

SPECIAL COMMITTEE ON RIVERFRONT ACTIVITIES & BASEBALL

July 6, 2022 at 5:15 PM

Chairman Long called the meeting to order.

The Clerk called the roll.

Present: Aldermen Long, A. Sapienza, Barry, E. Sapienza, Trisciani

Messrs.: A. Solomon, T. Silvia, R. Brenner, M. Ramshaw, T. Clougherty, P. Chiesa,
R. Miller, S. Wickens

1. Communication from the NH Fisher Cats Baseball Club regarding proposed changes to Northeast Delta Dental Stadium.

Art Solomon, NH Fisher Cats, stated I want to thank the committee for inviting us for this presentation. I am going to give some background and some context and then Tom and Rick will talk about the project itself. As some of you know, I have owned the Fisher Cats for 17 years now. For most of that time, I was the sole owner and owned 100%. However, as I have gotten older I wanted to make sure that the team remained in very capable hands so we expanded the ownership group with partners who were committed to the city and the state and particularly to involvement in the community – the schools, Little League teams, hospitals and non-profits. The two key new partners are sitting here with me this evening. Tom Silvia on my right and Rick Brenner on my left. We have always had an excellent partnership with the City of Manchester. Over the years we have been committed to working with the political leaders, government officials, non-profit groups, local businesses, schools and with the residents. We usually have several hundred non-profit groups every year who we support. They come out to the ballgame and we give them a chance to earn some money on the tickets and so forth. We not only pledged from the beginning to bring quality professional baseball to Manchester but equally important we committed to being an integral part of the community by adding to the city's attractiveness as a place to live and work and entertain. Now I am very enthusiastic about the next chapter in which Major League Baseball has become a partner with the Fisher Cats and the city. In early 2021, the MLB took over the minor league system. It used to be separate and we had our own commissioner and our own staff and so forth. Major League Baseball committed to having one authority over all kinds of baseball, including college. MLB wanted to

upgrade minor league baseball. They wanted to upgrade it for the fans and they wanted to upgrade it for the ballplayers and for everyone involved. We used to have 162 affiliated minor league teams and they eliminated 25% of them. We now have 120 minor league baseball clubs becoming members of their new Player Development League (PDL). In their own words, why did they do it? To provide communities and facilities essential to the development of the next generation of big leaguers. Frankly, they wanted to eliminate the 25% of minor league teams and communities that they believed could not meet their professional standards. They essentially eliminated them. Some became affiliated with non-MLB teams and some haven't found anything else to do with their ballpark. Obviously we are delighted that MLB and the Toronto Blue Jays thought highly enough about the Fisher Cats and about our relationship with the community to include us in their new PDL. As part of this, MLB established a consistent set of standards for all of the teams and communities, including professional standards for the stadium, for travel and lodging arrangements and even for the nutritional quality of what is fed to the ballplayers. For the last eight or nine months, Tom and Rick along with our team President, Mike Ramshaw, and our outside counsel Rob Miller have worked closely with the Mayor, Tim Clougherty, Peter Chiesa and Sharon Wickens as well as representatives of the construction management group, and that is the Fulcrum Construction Company, on a detailed proposal to bring our 18-year-old stadium into compliance with MLB's current facility standards that are set forth in our PDL license. Throughout this process, we have been guided by a few key principles. First of all, that the proposed work meet the facility standards set forth in MLB's license agreement. Secondly, if the proposed plan is approved that the city and the Fisher Cats were splitting the cost 50/50, which is set forth in Section 11 of the 2016 amendment to the Management and Operations Agreement, and that our financial interest would be aligned perfectly. We would have to put in 50% and the city would put in 50%. Therefore, the commitment was to do everything collaboratively. There were extensive discussions since some time last fall. Third, that all of the line item quotes be consistent and fair, which is why Fulcrum Construction was selected having done a lot of quality work already for the City of Manchester. Finally, that Fulcrum Construction substantiate the costs, provide proof of competitive procurement for each and every line item that was more than \$5,000 and agree to a maximum project cost. So it can't go over what

you saw in the schedule that we sent you. With that background, let me ask my partner here, Tom Silvia to make a few comments.

Tom Silvia, NH Fisher Cats, stated thank you Chairman Long for giving us this opportunity to be in front of the committee. I would first like to echo Art's comments and thank the City of Manchester for being a great partner with the Fisher Cats since our founding 17 years ago. Since that time, millions of fans have come to the ballpark and millions of dollars have been brought to the City of Manchester. On top of that, we have won many awards for fan experience and we have won a number of championships and we brought the All-Star game to Manchester a number of times. I think this is a great example of best practices in public/private partnership. Today we are coming forth to the city with this proposal because it is the right time to make a further sound investment and modernize our stadium. We are excited about this project because it will improve the city's asset and it will improve the fan experience and bring our facility up to expected standards for the only professional sports team in the state. The timing of this also makes sense, not only because MLB is trying to standardize its minor league operations but also because we are approaching our final payment of the original debt service for the team and the city in 2028. Our prior investments, both yours and ours, have proven to be very successful and a huge benefit to the community. On top of this, I think it is also really important to recognize that the city and the team have been working very well together and as a result of that we have made many good decisions about the stadium and the overall improvements. When we look at the scope of our project versus many other teams that we are facing, our costs are substantially less than many other teams. I think it is something that we should all applaud which is the great stewardship of the city's asset. Just to touch upon the project in a broader scope, we had two overall objectives that each represent approximately 50% of the work. The first is the building needs the typical capital expenditures for upkeep and modernization of a 17-year-old building. In addition to the normal capital projects like painting, flooring, and HVAC repair, the project will also make improvements for the fans such as better Wi-Fi capability, expanded safety netting, security upgrades and also seating replacement. As Art mentioned and talked about, the second part of the project comes about because MLB has put forth expected facility standards for all of the minor league teams and help improve the environment for player development. In many ways I see

this investment comparable to our neighbors in the mill buildings. The new technology and innovation in Manchester has been a constant force for the last several decades. The science and sophistication of developing world-class players and world-class athletes is now far different than the depiction of minor league baseball that we may have seen in the movies. The Fisher Cats players, when they arrive to the Double-A level, are exceptional developing athletes who have sacrificed much of their lives to their dream of playing professional baseball. What is required are leading edge programs to maximize that potential. This is MLB's expectation and we are really excited to bring that innovation and science and that level of play that fosters from this enhancement to the City of Manchester. One of the interesting things I noted when I was on my way over from the stadium is one of the signs on the street had innovation right on the street banner and it really feels like this is part of the consistent theme for the city. When we look at the total cost of the project, it is \$5.66 million. Per our management agreement as Art mentioned, the split is even between the team and the city so that is \$2.83 million for each party. We are very excited about this project and very much hope that the committee will support it. This will put the community asset in a great position for the future and it will also expand the use of the stadium. In 2021, the stadium hosted over 15 non-baseball events such as graduations, charity events and other entertainment activities. Lastly, I think it is very rewarding for us to have former young fans that now work for the team and we also have seniors who once brought their children to the games as ushers. What we really hope is that this type of investment will allow and enable this to happen for future generations in Manchester. I will turn it over to Rick Brenner who will do a summary of the scope of the project.

Alderman Long stated well we have that information. Do you have anything to add?

Rick Brenner, Fisher Cats, stated first of all thank you all. It is nice to see many of you for the first time in some time and thank you for coming in on a non-normal meeting day to be here to discuss this. I think what is important to point out is the project covers a scope of things from fire suppression to box office speakers to female locker rooms that don't exist. One of the things we have found in the facility that is nice is that a lot of this can be done by moving storage around. There is a lot of existing infrastructure that is in good shape and in a good place to do the job. There are also other areas. The biggest

one would be the batting tunnel that would be a new building in the back parking lot. One of the advantages to that is we really hope that is something we can open up. It is not underneath like before and underneath when things freeze in the winter it is very difficult to get in and out. Being freestanding in the back lot, it is something that the high schools could use to hit and we could make it available for different community events and things of that nature as well very easily because it is climate-controlled and does have a restroom. That was part of the thought. I just want to share that what has always attracted me, besides the fact that I love NH and love living here and love the city and will do anything I can for it...this opportunity for me after leaving and coming back is a bit of a childhood dream to be a very small part of an ownership group in this but what I realized is the impact that a team like this and an asset like this can have on a community. Being in the bigger world of sports and then coming back, there is a true impact that we create and give every day through the investment that the city has made and the investment we have made over the past 18 years. You can measure it that our foundation has done about \$5.8 million in goods, services and cash since we have been here. You can measure it in the SNHU study that Doug Blais did back in 2016 that had the indirect and direct economic impact at about \$15 million annually. That is in seven years ago dollars. You can measure it in every pair of feet that walk through that place. To Tom's point, the young kid, and my son is one of them, that was a three-year old in that place is now working there and he is not the only one. All of those jobs and the people that Amoskeag Beverages hires to deliver beer because we buy beer and all of the different places that an organization like this splinters out to is just a privilege to be a part of and we appreciate very much the partnership that we have had with the city for a long time. With an 18-year old building there are some things, and Tim Clougherty and his team and everybody have been phenomenal in helping us identify the things that we need to do not just for MLB but for the building that we have both invested significantly in. This is a really comprehensive list of those things and we feel very good about it. A lot of them came from a third party study that Aramark did. We had a third party come in and look at the facility and make suggestions and we all got together and came up with this list. That is how we got here and we hope that you will join us in continuing to support this fabulous asset the city has.

Alderman Barry stated thank you for being here tonight. When you say \$5.66 million, is that after you have exhausted every other way of getting funding? Was there any other funding available for you to use to cut it down to where you are now or is this the top dollar?

Mr. Silvia answered we did look at possible other public funding that was available but we weren't able to find anything that fit or was appropriate in which this project would qualify.

Alderman T. Sapienza stated you mentioned the Aramark study and three-year plan which we have been working on and I believe we went over it last year. So that is not part of this \$5.6 million or are you combining them?

Mr. Brenner replied the majority of the things below bullpens come directly from that report.

Alderman T. Sapienza stated my question is that we already worked out a way to pay for all of the things in the Aramark study and now you are asking for a total of \$5.6 million. Is that minus the Aramark or plus the Aramark? It looks to me like we are doing it twice. We are doing it once in the Aramark study and now we are doing it again with the \$2.8 million and that is confusing me.

Mr. Brenner responded I don't believe any funding has been approved. I think the Aramark study made us aware of the things that were coming and this is how we are proposing they get fixed in cooperation with DPW.

Alderman T. Sapienza stated we did have a funding mechanism for the capital reserve fund. Is that depleted?

Mr. Solomon replied there is a minimal amount and that is \$100,000 a year and replacing the seating alone uses up most of that.

Mr. Brenner stated there might be \$100,000 grand in there left but maybe Sharon can verify that. There are not gobs of money in there by any means.

Alderman T. Sapienza asked are we keeping pace with our plan on the Aramark study.

Mr. Brenner answered I believe so but I would defer to Tim and Mike on that.

Alderman T. Sapienza asked so are we folding in the remainder of the Aramark plan into this new construction.

Mr. Brenner replied a portion of it yes.

Alderman T. Sapienza stated I need to see some documentation on that because I haven't had a chance to go over that.

Mr. Brenner stated it is all stuff we haven't done yet.

Mr. Solomon stated just to be clear, we haven't done the Aramark stuff yet. It is in here.

Alderman T. Sapienza asked but we started it right. We started work on the fire suppression system and put some new speakers in and I am just going from memory.

Mr. Brenner stated we didn't put speakers in. We put amplifiers in. These are speakers. As for the fire suppression, you will notice that it is on the can wait column. There is an upgrade to it that we have been asked to make that we put in the can wait column.

Alderman T. Sapienza asked but those are extras right.

Mr. Brenner stated actually no I am sorry. The fire suppression is \$38,000 that is on here. That is an improvement to the current system.

Alderman T. Sapienza asked so it is an enlargement of the current system.

Mr. Brenner answered I don't know. Mike do you have that or Tim can you help me out? It is replacing the fire pump and the risers.

Alderman T. Sapienza asked we didn't do that in 2016 when we upgraded the fire suppression system that was falling down in 2016.

Mike Ramshaw, Fisher Cats, answered we didn't do anything to the actual risers.

Alderman T. Sapienza stated you mentioned that the Professional Development League is new.

Mr. Solomon responded yes it is new as of early 2021.

Alderman T. Sapienza asked is that a new entity.

Mr. Solomon answered yes it is a new entity. When MLB took over, they created this for the 120 teams they selected to be part of it and eliminated 42 teams totally.

Alderman T. Sapienza asked and they eliminated the old organization as well.

Mr. Solomon replied yes they did. It used to be totally separate and there was a lot of redundancy. They just wanted to upgrade everything for fans, ballplayers and so forth and professionalize things.

Alderman T. Sapienza stated I will be honest with you. When I look at Section 11 of the 2016 agreement, it talks about splitting the cost for capital improvements. My view is that is for capital improvements to maintain the current facility. It is not for capital improvements to build new facilities. That is a fundamental difference. I think if you look at the agreement that is what it does. If we are going to decide to build new facilities, that is a different question.

Mr. Solomon responded the only thing I can say to you is I am in the real estate development business and we certainly would consider the one new facility that Rick mentioned which is the batting tunnel a capital expenditure. I think we are making a distinction between maintenance and capital expenditures and we are only spending it on capital expenditures. Any definition, and I have been in that business for 35 years...sir I would always consider that a capital expenditure.

Alderman T. Sapienza replied well we had capital expenditures every year before we had this plan. To just say that they are maintenance and not capital expenditures...

Mr. Solomon interjected very seldom. Usually we use it for maintenance. That is the big difference and don't forget that we are paying half of this. I mean we have every incentive that you have to keep the costs as low as possible. This comes out of our pockets. We don't have government money and we don't have your bonding capacity. Our financial interests are 100% aligned with yours. We haven't come here to ask you to pay the whole thing. We have asked to do what our contract says which is to split it 50/50.

Alderman Barry stated I would like to hear from Tim. If we are going to be putting in \$2.83 million are we going to have someone from the city overseeing the project and who is that going to be.

Tim Clougherty, Deputy Public Works Director, replied we will be overseeing the project just like we would with any other city project through our Facilities group. I will personally oversee the applications for payment as well as the contract administration that is contemplated in the MOU.

Alderman Barry stated I know you mentioned the construction company. Is that company going to employ local people?

Mr. Solomon stated they are a NH firm but I don't know where all of their employees come from.

Alderman Barry stated it is important to me because we have a lot of people who are looking for work and if there is an opportunity for them there I would appreciate it.

Mr. Solomon stated it is important to us as well and where they can do it, we will certainly encourage them.

Alderman Barry asked Tim when you say we are going to oversee it, are you going to have someone there daily during the construction phase.

Mr. Clougherty responded I wouldn't say it is going to be daily but I would say we would have someone stop by a few times a week. Most of the work being done is relatively superficial. When they are installing HVAC systems and stuff like that, we don't need full-time inspection. Other than the batting cages, there is no ground up construction and those batting cages are basically a slab and a frost wall so we can have somebody there when they subsurface it and excavation is going on. I am confident that we will be able to cover the city's interests with current staff.

Alderman Barry asked if everything is approved, when will this project be up and running.

Mr. Brenner answered it needs to be complete by April 1, 2023. As soon as our season is over, we will start.

Alderman T. Sapienza stated Tim Alderman Barry just brought up the point about oversight. I have some serious concerns about quality control of the construction. We learned a very expensive lesson in 2016 and it basically cost us \$1 million because it was done poorly in the first place. We really need some kind of serious effort in the quality control on the construction. The two things I am thinking about are the way the field was constructed and we had drainage issues and stones were coming up. You remember. That was poor construction. We also did a lot of work on the fire suppression system because it was rotting out prematurely. Those are construction issues that we were faced with in 2016 and I don't want that to happen again. We have to come up with an answer. I was in that field where I did do construction inspection but

there were no reports on construction inspection and it was a disaster. We really need to have a plan for quality control.

Mr. Clougherty stated we currently don't have the staffing to provide full-time construction oversight. If that is something the committee wants to explore, we can certainly look at what opportunities are available in order to provide that. That would likely be through an outside contractor at a cost.

Alderman T. Sapienza stated we can't be penny wise and pound foolish because we learned our lesson in 2016. That is all I have to say about that.

Alderman E. Sapienza asked can you elaborate a little bit on how MLB is now affiliated with this because my understanding has always been that the Fisher Cats were a Double A team of the Toronto Blue Jays. I kind of get what you are saying but I don't really so could you clarify that? Is it just a paperwork shuffle?

Mr. Silvia stated there was a separate governing body called Minor League Baseball that had a contract with MLB and that contract, whenever it came up, would typically automatically get renewed. It was a very easy process. MLB decided they didn't need that entity between us and them anymore and formed their own. We have essentially become a franchisee of MLB instead of a member of Minor League Baseball if that makes any sense. We collectively as 162 teams did the same thing and now we have an individual contract directly with MLB; each of the 126 teams.

Chairman Long stated I have a couple of questions. In 2016 we did the field for approximately \$573,000. Did that include lighting or...I am assuming it included field grading, field lips and field improvements? I am seven down on the list of improvements where it says field grading, field lifts and field improvements.

Mr. Brenner responded it did not include field lighting at all. The lips occur from natural use. What they have to do now because there is a standard that didn't exist before...the grade from the infield to the dugouts when they did their inspection last year were too steep so they want it flattened.

Chairman Long asked so there was no field lighting done.

Mr. Brenner answered not back then. I think we did field lighting in 2014 or 2015 but all we did was replace bulbs.

Chairman Long asked and you are saying the \$110,000 for field grading, field lips and field improvements is maintenance.

Mr. Brenner replied I wouldn't say it is maintenance. I would consider...

Chairman Long interjected it is wear and tear.

Mr. Brenner stated the lips are around the mound and parts of it but you can't fix the grading issue without fixing the lips. They happen at the same time.

Chairman Long asked with respect to specialized mower and turf equipment, that wasn't encumbered in the \$573,000 for field improvements.

Mr. Brenner answered no. Some of that equipment is...we have gotten that down to I think that is a growth blanket to help the field stay healthy during the winter which we haven't had before but it is also a gator or a workman utility vehicle that is just way past its useful life.

Chairman Long stated I am looking at #11 and maybe Atty. Chiesa can help me out with this. It says "will divide equally 50% the annual capital expenditures made that exceed the funding." Now does that language include design contingencies or construction contingencies or escalation allowance or fixed general liability insurance, performance bonds, builder risk insurance, or CM fixed fees? Is that included in capital expenditures?

Peter Chiesa, Deputy Solicitor, replied it would if they arise out of the capital expenditure. If you are going to build something, you are going to have to design it so yes I would say that design is part of the capital expenditures.

Chairman Long asked so if somebody needs new work boots we are going to pay for those as part of this. I was just questioning if all of these add-ons are normally seen in contracts that our partnership with somebody...Tim you may be able to answer this. If there is a contract that is split 60/40 or 50/50, are the things on the list I just read out normally based on the split also?

Mr. Clougherty replied the items that you are talking about are routinely part of any contract for construction that DPW has overseen. This is the only contract we have that represents a partnership. It would be hard for me to answer whether that is common.

Chairman Long asked but you are saying that those items are acceptable.

Mr. Clougherty answered these are costs normally incurred as part of a construction project; yes.

Chairman Long stated halfway down the page you have fire suppression which we did in 2016 for a cost of \$350,000. What is the \$38,000 that we didn't address in 2016 for fire suppression?

Mr. Ramshaw stated in 2016 everything outside of the riser room located in the stadium was replaced because that is what was exposed to the elements and that is what was causing the condensation in the pipes but inside the riser room, it is climate controlled. Through the Aramark report they talked about replacing the fire pump and that is what the \$38,000 is for.

Chairman Long asked so the \$38,000 is for the inside.

Mr. Ramshaw responded correct.

Chairman Long asked is there a required timeline through MLB.

Mr. Solomon answered yes. We are supposed to get it done by next April.

Chairman Long asked and what you are saying is all of this work that we agree to, the \$5.66 million, is going to be complete by April 2023.

Mr. Solomon replied yes.

Chairman Long stated moving forward I know you have pay \$100,000 for the capital improvements plus the extra parking that we added which comes out to what.

Mr. Silvia stated it is 30 spots in the back and half of that on a firework night.

Chairman Long so is that like \$3,000.

Mr. Silvia stated it is not a lot of money and last year we weren't able to staff it. We couldn't find people. This year we intermittently had it staffed but yes the revenue from the back parking lot goes in there.

Chairman Long asked and you will continue the seating maintenance year to year.

Mr. Brenner replied part of what is in here is to replace sections of the seating and then keep those pieces to fix the existing seats as they break. Yes, we will keep doing it and hopefully by doing it this way and biting off a chunk and keeping it as parts we reduce the expense.

Chairman Long asked so the seat repair and replacement is \$300,000. Is that total of all of the seats?

Mr. Brenner answered no. Those are different sections and pockets of seating. The whole thing would be about \$1 million.

Chairman Long asked when this is done, what percentage of your seating still needs addressing.

Mr. Silvia responded I haven't done the count and couldn't give you a number off the top of my head.

Mr. Brenner stated if I had to guess, and I am, 20-30% tops.

Chairman Long asked and that \$100,000 covers doing 10 or 20 at a time.

Mr. Brenner replied what happened is the seating company that was originally use, it was value engineered and the brackets on the bottom of the seat don't go all the way out. They stop halfway so the seats break. That company is also, surprise surprise, out of business. We found somebody that can make replacement parts for us so we will order anywhere from \$10,000 to \$20,000 worth and put the labor in ourselves and change out seats as they break. The plan with this, because the bullpens are going in the stands as well, is to take all of that extra stuff that is coming out and hold on to it and use it to replace others for the next several years until it runs out whether it is one year, two years or five years down the road. We want to go as long as we can get it to go as well.

Chairman Long asked so you are doing about \$10,000 to \$20,000 a year in seat repairs and using your own workforce.

Mr. Brenner responded yes we use our own workforce.

Chairman Long asked do you pay them out of the capital improvement fund.

Mr. Brenner answered no.

Chairman Long stated there was \$141,687 in that capital reserve fund. I was trying today to compare this to a catastrophe but I just couldn't get there because you can take that \$141,687 and put it towards that. It is a MLB decision and it is clear in the

contract that we have to abide by their requirements and this is one of their requirements. Going over the list of work, my other question was when can we anticipate or when do you anticipate...I am hoping that in five years we don't sit in front of each other like this again. What is the life expectancy of this? I am hoping at least five years but I am thinking more.

Mr. Solomon responded hopefully it should be more.

Chairman Long asked as far as the envelope, it is really just the seating that is outstanding. Is there something else?

Mr. Brenner asked outstanding meaning what.

Chairman Long answered meaning there is a timeline to get that done. Even after this is done we still have 20% or 30% of the seating to replace.

Mr. Brenner stated yes and the other items that we listed were things like concourse ceiling. Our hopes are, other than the Brew House improvements, that most of this stuff we should be able to handle through the capital reserve fund as it exists.

Chairman Long asked so the \$616,300.

Mr. Brenner replied well \$315,000 of it can wait so it is the other stuff up above that probably needs more attention.

Chairman Long stated right and the biggest one is the Brew House improvement. That is not a priority.

Mr. Brenner stated it can be but there are other things that are ahead of it.

Chairman Long asked so the \$616,300 you are saying the capital reserve fund should be able to cover that.

Mr. Brenner answered yes if you take the \$319,000 out of it. I think there is like \$100,000 in there now.

Chairman Long stated it is \$141,689.

Mr. Brenner stated we had a couple of other things so I would call it \$100,000. We are going to keep contributing \$100,000 as well every year. We tend to be in a situation where as fast as it is coming in, it is going out.

Chairman Long asked Tim do you think a couple of days a week is good enough to assure that the work is being done correctly. If we are going to invest this type of money, we want to make sure it is top of the line with not corner cutting or inexperienced people working on it. Do you think that this one person twice a week could have a handle on that?

Mr. Clougherty answered I can't make any guarantees as to the exact level of quality on every detail that is going to be constructed with the level of effort that I have been proposing. If the committee feels more comfortable, we can entertain proposals from independent construction inspectors to be there full-time to make those assurances.

Chairman Long asked are you of the opinion that if we had someone there full-time that the assurances would be better.

Mr. Clougherty responded certainly. Full-time is always better than part-time.

Chairman Long asked what kind of price are we looking at for that.

Mr. Clougherty answered I would have to look at the construction schedule but you are probably talking about anywhere from \$60-\$100 per hour.

Chairman Long asked do you currently have somebody that would do it for two days a week.

Mr. Clougherty replied we have somebody on staff who is covering the City Hall construction, the Rines Center construction, the construction of all the schools, and \$39 million in HVAC projects and this would be another project that they would be undertaking.

Chairman Long asked if we were to hire somebody full-time you don't have that money in your budget.

Mr. Clougherty responded that is correct.

Chairman Long asked and we are talking \$60-\$100 per hour.

Mr. Clougherty replied yes that is what I would estimate it to cost.

Alderman T. Sapienza stated you mentioned that the contract is clear but I don't think the contract is clear. You also asked them how long this plan was going to be in place and when they were going to come back and ask for more money. What we know is in 2016 we made an agreement to bring us to 2028 and that cost the city \$1 million. I appreciate what you did in 2016. I was there and we worked pretty good together and in the end came up with something pretty good but that cost us \$1 million in 2016; an unexpected \$1 million. We thought that \$1 million was going to bring us to 2028. Here we are a few short years later looking for \$2.88 million. I am sure you will be back before 2028 asking for more money. One of my concerns is it never stops. The taxpayers continue to pay.

Alderman Trisciani stated I agree with the sentiment. I am concerned about quality and I would like to see something and I am assuming Fulcrum is going to have something in their contract warranting their work and certifying the products they are using in this project so that should something happen we have a recourse. If they were to go out of business, that is another story. My question to you is when you did the sprinkler system replacement, you mentioned it was on the exterior exposed to the elements. Were materials changed so that the sprinkler system will last longer? What is the life expectancy of something like that?

Mr. Brenner stated yes the materials were changed and also it is a nitrogen system where it wasn't before. Nitrogen pumps into the pipes to reduce the condensation and every off season when we winterize, we go down and drain any condensation that may collect in there. I can't speak for the type of materials. It is definitely a different material that was used for the second time.

Alderman Trisciani asked assuming the Fisher Cats do the prescribed maintenance, what is the life expectancy of this system.

Mr. Brenner responded I couldn't answer that. I can find out but I don't know what the life expectancy is for the fire suppression system.

Alderman Trisciani stated I think those are things that we just want to make sure we are aware of. Tim, I don't know if this is something that would be covered under you. What are the materials being used and are they the best materials for the use that we are proposing as we are getting into this contract because that is going to serve us well on both sides? My other question is around the MLB contract. What are their guarantees to us? They are saying you need to pay all of this money to upgrade the stadium but what is in it for us? Can they drop us next year and say we are done here? How does that work?

Mr. Solomon replied as long as we do what is required then there is a 10-year agreement that they will continue to renew.

Alderman Trisciani asked so as long as we do what is required here or as long as they change the requirements every year.

Mr. Solomon answered I doubt they are going to change requirements every year. They have given us a couple of years to do this. They have a point system and they literally go through every single line item and that is consistent across the 120 teams that remain as part of the PDL. They have their inspectors. It is just like they do in major league baseball. They are trying to professionalize this and make it consistent. As long

as we fulfill what is our agreement with them, then I think we are in great shape. The Blue Jays love us. The Blue Jays have been here ever since I bought the team. They want to continue the relationship and MLB feels the same.

Alderman Trisciani asked so today if we complete these requirements we have a 10-year contract with them.

Mr. Solomon replied yes.

Alderman Trisciani stated and we don't have a couple of years to complete these requirements. We have until April 2023 so we have from July until April or less than a year to do this. In your contract with MLB, what does it say about...is there a timeline where they can make changes or ask for additional requirements? It is great to say well they are not going to do that but this is business, this is a contract and this is MLB. They can choose to do what they want to do at any point in time.

Alderman T. Sapienza stated they are doing it now. This is a perfect example of exactly what you are asking.

Alderman Trisciani stated I fully understand that all of this needs to be done. I recognize and appreciate everything that the Fisher Cats bring to our community. I recognize the non-profit and the scholarships that you give to our high school students and the many non-profit organizations that you support and I appreciate that. I also recognize that when measuring the quality of life of the city, things like having a professional team...we lost the Monarchs and that was horrible. I will be honest that I am more of a hockey girl than a baseball girl but it is all good. I just want to make sure that we are not getting into something now and they are going to bail on us because they change the rules again.

Rob Miller, Fisher Cats General Counsel, stated that is a good question and I think the easiest way to answer is what we are experiencing now is the growing pain associated with the significant change that MLB is trying to make to standardize some very non-standard operations across the minor league system. If you travel across the country

and you go to minor league ballparks, not all of them look like ours. Some of them are better than ours and several of them are far worse than ours. What MLB is trying to do is create a standard. Right now, all of the teams that remain in the system are required to meet those standards within this period of time. Going forward, and this goes to your question, there is a governing body of owners of these minor league teams that work in conjunction with MLB so that any future decisions that are made about these kinds of changes will be collaborative. It won't just be top down from MLB saying to the Fisher Cats and the City of Manchester spend another \$5 million or you don't meet our standards anymore. There is a collaboration that will go forward now with a governing body that is comprised of some owners of these minor league teams and people from MLB. Will there be changes in the future? I am sure there will be but they will be collaborative as opposed to this set of changes which is really MLB trying to standardize its process.

Alderman Trisciani asked so are the Fisher Cats part of that governing body. Is our leadership team on there?

Mr. Silvia answered not as of now; no.

Alderman Trisciani stated so there is still a gray area that worries me a little bit. You say yes we have a governing bodies but those bodies can choose to do whatever they want to do and you could be sitting here after April of next year saying hey they changed this and thought we should all do this because it is cool so we need another \$100,000 or another \$1 million.

Mr. Silvia replied we are not on any of the committees now when they are first initiated. There is a rolling membership so new members will roll on to these committees. Those committees report back to each league. We have conference calls once a month or so about what has happened at the committee meetings. We feel like we do have good information about what the committees and MLB are working on.

Alderman Barry stated I certainly appreciate what you guys have done – Mr. Solomon, the other owners and partners and all of your employees. You do a great job over there

and it is a great feeder system. You see the guys that are playing for the Toronto Blue Jays now and a lot of them started here. These are the big time players and the stars like Guerrero and Bichette. I understand this is different than 2016. I have the same concern as Alderman T. Sapienza. It was terrible that there didn't seem to be much oversight in the original construction and it was a mess and we ended up having to help bail that out which we did. I see this as a little bit different because MLB is the one coming down on you guys. What happened to the other 25% of teams? Are they out of business now?

Mr. Solomon answered some are totally out of business. Some have unaffiliated teams. The one thing I would say is none of us were here at the beginning and you are so correct that what happened shocked us. There were huge boulders under the ground and irrigation things that went nowhere. Your concern about quality is our concern about quality. You are 100% right about that. We weren't there. I didn't buy the team until after it was here for a year so none of us were involved in the original construction but your concern is justified. We have to make sure that...

Alderman Barry interjected we have seating problems and that company is out of business now. I know that Tim mentioned Fulcrum is going to be the construction work. Was the city involved with picking them or what is your choice?

Mr. Solomon replied the city had experience with Fulcrum and maybe Tim can speak to that better than I can. The city has used them in the past as have we. We had a good experience with them and I presume you did as well.

Mr. Clougherty stated we have worked with Fulcrum in the past and they are a reputable contractor. It is a contracting world.

Alderman Barry stated I understand and I am sure you did your due diligence in choosing this company. It is just that this is a big investment on the city's part. I am in favor of it because I think we need it and we absolutely need you to say here because it is great for the city and the state. There are fans that come from all over the state and even from outside the state, especially when they are playing Portland you are seeing

some of the future Red Sox players. I would be more than happy to support this with the understanding that really have to have oversight. I don't like the idea of having to pay an extra \$100,000 or whatever and hopefully we can work something out but we definitely need someone to oversee it, even if it is weekly that they go by there and check things out and have a checklist to make sure everything is up to snuff on your end too. You guys hopefully won't be blind to it. You are going to be there and oversee what this construction is doing also. I appreciate that they are a legitimate company and reputable but I think everyone needs oversight. Like Alderman Long said, you don't want to turn around and the next thing you know they are cutting corners.

Alderman E. Sapienza stated forgive me if I am a bit late with this question but what is the city's monetary return on this investment, if any. Is it simply a matter of jobs like Amoskeag Beverage and quality of life? The city doesn't get a cut of ticket sales or anything correct?

Mr. Brenner answered no but I think we pay \$950,000 or \$980,000 a year in rent.

Alderman E. Sapienza asked and beyond that there is no monetary return.

Mr. Brenner stated I appreciate the question and actually from our side we are paying for things like 80-gallon water heaters and things like that and that is not typical for a tenant in any situation. We have probably if not the highest one of the top 10 highest rents in all of our industry and the additional expense that comes along with the things we are paying for, i.e. the water heaters and elevator mechanical rooms and those kinds of things are all not normally paid for in a sports tenant arrangement.

Alderman E. Sapienza asked so in other words if next year every single game was sold out, the city would not be getting any extra revenue for that.

Mr. Brenner answered no.

Alderman E. Sapienza stated this is more of a comment than a question but the April deadline is arbitrary and probably not realistic. This is what a \$6 million project almost?

Anybody who has any familiarity with construction knows that you don't do a \$6 million project in a few months.

Chairman Long stated it is 10 months.

Alderman E. Sapienza responded depending on the weather.

Alderman T. Sapienza stated in 2016 we worked hard to put in some financial guarantees that the team would still be here until the end of the bond. Here we are asking for a new bond and I don't see any guarantees that the team is going to be here until this new bond is paid off. I listened to your remarks and you made a good point about growing pains but really there is nothing here that is going to keep the team here past 2028. After 2028, we will still have these bonds on our books and we will be paying them. I think we need to do some work to get assurances that the team is going to be here until the bonds are paid off. That is an accomplishment that I am proud of that we did in 2016. Really this is a perfect example of you coming back and asking for more money before the end of the agreement and right now there is absolutely no guarantee that these guys won't be back here in three or six years asking for another \$3 million. There is absolutely no guarantee.

Atty. Miller stated to Alderman T. Sapienza's question, one of the things that is contained in the memo that we submitted to you is a representation that when Atty. Chiesa and I are working on the new Management and Operations Agreement that attends to all of this, we will not only explore the financial components of this but we will also explore with MLB the possibility of them speaking to the city about potentially extending their relationship with the city beyond the 10 years. It is not a guarantee. I explored that with their general counsel's office and they said that is something they are continuing to address internally but it is something that we put in the memo with you. Again, we want to be collaborative with you. Everybody is hoping the team is going to be here for a long time. Certainly that is everybody's interest here and Mr. Solomon's expansion of the ownership group was directed at that. That is something we are going to talk to MLB about and we will involve the city in those discussions as well as Atty.

Chiesa and I move forward. That is the best we can do at this point. We are making that representation in the memo tonight.

Chairman Long stated in regards to #5 of the MOU, I was going to ask Atty. Chiesa to keep in mind the thoughts of this committee as you look to extend this. They are going to define the capital expenditures better because it is a gray area right now. Also, extending MLB's commitment to the city as Alderman Trisciani mentioned. That will be going on after this.

Mr. Clougherty stated if the committee wishes us to provide full-time construction oversight, could you include that in your motion and when it is reported to the Board I could potentially bring in the proposal at that time. Does that make sense?

Chairman Long asked the Fisher Cats if they have a full-time construction person on staff.

Mr. Brenner answered we have a full-time facility maintenance person. He is HVAC certified and a very qualified individual.

Chairman Long asked during this construction, will you have a guy that is on-site.

Mr. Brenner answered he will be and I will be and we will be overseeing the process.

Chairman Long stated in the contract you paid for your employee so it sounds like...would you collaborate with the Clerk of the Works from the city.

Mr. Brenner responded we would love to. You can tell us what to look for and work with our guy.

Chairman Long stated I am comfortable with that arrangement instead of hiring an outside person. They are putting in 50% so it is in their best interest also.

Mr. Brenner stated if I could add, alderman, the relationship here...we got to these numbers and this scope of work with the help of the city employees. Their input was extremely helpful and beneficial. We absolutely would lean on them and participate with them through this process.

Chairman Long stated for the meeting on 7/19, Tim, can you get us Fulcrum's list of what they self-perform.

Mr. Clougherty answered I would recommend that that question be directed to the Fisher Cats leadership. They can solicit that information from Fulcrum. That is where that relationship is going to be memorialized.

Chairman Long stated I just want to know what work they will do themselves out of the list. I assume that they will have sub-contractors.

Mr. Clougherty replied that is a question they have been asked and they should be familiar with it.

Mr. Brenner asked do you think it would be helpful to bring Fulcrum to the meeting.

Chairman Long answered I don't think they need to be here. This is between the city and the Fisher Cats. I would just be interested moving forward to know what they are going to self-perform and what is going to be bid out.

Atty. Miller stated Alderman T. Sapienza a couple of times has raised the question about whether the contract is clear or not. It is important to the Fisher Cats optically and otherwise that we have the full throated support of the City of Manchester. So with respect to your question, I waited until the end to kind of explore this with you. Are you satisfied with what have you heard or is there anything I can help clarify in terms of the definitions in the contract to make you more comfortable that what we are asking for is what is covered by the contract?

Alderman T. Sapienza responded no but thank you. I just got this proposal and only had it for a few days and you are asking me to vote on almost \$3 million and you are rushed. Those are all red flags to me. I am not prepared to vote for this tonight. I don't do \$3 million of business that fast.

Alderman Barry asked what will the bond impact be on the city.

Chairman Long asked Sharon when would you go out for the bond, how many years and what would the debt service be.

Sharon Wickens, Finance Officer, answered it might be a 10 or 15-year bond. I would have to look at it with what we have bonded. It may be 15. I don't really want to go out much longer than that for \$2.8 million.

Chairman Long asked as you discuss this agreement, we want to keep in mind that this payment from the city is continuing for 15 years. What would be the debt service roughly for that \$2.8 million?

Ms. Wickens replied probably \$80,000 per million so \$240,000.

Alderman T. Sapienza asked would that come out of the general fund.

Ms. Wickens answered we budget our debt service payments in the general fund.

Alderman T. Sapienza asked is that paid with property taxes.

Ms. Wickens replied it would be paid as part of the budget so yes property taxes would be involved.

Alderman T. Sapienza moved to table. Alderman E. Sapienza duly seconded the motion. Chairman Long called for a roll call vote. Aldermen Long, Barry and Trisciani voted nay. Alderman T. Sapienza and E. Sapienza voted yea. The motion failed.

Alderman Long moved that the request for \$5,662,754 in proposed changes to Northeast Delta Dental Stadium be approved and divided 50/50 between the City of Manchester and the NH Fisher Cats. **Alderman Barry** duly seconded the motion. Chairman Long called for a vote. Aldermen Long, Barry and Trisciani voted yea. Alderman T. Sapienza and E. Sapienza voted nay. The motion carried.

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

A True Record. Attest.

A handwritten signature in black ink, appearing to read "Matthew Normand". The signature is fluid and cursive, with a long horizontal stroke at the end.

Clerk of Committee