our friends. They are people we know and we have approached it that way. I hope you have confidence in the fact that we are going to move in that direction.

Alderman Long stated I do have confidence. I have better confidence when I see ink on paper that that is going to happen. That builds my confidence.

Mayor Gatsas stated Alderman Long, you are going to be on that subcommittee and I know on a regular basis you will be asking that question.

Alderman Long asked I know you don't have your attorney here but would you have an issue with putting the Fair Competition Clause in your contract?

Mr. Prunier replied as written, no. We wouldn't have a problem with that. We are going to give our best faith effort.

Alderman Long stated you just blew me away for a minute there because I thought you said no, you would have a problem.

Mr. Prunier replied no, we are going to make our best faith effort to work towards...

Alderman Long interjected so you wouldn't have a problem putting the...

Mr. Prunier interjected again, you and I know that it is non-mandatory.

Alderman Long stated correct.

Mr. Prunier stated so to some degree that gives us a little leeway but there is a trust factor here where we are going to work hard to make sure that we meet as many of those requirements as we possibly can.

Alderman Long stated you need to speak to your attorney, I understand that.

Mr. Prunier stated we anticipate that being part of the contract.

Mr. Clark stated those discussions have been held and it has been advised to them that the language will be in the contract, Alderman.

Alderman Long stated thank you, Mr. Punier. Like I said, the only problem that I see is the tightness of the contingency with the oversight committee. There is really no wiggle room.

Mayor Gatsas stated we meet twice a month as a Board. I have to believe that the flexibility of the subcommittee as they have always shown in the past, whether we did the Verizon, whether we did Fisher Cats Stadium, the availability of those subcommittees was always there. I think that certainly the availability for a subcommittee to be called within 24 hours to get that information to the Board, if it is an off week, we are going to see it within four days. If it is something that is an emergency situation that the subcommittee is unanimous on, to send it to the Board, certainly we can do a phone poll to get the project moving. I think that it is certainly something that because we meet every two weeks I think we can get it done and certainly the oversight is going to be there.

Alderman Long stated there are times when change orders are financially prudent, effective the next day or two days. The way these contracts are written the CM could claim damages if there is a timeframe to adhere to. We have a change order that we are going to agree to but we are not going to agree to until our next Board meeting that may be five days or two weeks from now. I just want to be sure that in these documents that flexibility is put in there. I think that is what was part of the problem with our other contracts and the issue of change orders and damages.

Mayor Gatsas stated I can tell you that the problem with the other contracts is that the subcommittees saw them and they could make multimillion dollar decisions and the Board never had any oversight on it.

Alderman Lopez stated that is because, Your Honor, the Board had given the authority to that committee.

Mayor Gatsas stated I agree. The way that we instituted this committee was that they would report back to the Board. I am just saying that the Board did give those committees that oversight and Aldermen that sat outside those committees never had the opportunity to know where we were spending money. We had a \$105 million project with the schools. It was a committee of I think six people.

Alderman Lopez stated it was ten people to start with, Your Honor.

Mayor Gatsas stated ten people to start with and we were putting in staircases that weren't a part of the original plan because nobody saw it and that was a \$480,000 cost. We were kind of pointing the finger to say that Fire should have picked it up. I don't think that is their position.

Alderman O'Neil asked can I just follow up on this point?

Alderman Long stated I will yield.

Alderman O'Neil stated this site has existing structures on it. Alderman Long is not wrong in his point. They are doing the site work and they come across a gas pipe that wasn't on the plans or nobody knew anything about but it is right in the middle of where the foundation has to go. Sometimes those types of decisions have to be made that day. They have to be made that hour. Otherwise you are going to stop the project. It can't wait for us to meet next week.

Mayor Gatsas stated no but you'd even have to wait 24 hours for your committee meeting. All I am saying is that if the committee meets and it is a unanimous thing and it is obvious that we can't do anything unless we move this pipe, I would think that we would move forward with that discussion.

Alderman O'Neil stated City staff, in all honesty, makes this decision every day with sewer projects and other projects going on. We don't need to slow this down. I agree with Alderman Long; we could end up slowing some of these things down and there is a cost to that. I understand we want the checks and balances.

Alderman Long stated if I can just follow up on Alderman O'Neil's scenario. With that scenario, Alderman Lopez would call a meeting within a half hour or whatever the case may be. The committee could meet. The committee I assume is going to be a quorum of three if there are five of us on there. The Committee can meet, make a decision and do due diligence. We missed the gas pipe. 'Why wasn't it on any print?' or whatever. If we agree they need move forward we would do a phone poll with the Aldermanic Board so that by the end of the day they would get the okay to move forward.

Mr. Clark stated Your Honor, that is not the way these work. If they run into a gas pipe in the ground and they need to do something different with it, Kevin Sheppard will make that decision and we will have him do it. If it requires change orders in the future and other aspects of the contract you can come back to the committee but he should and has to be authorized to make those decisions on a daily basis.

Alderman O'Neil stated that is a change order.

Mr. Clark stated it may be a change order but it is something that is going to be done later but he has to have the ability to go ahead and get that work done.

Alderman O'Neil stated I agree with you but it is a change order. What else would you call it, if it is not a change order? It is a change order.

Alderman Lopez stated that is what the committee has to decide. In the Joint School Buildings Committee, for example, they decided X number of dollars in an emergency situation is where Kevin Sheppard would make that decision. What else are we going to do to move forward, if it is an emergency situation? I think in looking at the contingency, the committee is going to have to decide and come back to the full Board, authorizing Kevin on any change orders. What is the dollar amount that we are going to authorize him to do the changes that he needs on a timely basis? I also agree that we can call a meeting in plenty of time. I guess we have to just decide how much authority we are giving Kevin to move forward. If he wants to do a change order, there is a change order for \$300. Are we going to have a committee meeting? That is what we have to decide. I think Alderman Arnold brought it up as the guidelines of the committee and we report back to the full Board. We have to develop those guidelines and give them to Kevin too.

Mayor Gatsas stated it is a great discussion to have and I agree with you. How about if we see how it unveils itself. Let's go down the road of imagining the possibilities and let's see how it unveils.

Alderman Long stated whatever language can fit in here to assure some flexibility or some flexibility with the images that may occur, if they have a one month window and we are holding them up for five days, then we go to charge them because they are five days over on that certain aspect, we don't have a win in that fight.

Mayor Gatsas stated I am sure that in good faith we would move forward and move this project forward. I am sure there are not going to be delays that we are going to create or cause because we can't put our arms around something. I am sure that the people on that committee are all well qualified to take a look at something and make a pretty quick decision.

Alderman Shea stated what I wanted to mention, Your Honor, is that Kevin wanted to mention something, I think when there was discussion on this.

Alderman Ludwig asked where in the floor plan do the Fire Department maintenance people work in this large, heavy bay, light bay situation?

Mr. Sheppard replied it depends on the piece of equipment. Again, for the Chief's car for example or the Captain's car, those would be in the light bay. The fire engines, ladder trucks would be in the heavy bays.

Alderman Ludwig asked do they get the full width? Is that how you work it?

Mr. Sheppard stated at times they may have to pull through.

Alderman Ludwig asked is there sufficient space for them to pull in and out of the yard in terms of turning and things?

Mr. Sheppard replied yes.

Alderman Ludwig stated in either your opening remarks, Your Honor, or shortly after in your response, I heard you mention something about how this project was going to need economic development money or one-time account money. Could you reflect on that a little bit?

Mayor Gatsas stated we are going to be looking for about \$1.5 million at the end of the completion of this project to put furnishings in the buildings, probably to assist in moving employees into the building. Certainly that is not something that I believe we should be bonding. Those are dollars that we should look at as a one-time cost because you shouldn't be amortizing a chair or a desk over a 30-year period. You are better off putting it into the structure itself. I think that when you take a look at that you are going to remember that we will be getting a payment, possibly two, from the School District of about \$432,000 a year. Those are dollars as we see them coming in, the sale of Hackett Hill is roughly another \$400,000 or \$500,000 after the Fire Department gets their new firehouse up there. We are getting closer to the \$1.5 million that we may need to move forward. Depending on what we do with the results of Wellington Road, that is obviously another concern of funding that can come forward.

Alderman Ludwig stated so you are giving us examples of the way the one-time account would make money and that is the reason. You were counting on those necessarily.

Mayor Gatsas stated we have to count on \$1.5 million. I have been teasing Kevin that he will be sitting on an apple crate before we have to reduce the size of scope of the buildings. That was only a joke but obviously we have got to find money to get them in.

Alderman Ludwig stated I totally support the project; however ,if it is tied to \$650,000 from Wellington Road, I am not supporting the project. I just hope that I am not voting for dollars that later on you are going to say, ‘Remember you voted for it’. Why would you do that? I just want to be clear.

Mayor Gatsas stated I would never chastise anybody for their vote.

Alderman DeVries stated we haven’t covered the moving costs that were deleted in the budget. Is that going to be done in-house?

Mr. Sheppard replied correct.

Alderman DeVries stated there is nothing in this budget for it.

Mr. Sheppard replied right, earlier we said that originally we were carrying \$50,000 and after further discussion we had thought that we could probably cover those costs in-house with employees.

Alderman DeVries asked Chief, does that include the Police Department?

Mr. Mara replied yes.

Alderman DeVries asked isn’t there a contract issue with police officers moving?

Mr. Mara stated we will just use the Highway guys.

Mr. Sheppard stated I thought you were moving us.

Alderman DeVries stated the \$210,000 for PSNH and I heard some discussion on it earlier, but I didn't hear the resolution of where that money will come from if necessary or as necessary.

Mayor Gatsas stated I have had discussions with Gary Long and Public Grid on moving the poles and we are continuing those discussions because I think it is important that you take some of those poles out of the middle of the site and out of buildings that we are going to be expanding to the street. Those discussions are continuing. I think Tim may have had some discussions with some people at Public Service in the last week, which I may not be privy to.

Mr. Clougherty stated I have not had any discussions with anyone from PSNH since that correspondence.

Mayor Gatsas stated we are working on it and I can tell you that the number went from \$210,000 to much less than that.

Alderman DeVries stated we have discussed the \$1.5 million and now the \$210,000 and the moving costs. Is there anything else here that you see will have to be assumed in the budget process next year?

Mayor Gatsas stated no, I don't believe any of that is any part of any budget process. I don't think that we should be talking about additional bonding. I think I was pretty clear when we first brought this project forward that we shouldn't be looking to bond anything for the next two or three years.

Alderman DeVries stated or cash obligations that won't be immediately offset by some other source of new funding, correct?

Mayor Gatsas stated if there is new funding coming in from the state than I certainly welcome it. I don't know where it is coming from and my concern is, and I think you all have that same concern, making sure we don't get down-shifted upon. That is something that we must ask our representatives here to really diligently work on to make sure that doesn't happen.

Alderman DeVries stated I would definitely agree with that. The question I have for you, is there any part of this project that we are going to see surface as a cash pay component in next year's budget needs?

Mayor Gatsas stated no.

Alderman Shea stated except from Matt Normand and your secretary, we have heard from everyone who is here in the front. I would like to make a motion if you would accept it that we provide the bonding for this particular project.

Mayor Gatsas stated I don't have a problem accepting that but I believe the Clerk with the City Solicitor has drafted a couple of motions for work to be done.

Alderman Shea stated fine.

Alderman Arnold asked Your Honor, can we have a bit more discussion before we vote on it?

Mayor Gatsas stated we certainly can.

Alderman Arnold stated thank you, Your Honor, and I appreciate the indulgence. I just want to return to the construction manager contract. Mr. Sanders, does execution of the construction manager contract in any way relate to your ability to take these bonds to market?

Mr. Sanders stated no, it would not affect the timing of the bond issuance.

Alderman Arnold stated okay. Your Honor, that tells me that we can move forward with the project and the Finance Officer can take the bonds to market. We could still have the construction manager contract come back to this Board.

Mayor Gatsas stated we can do anything you want to do. If you have eight votes, you can do that.

Alderman Arnold stated I appreciate that, Your Honor. I just wanted to make sure that everyone understood that the Finance Officer can proceed with taking the bonds to market.

Mayor Gatsas stated if for some reason, that contract comes forward and a majority of this Board doesn't like the contract they see and now we are into March, I think probably Bill Sanders will be applying for a new job, not because we are going to get rid of him but because he is not going to want to be around.

Alderman Arnold stated I can appreciate that sentiment, Your Honor and I will say that I certainly hope that we have a construction manager contract drafted and executed prior to March. It just seems to me that this Board, as a matter of policy, votes on contracts that are a lot less significant than this contract and we deal with it in committee all the time, whether it is a contract with non-profits to provide services to the City or the one

we did recently for Vision Appraisal for the past revaluation. These contracts come before the Board. They are not simply executed by the department head. I don't think that should suggest that we don't have complete faith in our department heads. I just don't see any problem with once the contract is drafted, it being provided to the Board and once the contract is returned by Sheehan Phinney, it could be turned around presumably by the next Board meeting. I don't see any problem with that. I guess I am open to discussion or whatever follows the will of the Board.

Alderman Lopez stated thank you, Your Honor. I think there has been some concern. Is it \$10,000 that we obtained the lawyer for, for the construction manager contract?

Mr. Clark stated the firm has agreed to do the contract work for \$10,000.

Alderman Lopez asked is there any other costs?

Mr. Clark replied in the event that there are disputes down the road, if litigation happens, which we don't anticipate but sometimes it does happen with construction contracts, the cost would be \$225 an hour, reduced from the original quote of \$275 an hour.

Alderman Lopez stated I guess what the concern, of a couple of Alderman that I have talked to, is what is the hold up or what transpires? Try and guide us through this because it is very important that we move forward, in my viewpoint, but guide us through this. If we want the contract to come back to this full Board, does that hold anything up whatsoever? Is the contract manager still in place? Does the Highway Department continue to move forward?

Mr. Clark stated the construction manager is not in place until you have a contract with him. As I stated before to Alderman Arnold, when he asked, it is up to the wishes of this Board if this Board wants the contract to come back here before it is executed. However, you will still need to give Kevin Sheppard authorization to move forward spending the money. Even if the contract then is later killed, we are still going to owe some of that money.

Alderman Arnold asked Tom, we were going to have to do that anyway, correct? If the contract does not come in until December or March, whenever the outside counsel comes in with the contract, there is not going to be a construction manager in place until that contract is drafted, correct?

Mr. Clark stated the construction manager has been selected. He doesn't have a contract yet. This Board is contemplating adding an additional step which we historically haven't gone through on these kinds of projects. Generally, the departments are authorized to move forward and then they go out and negotiate the contract and then execute it. As I said, it is up to the wishes of this Board.

Alderman Arnold asked it doesn't necessarily need to result in delay, correct?

Mr. Clark stated not if you authorize them to start expending the contract up to \$43.5 million.

Alderman Lopez stated just to capitalize on those types of questions, because I think that is what the concern is, you are saying that Kevin moves forward with the construction manager, the bonding money is there, they go out and they spend \$500,000 and then we come back and say that we don't like this contract, the expenditure has to be paid.

Mr. Clark stated correct. In addition to that, we are going to have to go out and buy those two properties.

Alderman Lopez stated I just wanted to clear that up. I agree that \$43.5 million is a lot of money but looking at the aspect that they could go out and commit \$10 million by the time we.... I guess the last question I have is how long do you think it will take to get a construction manager contract?

Mr. Clark stated I anticipate that we will be having meetings with the attorneys by next week at the latest. We will get the City side in order and then they will be meeting with Harvey Construction. Maybe it will take three weeks. Tim, do you have a better idea?

Mr. Sheppard stated we wouldn't disagree with that.

Mayor Gatsas asked do we have two meetings in December or one?

City Clerk Normand replied two.

Mayor Gatsas stated I would say, for the comfort of the Board, we will have something that comes directly to this Board, not to a subcommittee. We will be able to vote on it. You are only going to have Friday, Saturday, Sunday and Monday to look at it so take your time and go through it but I will tell you that before the second meeting in December, we will have something before us to look at. My concern is that if prices start running, the \$43.5 million starts moving. If we don't have somebody that has controlled the cost and guaranteed us a price, we are at risk. The sooner we do it, the better off we are.

Alderman Lopez stated my last point was basically that. Just to make very sure, as we vote for this, that if they go out and commit \$10 million or \$20 million before we see that contract, that is what we have to pay.

Mr. Clark stated you can be sure that they are not going to commit \$10 million or \$20 million before January 1st.

Mayor Gatsas stated well, in the next 30 days let's put it this way we have given you up to \$2.2 million. What do you have left of the \$2.2 million?

Mr. Sheppard stated I don't have that number quite honestly.

Mayor Gatsas asked a ballpark number, \$1 million or \$500,000? How about we allow them until that contract comes another \$2.5 million?

Alderman Long stated that was my question. What is it that they need to move forward?

Mr. Sheppard stated we have given Harvey a letter of intent subject to the final Board of Mayor and Aldermen approval. What I would like to do is give Harvey a letter of intent for reasonable expenses up to the time of Board of Mayor and Aldermen approval. Harvey I think is going to get to a point where they have been providing all of these services at no cost and they are going to be starting to get into the general conditions and the costs for this project. If they have to wait three or four weeks to get a contract, I think Harvey will continue to do it but it is fair and reasonable to give them a letter of intent.

Mayor Gatsas stated they don't have to wait four weeks. If they want to get an attorney in the room with Mr. Clark and the attorney we have, then we should be able to get this out in two or three days.

Mr. Sheppard stated I guess you are correct, Mayor.

Mayor Gatsas stated this is not about a delay on the City side. We are prepared to move forward. If Harvey gets their lawyer and sits in a room, we will get it done. That is what happens in the private sector.

Alderman O'Neil stated it sounds like it is not Harvey waiting. It is the City trying to get our side together to get this contract. I would hope leaving here tonight Attorney Clark, Director Sheppard, the attorney from Sheehan Phinney should be meeting tomorrow.

Mayor Gatsas stated I don't disagree.

Alderman O'Neil stated then the next day they should be meeting with Harvey and getting this done. I was going to bring up the same point that everything Harvey has done to date has been for free. At some point that has got to stop.

Mayor Gatsas stated I don't disagree.

Alderman O'Neil stated we can't wait until the second meeting in December.

Mayor Gatsas stated let me just get the two motions from the City Clerk. Then I will come back and address Alderman Arnold's question and then Alderman O'Neil's question and maybe we can finish this up. Let's just have him read the motions first before anybody makes the motion to first or second so everybody gets a pretty good idea.

City Clerk Normand stated the first motion would be that the Public Works Director is hereby authorized to proceed with the design and construction of the municipal complex project and to proceed with the acquisition of both the B&M property and Surplus Office property at a total cost not to exceed \$43,500,000.

Mayor Gatsas stated the first thing we must do is acquire the building which is \$900,000. If we are all prepared to move forward on the \$43.5 million, that must happen. We also must buy the B&M Railroad property to move forward. Let's assume that in four weeks something blows up, we are going to own the office storage building and the B&M land. Everyone is okay with that. That is \$980,000 that we are moving on, at least as part of that motion. I would like that motion to include what the Clerk read along with \$980,000 for the purchase of those two pieces of property.

***Alderman Shea** moved to authorize the Public Works Director to proceed with the design and construction of the municipal complex project and to proceed with the acquisition of both the B&M property and Surplus Office property at a total cost not to exceed \$43,500,000, with only \$980,000 to be expended for property acquisition. **Alderman Lopez** duly seconded the motion.*

Alderman Greazzo stated I still have a question, Your Honor. Why do we not have a contract tonight? How long have we had the construction manager?

Mr. Sheppard stated we don't have a construction manager. We have a letter of intent. City Solicitor, Tom Clark, said they have engaged an attorney. The attorney has no money to be paid at this point.

Alderman Greazzo stated understood. How many weeks ago did you select a construction manager?

Mr. Sheppard replied five.

Mayor Gatsas stated five, but I think the attorney that we went out for an RFP on just responded and I think you got them on board last week.

Mr. Clark stated about last week.

Mayor Gatsas stated I think that is what the dilemma has been. I think now that we have them on board, getting Harvey, the attorney and Solicitor Clark in a room we should have something pretty quick. I think we are making a lot more out of this than truly what's there because they have a couple of standard forms that everybody got. I think they are going to take those, use them as boiler plate, plug in some numbers, change a couple of things in the documents and you are probably going to see the same document in front of you.

Alderman Greazzo asked and if the parties don't agree?

Mayor Gatsas stated my bet is that they are going to agree.

Alderman Greazzo stated that is the problem that I have, Your Honor. I just want to voice that. Voting for \$43.5 million without having a contract in place for a lot of the things that we are looking to do, ifs and buts, anything can happen.

Mayor Gatsas stated and it can but I think if the majority of the people on this Board are prepared to move forward... Can I tell you that every Alderman is going to vote for it? Maybe there is one thing on the contract that somebody doesn't like. Maybe there is something in there that is a stickler that somebody just absolutely refuses to vote for. That is understandable.

Alderman Greazzo asked where do we go from there?

Mayor Gatsas stated to move it forward, you only need eight votes. I don't think there may be seven people that would be looking for problems in the contract. I think that once we have it in front of us, I think everybody is going to agree that we are going down the right road.

Alderman Shea called for a roll call vote.

Alderman DeVries can we hear the other motion?

Mayor Gatsas stated parliamentary inquiry for repeat of the motion.

City Clerk Normand asked repeating the second motion or the first?

Mayor Gatsas stated the amended motion.

City Clerk Normand stated the amended motion is that the Public Works Director is hereby authorized to proceed with the design and construction of the municipal complex project and to proceed with the acquisition of both the B&M property (\$30,000) and Surplus Office property (\$950,000) at a total cost not to exceed \$43,500,000.

Mayor Gatsas stated read the second motion to be presented.

City Clerk Normand stated the second motion would be that the Public Works Director is hereby authorized to obtain a fair market appraisal of the Facilities property located on Clay Street.

Mayor Gatsas stated Clay Street is where the Facilities Division is located. We are going to be selling that so rather than wait for two years to get it on the market, let's see if we can't get it out there and market it. I know that the economic times for selling real estate aren't at their peak but we should at least get out there and see if we can find some interest.

***Alderman Shea** called for a roll call on the first motion.*

Alderman Roy asked can I get clarification on the first motion? Is that motion that we are approving the \$980,000 and stopping there until we get a contract? Or is it approving the \$43.5 million?

Mayor Gatsas stated I would look to one of you folks to make a third motion that until the contract is before us that it would be \$980,000 plus another \$2 million moving forward to allow them the flexibility for the next two weeks to move the project forward.

Alderman Roy stated I have no problems with that, Your Honor, I am just thinking that after we vote on this motion, we have already approved the \$43.5 million.

Alderman Greazzo asked can we make an amendment to this first motion?

Mayor Gatsas stated if that is what the Board would like. If they want to make an amendment on the first motion.

Alderman O'Neil asked Your Honor, can we make the motion clean? That is the easiest way to do this.

Mayor Gatsas stated I am trying to make it as clean as possible.

Alderman O'Neil stated Alderman Greazzo obviously would like to see a change but I think his change will still allow things to move forward in the interim, if I am hearing him right. Instead of getting into all kinds of amendments, why don't we just make a clean motion?

Mayor Gatsas stated how about if we say that we are going to approve the \$43.5 million project, \$980,000 to be spent on the purchase of the two buildings and an additional \$2.5 million up to the point that we see a contract. Is that acceptable to everybody?

Alderman Shea withdrew his motion.

Alderman Lopez withdrew his second to the motion.

Mayor Gatsas stated for parliamentary inquiry, can I have the Clerk reread the motion please?

City Clerk Normand stated the Public Works Director is hereby authorized to proceed with the design and construction of the municipal complex project and to proceed with the acquisition of both the B&M property and Surplus Office property at a total cost not to exceed \$43,500,000, with only \$980,000 to be expended for property acquisition and \$2.5 million on the complex project until a contract comes before the Board for approval.

Alderman Greazzo stated you are still approving the \$43.5 million.

Mayor Gatsas stated yes, but he can't spend any more than \$2.5 million until that contract comes before us.

Alderman Osborne stated if we all go forward with this and then the contract comes back and there is a dispute on the contract where people want to change things, what kind of liability are we up against here?

Mayor Gatsas stated if there are eight people that don't like portions of the contract, and I would find that almost impossible to believe, then at that point we don't go any further, until we find resolution.

Alderman Osborne asked then what kind of liability is there to the City? How much are we going to lose by going forward with the rest of it and then we don't have a contract?

Mr. Sheppard stated if the intent is to finalize a contract over the next few weeks, I don't think there is much liability to the City. There may be some minor costs that Harvey incurs but I don't anticipate any major liabilities to the City.

Alderman Osborne stated what I am trying to say is, if some of the Aldermen, eight Aldermen, disagree with that contract, what happens?

Mr. Sheppard stated then we stop the project at that point. There may be costs incurred by others that we may have to reimburse but again, I don't see that as a large number. It is a very small number.

Alderman O'Neil stated I apologize to Alderman Greazzo for trying to suggest we simplify the motion. I don't think we did. The risk is, we have bought two pieces of property, we have authorized Kevin to spend some money to continue with the design team and the contractor to keep things moving. Am I correct?

Mayor Gatsas stated that is correct.

Alderman O'Neil stated thank you.

Alderman Shea moved that the Public Works Director is hereby authorized to proceed with the design and construction of the municipal complex project and to proceed with the acquisition of both the B&M property and Surplus Office property at a total cost not to exceed \$43,500,000, with only \$980,000 to be expended for property acquisition and \$2.5 million on the complex project until a contract comes before the Board for approval. Alderman Lopez duly seconded the motion. There being none opposed, the motion carried.

Mayor Gatsas stated I certainly want to thank everybody for taking their time and effort to review the plans and taking a look at the documents and to ask the very important questions that we have asked this evening to protect our fiduciary responsibility with the taxpayers of this great city. I want to thank the staff and the people who have been working on this project and certainly now, I will entertain...

Alderman Shea interjected isn't there an addendum?

Mayor Gatsas replied yes, an appraisal needs to be done.

City Clerk Normand stated the second motion would be that the Public Works Director be authorized to obtain a fair market appraisal of the Facilities property located on Clay Street.

Mayor Gatsas stated that would come back to the Committee on Lands & Buildings.

Alderman Lopez asked could we use the appraisal that was already done on that property?

Mayor Gatsas replied Clay Street has not been appraised.

*On motion of **Alderman Lopez**, duly seconded by **Alderman Roy**, it was voted to authorize the Public Works Director to obtain a fair market appraisal of the Facilities property located on Clay Street.*

Alderman Shea asked Your Honor, wasn't there something that was given to us about an addendum about a poll that was taken?

Mayor Gatsas stated that is a different meeting. We can' do that this evening.

Alderman Shea stated I got a notice saying that there was an addendum.

City Clerk Normand stated that is for tomorrow night's meeting.

*This being a special meeting, with no further business relating to the proposed municipal complex project, on motion of **Alderman Ouellette**, duly seconded by **Alderman Arnold**, it was voted to adjourn.*

A True Record. Attest.

City Clerk