

Special Budget & Finance Committee Meeting

Tuesday, March 24, 2020– 6:30 p.m.

REMOTE PARTICIPATION**-Minutes-****Present: Chair, Councilor Melissa Cox, Vice Chair, Councilor Scott Memhard, Councilor John McCarthy****Absent: None****Also Present: John Dunn, Joanne M. Senos, Tom Ellis, Jonathan Pope, Dr. Richard Safier, Chip Payson, James Pope****The Budget & Finance Committee participated by remote participation and all votes by the Committee by virtue of the remote participation are by roll call.**

Councilor Cox announced that she would like to welcome everybody to the very first inaugural remote one hundred percent remote meeting for Budget and Finance, Tuesday, March 24, 2020 at 6:30 p.m. “We have a couple items on our agenda. I’m going to announce now that I will be making the motions. And Councilor Scott Memhard is going to second, if he so feels. And from there, we will be taking everything under a roll call vote. Does anybody they have any questions? If you want to raise your hand. Let me know. Seeing none. All right, we’re going to move forward with item number one, the memorandum from the CFO regarding construction manager at risk procurement method

1. Memorandum from CFO re: request acceptance of a Construction Manager at Risk Procurement Method for the East Gloucester/Veterans Memorial Consolidated Elementary School

John Dunn, CFO explained that there are two basic procurement methods for vertical construction. “That is the traditional bid or design bid build, and then there is also manager at risk. There are certainly pros and cons for both of them. The last time through with the West Parish School, the then school building committee recommended and then mayor and school and excuse me, city council voted to go with construction manager risk. The basic pros with this approach is that you get the construction company involved on the front end. And what that tends to do over time, although it doesn’t necessarily save you a lot of money, it does save you a tremendous amount of headaches. So you have the construction manager involved in the design of the project, and they can then question the approaches that the design firm is proposing to take. And what that tends to do over time is reduce the number of requests for information.

So what that tends to do is over time reduces the number of requests for information that would then come from the construction firm to the design firm, which then often times results in delays and potentially change orders. We as I said, we had a very good run with this at the West Parish School, which came in on time and below budget. I was a member of that school building committee after I arrived here in 2014. And I do have to admit I have been involved in a couple of these before that it really went very, very smoothly. So that’s kind of the general overall approach. Again, the recommendation has come from the school building committee to go this way, has been approved by the mayor. What I would like to do is at this point kind of hand it over to Tom Ellis, who is the manager for our project management firm CBRE|Heery.”

Tom Ellis, Project Manager CBRE/Heery conveyed that “I think John did a very good job of explaining the overall reason for the different methods. I think the one thing that we see on this project as being a significant advantage is that getting this construction manager at risk on board early in the design process allows us to start doing early site work packages. Any of the what’s called item one work, which is the non filed sub bid work that can be done early, which is site work concrete steel. So we can really jumpstart the project earlier and that will greatly help us, especially given the scenario of where we are on the public vote in November. So this process is a more collaborative approach which does, as John explained, has the construction manager early on in in which we’re getting them on board now so that they can participate in the cost estimate in determining the overall budget before it goes to the citywide vote. So they have some skin in the game as to the overall budget that’s been established that they have to work within. So historically, the CM at Risk is not required to be on board until the beginning of the design development phase, which would be after the city vote. Then they don’t have as much ownership of the overall budget. So by doing this early in the schematic design phase, we get them to collaborate on the phasing. The process for doing that in the overall timeframe. And you know, we’re having to make up a little bit of time right now because of the November vote schedule. But we believe we can do that in the construction manager at risk

delivery method gives us that ability to collaborate and get those early site packages done and the work started as soon as the school district is able to vacate the Veterans Memorial Building. In theory, at the beginning of June, 2021.”

Councilor Cox inquired whether anyone else had any questions for Tom Ellis or John Dunn regarding this matter. “If you want to raise your hand or just chime in.” There being no further discussion, Council Cox read the motion and called for a roll call vote.

COMMITTEE RECOMMENDATION MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by Roll Call 3 in favor, 0 opposed, to recommend that the City Council approve a Construction Manager at Risk (CMAR) under MGL c.149A as a public construction alternative to the Design-Bid-Build method under MGL c. 149A for the East Gloucester/Veterans Memorial Consolidated Elementary School.

2. Supplemental Appropriation-Budgetary Request 2020-SA-28 & -29 from CFO

John Dunn, CFO explained that 2020-SA-28 is supplying or funding some initial request from Karin Carroll, Director of Public Health. “If you if you look at the memo, that was the cover memo that was included in the packet. That memo was dated March 4th. We're in a very different place now. And there are there is another request coming forward in your unanimous consent agenda. But for right now, this was what was envisioned back a number of weeks ago as what we thought was going to be necessary to do with the Covid-19 issue. This is relatively modest in terms of the next one that's coming through. There are basically two pieces to this. A \$6,050 piece for health department supplies and an \$11,250 piece for hourly wages to cover nursing coverage. Both of those are unfortunately in our rearview mirror right now, but we should go through and basically approve these anyway. It is likely that as we go down the next couple of weeks, because you're only receiving the second request tonight, we will have to act on it over the next couple of weeks. But it's likely that we may incur some expenditures that would put some of the health department accounts in deficit. But you do have the next request pending. We certainly think that that is necessary to fund. And we hope that you fund both this request tonight as well as the one that is pending for the next couple of weeks.”

Councilor Cox asked the Committee if anyone had any questions regarding SA 28 or 29. **Councilors Memhard** and **McCarthy** replied that they did not. There being no further discussion, Council Cox read the motions and called for a roll call vote.

COMMITTEE RECOMMENDATION MOTION: On motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2020-SA-28 in the amount of \$6,050 (Six Thousand Fifty Dollars) from General Fund – Undesignated Fund Balance Account #0001-359000, Transfers to the General Fund to Health Dept. Supplies, Account #0151052-54000 for the purpose of purchasing COVID-19 supplies and provide funding for PR outreach) .

COMMITTEE RECOMMENDATION: On motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2020-SA-29 in the amount of \$11,250 (Eleven Thousand Two Hundred Fifty Dollars) from General Fund – Undesignated Fund Balance Account #0001-359000, Transfers to the General Fund to Health Dept. Hourly Wages, Account #0151051-511300 to cover COVID-19 temporary nursing coverage if needed.

A motion was made and seconded and by ROLL CALL 3 in favor 0 opposed to adjourn the meeting at 6:45 p.m.

Respectfully submitted,

Joanne M. Senos
City Clerk