

SPECIAL COMMITTEE ON THE CIVIC CENTER

June 20, 2000

Upon Conclusion of Bills on 2nd Reading

Chairman Wihby called the meeting to order.

The Clerk called the roll.

Present: Aldermen Wihby, Pariseau, Cashin, Hirschmann, O'Neil

Messrs: G. Goodrow, B. Brensinger, P. Levy, K. Edwards

Chairman Wihby addressed Item 3 of the agenda:

Review of exterior colors for the Manchester Civic Center.

Gary Goodrow, an architect with Lavallee-Brensinger stated as most of you may remember, we started out the design of this building trying to find a way to make it unique to the City based on the fact that Manchester began as a settlement along the Merrimack River, specifically next to the Amoskeag Falls, we decided on the theme of the Merrimack River and the flowing waters to guide us in the imagery of this building from the outside. What we have done with the building is to take a look at the massing of this facility and we tried to diminish the massing of this building in several ways. First and foremost, we have pulled the building back from various property lines along the Elm Street façade, which is this one down here. We have pulled the building back approximately 100 feet from the sidewalk to lessen the 40-foot height of this entry lobby from the pedestrian scale. Along Lake Avenue, which is this elevation right here and along the Chestnut Street side, which is perpendicular to this board on the left, we have pulled the building back 35 feet and 70 feet respectively.

Chairman Wihby asked what do you mean by pulled back.

Mr. Goodrow answered we set the building back from the property.

Chairman Wihby asked is it the same size as originally planned or did you cut the size.

Mr. Goodrow answered the last time you saw this, Alderman Wihby, the building was sitting in the same location. I am just sort of giving a little bit of history leading up to what it is we are talking about today. The next thing that we did to adjust the massing of this facility to the pedestrian scale was to give it a three-story masonry base. The history for that or the guiding principle for that was the surrounding buildings in the downtown area and the use of brick in the Millyard. That is one of the primary reasons that we built this base out of brick and made it orthogonal to the street and made it pedestrian scale. The upper portion of the building from the three-story portion to the apex of the roof is the elliptical bowl, the upper seating bowl of this facility. This is a rather massive building so we tried to cut the massing down in a horizontal way. The upper portion of this elliptical bowl curves away from you in plan so we have done that in terms of cutting down the massing and then we have taken two types of metal siding, they will have a specula finish and I will get more into that in a little bit, but the two types of metal siding that we are looking at is a flat panel that is approximately 12 inches wide in dimension and we will have every 4 feet or so a gap between the panels, a reveal that will allow us to create a certain texture for the lower portion of this upper bowl roof and then change not only texture but color for the upper metal siding of this bowl. In so doing, we are again taking another step to dematerialize and diminish the mass of this building to the pedestrian on the street because it is such a large facility. Along the lines of the flowing waters imagery that we used as the guiding principle for this building, not only have we done that with the massing and the waveform of the roof, but we have also done it in the texture and in the color of the material. As I mentioned, the two forms of metal siding will have a metallic finish. This champagne color is the color that we proposed for the lower panel and this blue/green color is going to be for the heavily corrugated siding on the upper half of this building. Metallic so that it catches the light differently depending on where you are on the sidewalk and where the sun is at any given time of day. The corrugations in the upper metal siding will also change the color, the blue/green color of this siding, depending on where the sun is because these will cast shadows, vertical shadows, in between the flutes of the corrugation. Lastly, the glazing of which there is a predominant amount facing Elm Street needs to be a blue/green tint and here is a representative sample of it right here and that also speaks to the imagery and color and sparkle of the water as the sun goes from the south to the west side of this building.

Chairman Wihby asked could you explain...this is Elm Street so that would be the Lake Avenue corner right there where the brick is.

Mr. Goodrow answered correct.

Chairman Wihby asked and then the beginning of it would be over there. So there is brick to the front of that corner on the right and nothing to the side? What is that?

Mr. Goodrow answered this corner is on the intersection of Granite, Elm and Lake.

Chairman Wihby asked so where is that going.

Mr. Goodrow answered this piece of masonry right here is set back. The portions of the lobby glazing goes forward quite a bit.

Chairman Wihby asked are those doors up there on the top.

Mr. Goodrow answered these are egress doors from the fire stairs. Egress only out onto the sidewalk.

Chairman Wihby asked and those are going to be open all the time because I know we discussed that.

Mr. Goodrow answered these doors won't be open all the time. They are egress only.

Chairman Wihby stated I thought Alderman O'Neil talked about having doors coming out on Lake Avenue.

Mr. Goodrow replied we have them coming out on the Chestnut Street side, ingress on the Chestnut Street side and on the Elm Street side. Egress only on the north side.

Chairman Wihby asked so you are looking for us to approve this chart today.

Alderman Levasseur stated I am not big on the color only because I thought a beautiful blue like the one the civic center is encapsulated in would be much more of a water look and it would be more of a natural flow. I think green represents money and I think that color is kind of fading out now. It was a real popular color for the last four or five years, but I would like you guys to be more innovative. I think blue would look great. It is not sea green on the Merrimack. I am just saying if you did that in blue, I bet it would look fantastic. I think it would look much better in blue.

Chairman Wihby asked is the reason you didn't use blue because you figured it would stick out too much.

Mr. Brensinger answered the intent, as Alderman Pariseau pointed out, is that it be a sea blue/green and not a primary color. One of the concerns we have as Gary mentioned several times in his comments is it is a very large building. This is essentially the scale of the buildings on Elm Street so you can see that the mass of the building is nearly twice that height. We would be concerned if there were a primary color on the building, a really bright color on the building. I think it would be too strong a statement calling too much attention to the top of the building. We want some life to the building, but we don't want it to be so in your face that it emphasizes the size of the building.

Mr. Goodrow stated a primary color would have punch, but you would get weary of it pretty quickly.

Alderman Pariseau moved to accept the color scheme.

Mr. Brensinger stated we are moving along at a rapid pace as you probably now. We have two bid packages out. All of the envelope materials for the building are out to bid and we will be receiving prices for them soon so it won't be long before those bids are in and we are getting submittals on all of these materials at which time we will have to tell them the colors so they can order it. The importance of doing this now, even though it seems like the building is a long way away is we will soon need to stipulate colors so materials can be ordered.

Chairman Wihby asked is there any other one that you have seen like this where they have used these colors.

Mr. Brensinger answered as far as we know, it is original.

Mr. Goodrow stated we haven't researched it.

Chairman Wihby stated so you never saw this up on a building. This color?

Mr. Goodrow replied they are not unique colors. If we looked around I am sure we could find some blue/green glass on a building.

Mr. Brensinger stated this combination of colors, Alderman, is specifically for this building. I couldn't direct you to another building where these specific colors were used.

Alderman Hirschmann asked on the reflective silver, we are going to put some lighting around the building and it is not like you want to make it invisible, we want to attract people don't we.

Mr. Goodrow answered yes we do and in terms of lighting in the evening, this is going to be very well lit.

Alderman Hirschmann asked from the inside out.

Mr. Goodrow answered yes.

Alderman Hirschmann asked you are not putting exterior lighting to light the building.

Mr. Goodrow answered it is sort of a luminescent...

Alderman Hirschmann asked where does the name go on the building. Where do the naming rights go?

Mr. Goodrow answered there will be a marquee that will be on this corner of the building that will have the name of the building.

Alderman Hirschmann asked so the name won't go on the building.

Mr. Goodrow answered not specifically. That has not been discussed to date.

Chairman Wihby asked what is the name.

Mr. Goodrow answered I don't have any idea.

Alderman Levasseur stated if we are going to spend \$350 million for a civic center can't we at least have some choices here guys. This is a big project.

Alderman Hirschmann replied we discussed this before.

Alderman Levasseur asked we did. In front of the full Board?

Alderman Hirschmann stated Alderman O'Neil picked out the brick.

Alderman Levasseur replied I am glad he got the brick in otherwise it would have been all glass.

Alderman Hirschmann stated I picked out the curve of the roof.

Alderman Levasseur replied but you didn't pick out the colors. I would like to see a couple of colors before we vote on this. Let's have an option. This is big money.

Alderman Hirschmann duly seconded the motion to accept the exterior color scheme. Chairman Wihby called for a vote on the motion. There being none opposed, the motion carried.

Chairman Wihby addressed Item 4 of the agenda:

Change Orders --

Chairman Wihby stated just so this Committee knows, any change orders over \$25,000 this Committee will approve. There are a few change orders that are under \$25,000 that you see on your sheet that have already been okayed. We are just doing the ones over \$25,000.

Alderman Gatsas asked for a copy of the change order report.

Mr. Levy stated this is our first pass at change orders. There will be change orders on this job. The first one, and this is an easy bunch because the largest one is actually a credit to the GMP. It is more of a transferring of funds. In the main budget we had a credit for an OCIP program, where the City is actually providing all of the insurance and the worker's compensation. The advantage of it was that you are not double paying on insurance premiums, etc. and you are avoiding the contractor mark-ups on the cost of the insurance on the rates. An OCIP program was put together. This credit of \$428,264 right now represents the credit for the contractors we have on board for their worker's compensation rate. This amount is being deducted from the GMP, but also then will have to be offset by the credit we are showing in the master budget.

Alderman O'Neil stated this puts a flag up to me that...I certainly see the intent of saving money but it also puts a flag up that some of the subs might have a hard time securing worker's compensation. It is certainly very common in the industry to have laborers do steel erection so they don't have to pay an iron worker's worker's compensation rate. This is a flag to me. I am concerned about this. Secondly, why wouldn't this have been presented to us earlier?

Mr. Levy replied that I can't answer. This came from Harry Ntapalis. He felt this should be done as a cost savings to the project and that is, as far as I know, where it was initiated.

Alderman O'Neil stated number one we are getting this handed to us tonight. Peter indicates that Harry Ntapalis recommended this and I haven't seen a thing from Harry Ntapalis about this. We should be presented this information. Again, this puts up a flag for me and I would like to have a chance to talk to Harry about it.

Alderman O'Neil moved to table Change Proposal #13.

Chairman Wihby asked is there any impact if we put this on the table.

Mr. Levy answered this is basically moving money. The OCIP program has already been installed and is currently covering the project. There is no immediate impact. As I said, this is just moving money.

Chairman Wihby asked explain to me exactly what they are doing. Gilbane is going to get the insurance coverage?

Mr. Levy answered no. The City has the insurance coverage now. It is a blanket coverage for all contractors and sub-contractors on the site. They provide the liability, the umbrella and the worker's compensation under the OCIP program. The contractors and sub-contractors have to put up no insurance. They are all covered.

Chairman Wihby asked who is paying for the insurance then.

Mr. Levy answered it is coming out of the budget. The cost for the insurance is coming out of the...

Chairman Wihby asked so we are assuring then for instance that everyone will have worker's compensation and we don't have to worry about an independent contractor or somebody coming on site and having coverage because we know they are going to have coverage for whoever works there.

Mr. Levy answered yes.

Chairman Wihby asked Alderman O'Neil, what was your concern.

Alderman O'Neil answered I will yield to my colleague from Ward 2.

Alderman Gatsas stated Peter, correct me if I am wrong or help me along if you can, but do you under the Scheer-Stern Development Agreement that the City has, aren't you representing the City.

Mr. Levy answered yes.

Alderman Gatsas asked have you looked at this program.

Mr. Levy answered yes I have.

Alderman Gatsas asked and are you coming up with the savings.

Mr. Levy answered the savings was established, although not directly by me, but it was projected by a brokerage house that we hired to administer this program.

Alderman Gatsas asked so Harry never came forward with this plan, you kind of backdoored it to him and had him look at it to see what his feelings were.

Mr. Levy answered no.

Alderman Gatsas asked Harry just came out of the clear blue sky and said I think this is a good deal for the civic center. Harry...now I have only been here six months and I don't know Harry to be that type of person. Somebody had to go to Harry and ask him the question. He may have come forward with this, but I don't think he just decided to come forward. Now are you familiar with worker's compensation and what the impact of this is?

Mr. Levy answered yes.

Alderman Gatsas asked so these sub-contractors and correct me if I am wrong I believe the statements that were made in the preliminary stages of this entire thing was that we were not going to hire a contractor that didn't show us a certificate of worker's compensation. Is that correct?

Mr. Levy answered that is correct.

Alderman Gatsas asked so if you know the ramifications of worker's compensation then, what happens to modification and losses. If anybody gets hurt on this job the City could be paying for an awful long time, which has a severe impact on our worker's compensation. So, you are proposing a savings to your project but it could be a severe impact to the City and the taxpayers and that is not the deal that anybody proposed.

Mr. Levy answered this is project oriented. It is just for this project.

Alderman Gatsas stated but somebody has to burden the cost of the risk. The risk just doesn't go away after the project goes away.

Mr. Levy replied that is correct. It is a policy that is under the insurance policy.

Alderman Gatsas responded it is still under the City.

Mr. Levy stated there is a maximum exposure to it. I don't have the details.

Alderman Gatsas asked why would you come to us with a deal telling us there is a savings when you don't know what the impact to the City is. That is unreasonable.

Alderman O'Neil stated I feel bad. Peter is a construction guy and he is not the financial guy in this and Harry and Gilbane should be in here. We never agreed to anything like this. This is another case of spinning it as far as I am concerned and I agree with Alderman Gatsas. Based on what I am reading here and what I have heard Peter say, there is a serious exposure to the City on this.

Chairman Wihby asked what do we want to come back to us or who do we want to talk to.

Alderman O'Neil answered whoever was involved in this discussion and whatever information they used to reach the savings. Whether it be Harry or other City staff. There was a consultant, Peter, that you mentioned. Who did the consulting work for us?

Mr. Levy replied it was Michael Rodman and the City's insurance consultant.

Alderman Pariseau duly seconded the motion to table the Change Proposal and have the appropriate parties come back to the Committee.

Alderman O'Neil stated I know that Peter is the messenger tonight and I am not sure it is his responsibility.

Chairman Wihby stated well Peter can take care of sending somebody back to talk to us.

Alderman Hirschmann asked didn't I hear you say, Peter, that this is already instituted.

Mr. Levy answered yes.

Alderman O'Neil asked who authorized them to do it. The Board of Aldermen didn't say this is a good program go ahead and do it. We have to retain some control over this and somebody has now decided that we are going to expose the City.

Alderman Hirschmann stated there is a clouded thing on Page 3 of 13 that says "to participate in the owner's wrap up insurance program, OCIP, to be verified by owner's insurance rep" which must be Harry so he must have done this with Peter.

Alderman O'Neil replied again that is something, in my opinion Mr. Chairman, that should have been decided by the Board of Aldermen.

Chairman Wihby asked, Peter, do you know what we are looking for.

Mr. Levy answered yes.

Chairman Wihby asked can you have somebody get back to us.

Mr. Levy answered yes.

Chairman Wihby called for a vote on the motion to table Change Proposal #13. There being none opposed, the motion carried.

Mr. Levy stated for Change Proposal #14, Revision 1, during the negotiations and prior to the closing of the financing, the schedule became an issue with regards to the completion guarantee insurance so it was negotiated with Gilbane that they be given \$150,000 for an acceleration allowance to be used at their disposal to help insure that the project was going to be completed by November 15, 2001. The \$150,000 was included in the overall budget and this is the process of moving that money from the overall budget into Gilbane's GMP.

Alderman O'Neil asked where in the budget was that listed. Was it part of contingency?

Mr. Levy answered I can't recall what area it was, but it was carried as \$150,000.

Alderman Hirschmann stated I am not sure of this but it may be good if it saves us from getting into the stub money. I don't know if there are any guarantees of that, but the stub money was \$1 million that we might have to dip into so this may be good. Are there any assurances? I mean if he gets this \$150,000 and it is called acceleration, what if it is still delayed and dragged out?

Mr. Levy answered that is the gamble.

Alderman Gatsas stated correct me if I am wrong and I am a neophyte at the construction game and I am sure you are the expert but normally acceleration payments get paid to somebody if they accelerate a completion date. Why would we pre-pay something before we know that they have delivered a project on a pre-completion date?

Mr. Levy replied it is not really a pre-payment. It is an allowance that is being moved into their contract.

Alderman Gatsas asked why wouldn't we pay that at the end. Are we deducting it on the end if they don't meet the date?

Mr. Levy answered no.

Alderman Gatsas stated so it is a gift. Who negotiated that? Don't tell me you on behalf of the City.

Mr. Levy replied I wasn't involved in that.

Alderman Gatsas asked who negotiated it.

Mr. Levy answered I am not sure.

Alderman O'Neil moved to table Change Proposal #14, Revision 1.

Alderman Gatsas asked, Peter, do you work for the City.

Mr. Levy answered I work for Scheer-Stern.

Alderman Gatsas asked who is paying.

Mr. Levy answered the City.

Alderman Gatsas replied then I assume you are representing the City and protecting our best interest.

Mr. Levy responded yes.

Alderman Gatsas stated then I would suggest that when you come and I am not saying this because certainly I can wait until this comes to the full Board, but you should be in here giving us answers on questions that I assume people are going to be asking and we have gone through the first two and you haven't had an answer yet. I want to know who negotiated that deal because that is an unreasonable negotiation and if they negotiated it, it is supposed to come to this Board before anything is paid over \$25,000. Is that correct, Mr. Chairman? Isn't that the way this was supposed to work? Any change order over \$25,000 before it was done was coming to this Committee?

Chairman Wihby asked what did you mean when you said it was negotiated prior to the closing. Closing of what?

Mr. Levy answered closing of the financing.

Chairman Wihby asked so did this Board okay that before. Did this come up before and we looked at it and agreed to it?

Mr. Levy answered I think this all came down to the end prior to the closing. This happened just prior to closing.

Chairman Wihby asked did we know about it.

Mr. Levy answered if I am not mistaken, it was when they were trying to obtain the completion guarantee insurance. I think one of the big issues was the schedule and trying to gain that insurance and this was when it came up.

Alderman Cashin stated I don't want to belabor this but Gilbane bid the job and after he bid the job somebody added \$150,000 to it. Is that what you are telling me?

Mr. Levy replied they didn't bid the job. They put together a guaranteed maximum.

Alderman Cashin responded they guaranteed a maximum and on top of that there was another \$150,000 added.

Mr. Levy replied yes.

Alderman O'Neil stated it is clear in the letter that it is a bonus. I agree with Alderman Gatsas. You generally don't give bonuses until the job is done. I know the State is entering one now in the area of 93 and Corning or Bodwell where there is an incentive to the contractor doing some work out there to get it done in a certain time period. If they get it done, they get the bonus and if they go over the time period they pay a penalty. I agree with Alderman Gatsas. How can we be giving bonuses when we just started the project?

Chairman Wihby stated there is no impact on the budget so does that mean it was included in the budget already.

Mr. Levy answered correct.

Chairman Wihby stated so we must have known it before if it is in the budget.

Alderman O'Neil stated I think it might be helpful, Peter, and again I don't know that all of these responsibilities are with you but I think the budget should be presented, what was approved and where it is being moved from for any changes coming down the road.

Alderman O'Neil stated I moved to table this item.

Alderman Gatsas asked what good is tabling it if it is already done. It is done. It is paid. It is a done deal.

Mr. Levy answered well it is in the budget.

Alderman Gatsas stated I have no problem paying \$150,000 to save \$1 million. I have a problem paying \$150,000 and it goes to December 1. I have a problem with that because that is unreasonable. That is not the way they work. We brought that up with the addition at McLaughlin and could we entice somebody to complete this earlier and give them a bonus to do it. Have you seen this done in other projects?

Mr. Levy answered yes.

Alderman Gatsas asked which one.

Mr. Levy answered the Target Center in Minneapolis.

Alderman Gatsas asked can you bring me something that shows me that it is the same deal and done before the completion of the project.

Mr. Levy answered it wasn't exactly the same. It was actually more money.

Alderman Gatsas stated money isn't the problem. The problem is that we are giving somebody something before a delivery date. That is unreasonable. Would you do that in private life?

Chairman Wihby asked are you saying that you wouldn't mind if the \$150,000 was paid if, in fact, they guarantee the 11/15/01 date.

Alderman Gatsas answered yes.

Chairman Wihby stated there is a letter that was sent from Doug Butler that we have that says an incentive amount of \$150,000 will be paid for meeting the 11/15/01 date.

Alderman O'Neil stated but you don't pay it until they meet it.

Alderman Gatsas stated we are not getting it back, Mr. Chairman, if they don't meet it. It is a done deal and the money is there.

Chairman Wihby replied it says they are getting it for meeting the 11/15/01 date.

Alderman Gatsas asked if they don't meet that date, can we deduct it.

Mr. Levy answered no.

Chairman Wihby stated the letter says Gilbane will be paid an incentive amount for meeting the 11/15/01 date so if he doesn't meet the 11/15/01 date it seems to me that he has to give the money back. Either that or it was worded wrong on this piece of paper.

Alderman O'Neil stated again I move to table this item and bring all parties involved back in. If Ken Edwards and Doug Butler are involved, bring them in.

Chairman Wihby asked are you unsure about the letter, Ken, or are you sure that we are not going to get the money back.

Mr. Edwards answered basically Gilbane wanted control over the \$150,000 and how it was spent and that was the intent of it. If we don't move the money or we leave the money in the budget, I would imagine that could be a possibility.

Chairman Wihby asked could you find out and get back to us. We will table that item and somebody can get back to us.

Alderman Pariseau duly seconded the motion to table Change Proposal #14, Revision 1. Chairman Wihby called for a vote. There being none opposed, the motion carried.

Mr. Levy addressed Change Order #1. This was digging of test pits for sampling and testing of the soils to determine the extent of the contamination. That was not part of the GMP and this was the cost for digging the test pits.

Mr. Levy addressed Change Order #2. That was a combination of a credit for relocating a sewer line on the site, which was a valid engineering issue. It was less expensive to route it the way it was routed versus what was shown on the drawing. Part of this also was when we got into the contaminated soils issue it was determined that the people in contact with the soil be trained for 40 hours to meet OSHA regulations so the excavator shut down for a week and sent his operators to school. This represents the cost of that.

Chairman Wihby asked could you explain that one. This plus the \$24,353. Is this an increase of \$24,353?

Mr. Levy answered that is an increase of \$24,353.

Chairman Wihby asked so when you say it includes a credit, you offset a credit towards the actual cost of this.

Mr. Levy answered yes.

Chairman Wihby stated so basically since it is under \$25,000 you are doing it.

Mr. Levy replied right.

Chairman Wihby stated I would like to say that if I see a lot of \$24,000 I will start getting suspicious.

Alderman O'Neil asked, Peter, who is responsible for tracking the contingency money. Does that come under your responsibility?

Mr. Levy answered yes.

Alderman O'Neil asked could you again as part of the budget show this is what we started with.

Mr. Levy answered I am establishing a plan right now so you can look at a sheet and see where the money is going.

Mr. Levy addressed the Asbestos Abatement Change Order #1. This work was done under a separate contract that was not done under the GMP. This was done through the Housing Authority. Once they got into the building they discovered that there was some vinyl asbestos tile that was hidden under some carpet and some fireproofing material that contained asbestos. This represents the \$38,212 is cost to abate that, which was over and above the original contract. The second change order for \$7,321 covers the cost to dispose of fluorescent lamps, lamp ballasts and refrigerant recovery. This was done on a unit cost basis.

On motion of Alderman O'Neil, duly seconded by Alderman Pariseau, it was voted to approve the Asbestos Abatement Change Order #1.

Alderman Hirschmann asked how high are we going to be going if we keep getting these change orders.

Chairman Wihby answered these change orders are within the budget.

Mr. Levy stated Change Proposal #13 and Change Proposal #14 were covered under the budget. The balance is coming out of contingency.

Alderman Gatsas asked didn't you tell us two minutes ago that Change Proposal #14 was in the budget.

Chairman Wihby answered that is what it says.

Alderman Gatsas replied he just said it wasn't.

Mr. Levy responded #13 and #14 do not impact the budget.

Alderman Levasseur asked what about the issue where they wanted to work on Saturday. Did you approve that? Didn't I hear something that you wanted to do construction on Saturdays over there? Did you ask the Board to do that?

Mr. Levy stated I believe that was requested of the Building Department and they allowed it.

Alderman O'Neil stated with regard to that, I notice that I happen to have the June 9 minutes of the MDC Corporation Board of Directors and there were three items that came up. Again, why are we getting this information last? That specific issue that Alderman Levasseur just spoke of, shouldn't somebody have notified the Board that it was going on for informational purposes? It says in the minutes "request by the construction manager to allow Saturday work is currently being reviewed by the Building Commissioner and City Solicitor since an existing City ordinance allows construction work on Monday through Friday between the hours of 7 AM and 9 PM." All I am saying is that I know something needed to be worked out with the Building Commissioner, but shouldn't we have been informed of that?

Mr. Levy replied I think that was interpreted as being a standard requisition.

Alderman O'Neil responded there is nothing standard about this building. We went through the issue, in all honesty, with the tank abatement and all of that. I had gotten a phone call and then read about it in the paper before I was notified. There is going to be nothing on this project that is considered too much information. The negotiations, and I know that is not your issue, with the change in ownership of the hockey team, the change in ownership of the building manager...somebody has to take responsibility to inform us and I shouldn't have to read it in the minutes from the MDC or from Mike in the paper. We have talked about this issue I don't know how many times. Somebody has to take responsibility. We are the last people to know, yet we represent the people who own the building. I don't know what we have to do to get that through to people. Even if it is just information only. I get it and I can tear it up, but I know about it. I don't know how to hammer that message through. We have talked about it and talked about it and talked about it.

Mr. Levy replied with those two issues, I didn't know anymore than you did.

Alderman O'Neil responded that is fine and I am not saying...your job is not who owns the hockey team or who manages the building but we need the information so we are not reading about it in the paper or reading about it in the minutes from the MDC.

Alderman Vaillancourt stated you will remember at the last meeting that I brought this concern up about meeting the November 15, 2001 deadline and Alderman Pariseau got rather angry when I suggested that they might be going behind our backs and doing evening work saying it was premature to even think that and now one week after I brought it up we read that they have gone behind our backs and have gone to getting Saturday construction now. Now if this requires a City

ordinance change, doesn't it have to come to the Board to approve Saturday work. Does the City Solicitor have a comment on that?

Chairman Wihby replied I don't think they went behind our backs, I think you gave them an idea.

Alderman Vaillancourt stated I would concur that something like this should come to the Board. Have they already done this? Are they working Saturdays now or are we going to have to vote to approve that? Are they going to go and start working in the middle of the night or are we going to get to approve that first?

Chairman Wihby replied I think that basically it comes down to the Building Department letting them do it and giving them the okay. I don't think it comes to this Board.

Alderman Vaillancourt asked so he could let them work in the middle of the night, too.

Chairman Wihby answered it is up to him.

Alderman O'Neil stated I would ask that any of that needs to at least be given to us for informational purposes so we know what is going on.

Chairman Wihby replied it could have been sent in a letter that we are going to be asking to work on Saturdays, but I don't think this Board has the...we could always say no to them and they could listen to us but the Building Commissioner has that authority himself. We should have been notified that they were going to ask, but I think Alderman Vaillancourt gave them that idea and that is why they went ahead with it.

Alderman Gatsas stated I want to make this perfectly clear, Peter, so that I understand it and the Board understands it and it is on record. Change Proposal #13 has already been instituted.

Mr. Levy replied clarify what you mean by instituted.

Alderman Gatsas asked have you negotiated a contract with anybody for the City that would change the worker's compensation patterns of sub-contractors.

Mr. Levy answered I don't believe so.

Alderman Gatsas replied what you are saying is no then. It is either yes or no. What is your answer?

Mr. Levy answered no.

Alderman Gatsas stated if that is not the case, then if you want to turn to Page 3 of 13 and go to the highlighted area that somebody circled and it certainly wasn't me, that says deduct \$30,000 for owner's insurance, would you claim that that has certainly changed a sub-contractor's worker's compensation for the City.

Mr. Levy replied it hasn't changed the worker's compensation to the City. The City is providing the worker's compensation.

Alderman Gatsas asked was that part of the initial...

Mr. Levy answered let me clarify that. It is not the City that is providing the worker's compensation, but the insurance program that the City instituted for this project that is providing the worker's compensation.

Alderman Gatsas stated has it already been instituted.

Mr. Levy answered yes.

Alderman Gatsas asked why did that answer change from a deliberation answer when I asked you the question in the beginning. I asked you has Change Order #13 been put into effect.

Mr. Levy answered no it hasn't been. This is a change proposal.

Alderman Gatsas asked so no insurance company has been hired.

Mr. Levy answered yes it has.

Alderman Gatsas asked has a premium been paid.

Mr. Levy answered yes.

Alderman Gatsas asked what part of the question didn't you understand.

Mr. Levy asked can I clarify something.

Alderman Gatsas asked if you say no to this, Mr. Chairman, if this Committee right now voted no to do it...

Chairman Wihby interjected I want to know why I would say no to saving money. First of all, the only reason I would say no is if the City had some liability that was going to hurt the City. If this is an insurance policy and only used for the civic center, there is no way that is going to hurt the City.

Alderman Gatsas replied that is not necessarily true. If somebody gets injured on the job...

Chairman Wihby interjected the insurance company pays.

Alderman Gatsas stated at some point there has to be a risk factor because we are self-insuring it.

Chairman Wihby replied no. There is a carrier.

Mr. Levy stated Kemper Insurance is the carrier.

Chairman Wihby stated they are on the hook for everything.

Alderman Gatsas asked for 100%.

Mr. Levy answered there is a deductible.

Alderman Gatsas asked what is the deductible.

Mr. Levy answered I believe the maximum amount is \$660,000.

Alderman Gatsas replied I guess that just took care of the \$428,264.

Mr. Levy stated that is carried in the budget.

Alderman Gatsas asked if the deductible is \$660,000, you can't tell me that we are saving \$428,000.

Mr. Levy answered no.

Alderman Gatsas stated well that is what you are telling me the savings is right here.

Mr. Levy replied I said the maximum savings that we are anticipating to the budget is \$195,000. I think it will clarify this for everybody if I get together an explanation of the program. I think it will help everybody.

Alderman Gatsas asked why would this have been done without somebody around here knowing it.

Mr. Levy replied that I can't answer.

Alderman Gatsas stated I guess we have to go back to the same question. Is Scheer-Stern being paid by the City to represent them?

Mr. Levy replied yes.

Alderman Gatsas replied then I assume that your company that you are getting paid by knew about it.

Mr. Levy responded yes.

Alderman Gatsas asked did you know about it today, yesterday, last week, last month. When did you know about it?

Mr. Levy answered I knew about it about six months ago.

Alderman Gatsas stated and in six months nobody brought it to anybody's attention that this was going to change. You were in the meeting when they were talking about sub-contractor's not having worker's compensation and that was a big problem.

Chairman Wihby replied we solved the problem.

Alderman Gatsas responded but nobody made that statement at that meeting.

Chairman Wihby stated let's wait until we get all of the facts. If there is, in fact, a carrier covering this and all of the responsibility falls on the carrier and they built in \$660,000 in the budget and this is only going to cost \$400,000+ and that this assures that all employees on the job have coverage, which I think is what they are trying to do, then it is a good idea. If, in fact, there is some liability, then that is a different issue but let's wait until we get the facts.

Alderman O'Neil asked are we going to do this with school construction and road construction and bridge construction.

Chairman Wihby asked do what.

Alderman O'Neil answered that we are going to pay a premium or charge out of the project a premium so the contractor's don't have to have their own worker's compensation. That is what we are saying here.

Alderman Levasseur stated I agree with that. If I was now a company and I didn't have to pay worker's compensation premiums I wouldn't. I would go and work for him and let them take care of it.

Chairman Wihby replied first of all the contractor is responsible for all of the work of the sub-contractor so if a sub-contractor...

Alderman O'Neil interjected no, no, no. Sub-contractors are responsible for carrying...

Chairman Wihby interjected the prime contractor is responsible for covering worker's compensation. If a sub doesn't have worker's compensation, the prime has to pay it. So, in essence what they are doing is they are assuring that everybody on the job has coverage and Gilbane is on the hook for this.

Alderman Levasseur asked is this a back-up policy then.

Chairman Wihby answered the insurance carrier, Kemper, is on the hook.

Alderman Gatsas stated how did somebody formulate a savings. You are showing me \$30,000 to a trucking company. What were the wages?

Mr. Levy replied I don't know exactly. This is what they submitted on their proposal. When they bid they are asked to give a deduct for their worker's compensation.

Chairman Wihby responded this was already bid.

Mr. Levy stated this was already bid. This was a deduct given by the contractor and during the course of his construction his records will be audited.

Chairman Wihby asked who is verifying it.

Mr. Levy answered Eon Risk Services.

Alderman Gatsas asked so they are the third party.

Mr. Levy answered they are the brokerage firm administering the program.

Alderman O'Neil asked, Peter, does every sub know, every sub who is going to submit a bid, know that they do not have to carry worker's compensation.

Mr. Levy answered they have to give a deduct for their worker's compensation.

Chairman Wihby asked did anybody have a problem with that yet. Did anybody complain?

Alderman O'Neil asked why would they have to show a deduct if they don't have to have it and there is already a policy in place.

Mr. Levy answered because normally they have to carry worker's compensation on the project. What we are doing is asking for their deduct for not carrying worker's compensation. Worker's compensation will be provided under the OCIP program.

Chairman Wihby stated they are asking for a deduct off of whatever they had billed before.

Mr. Levy replied yes.

Chairman Wihby asked are they complaining about this.

Mr. Levy answered no.

Alderman O'Neil stated my concern is that I want to make sure every sub is playing by the same rules and I am concerned that they may not be.

Chairman Wihby replied let me explain something to you. In the industry you might have different subs. Some have worker's compensation and some don't. Some don't cover all of their employees because they lie on their payroll. This is assuring that whoever works on the project is going to be audited and that their payroll is going to be the right amount and that the worker's compensation is going to cost whatever it costs.

Alderman O'Neil responded I am not questioning that. I am questioning how this has been handled. There was a motion to table and I believe it passed. Let's bring all of the consultants and Harry Ntapalis and Gilbane in at the next meeting. What is happening with residency? We now have quite a few workers on site.

Mr. Levy replied I will have your first report on July 1.

Alderman O'Neil asked is the Committee set-up yet to review it. There was a Committee presented by Atty. Craig. I think you were a member, Gilbane, somebody from the ABC, somebody from the building trades. Has that Committee been established yet.

Mr. Levy answered no, it has not.

Alderman O'Neil asked will that be established soon.

Mr. Levy answered yes.

Alderman O'Neil stated it continues to be a very important issue for me making sure that we get as many Manchester people as possible on that job.

Chairman Wihby asked do you want to meet again on these two issues. When do you think you will have the information?

Mr. Levy answered two weeks.

Clerk Bernier stated we have HR meeting next Monday and we have nothing scheduled for the first two weeks of July and the third week of July is the July 18 Board meeting.

Chairman Wihby stated I am gone until July 19.

Alderman Gatsas asked why is it going to take two weeks. This is a \$70 million project. If we are not sitting on this a lot better than two weeks from now, we have got problems. I would like to see an answer by Friday.

Chairman Wihby stated I will work something out and let the Committee know when the meeting will be scheduled.

There being no further business to come before the Committee, on motion of Alderman Hirschmann, duly seconded by Alderman Cashin, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee