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FIRE STATION BUILDING COMMITTEE

MINUTES

January 6, 2014

Meeting was called to order at 8:00 am.

- Mark Haddad briefed the committee on current status with TLT Construction, Inc. TLT is being viewed as having abandoned the project as of December 23, 2013. Mark, Town Council and Western Surety (the bonding company) are in discussions about how to proceed. Essentially, TLT is no longer able to provide construction services. TLT has laid off all their employees. The Town has offered employment to Robert Garside (Project Manager) and Joseph Tassone (Project Superintendent) to complete the fire station construction. These individuals were formerly employed by TLT.
- Status of the Fire Station Construction Project with regard to TLT Construction and Western Surety: Mark and David Doneski have been working very closely with the Surety Company to protect the Town's rights under the performance bond, as well as do everything in our power to keep the project moving forward on time and on budget. The Surety has been briefed on the progress of the project, including the fact that sub-contractors continue to be on site and that the Town has assumed the payroll of Joe Tassone and Bob Garside. For the most part, the Surety is happy with the progress, but since they are having problems with TLT on all their other jobs, they wanted to make sure that the Town of Groton has enough funding to complete the project. The main reason for this is that they would be on the hook for any funding shortfalls and be forced to take the project over now. As you can imagine, this would cause a severe delay in the project if they did.
- Mark briefed the Committee that Bob Garside was asked to scrutinize the remaining construction activities and compare to the available budget. Initial findings:
 1. There appears to be a shortfall with "Gypsum Board Assemblies". We have a remaining balance of \$44,000, with outstanding liabilities of \$21,000 to be paid. We estimate that it will be another \$70,000 to finish this work, leaving a liability of \$50,000 to the town to complete this work.
 2. We may have a shortfall with "Landscaping". There is a budget of \$32,000 set aside for final landscaping. According to Bob Garside, he has estimates for this work for \$50,000, leaving a liability of \$18,000 to the Town to complete this work.
 3. There are approximately \$28,000 in approved change orders that have not yet been paid.
 4. There is an issue with "Structural Steel". That budget has been exhausted and we have an outstanding bill of \$7,500 that has to be paid.
 5. Bob Garside estimates another \$40,000 in potential change orders from now until the end of the project.
 6. There are certain line items that have a little bit of left over funding (approx. \$20,000) that can be used to offset some of these shortfalls.
 7. We believe we have enough money in General Conditions to cover overhead and the salaries of Bob Garside and Joe Tassone for the remainder of the project, as long as we don't pay TLT any longer.

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- Mark believes there is enough money to complete this project, but want to err on the side of caution as we move forward. There will be further discussions with Western Surety.
- Mark also briefed the Committee that TLT is no longer receiving payments from the Town. Subcontractors will be paid directly by the Town or the Surety, depending upon how the project proceeds. However, any outstanding bills which the TLT has defaulted on before December 23 will be paid by the Surety.

Members expressed concern over the situation and thanked Mark for the briefing. Members agreed that appropriate actions were being taken.

Meeting was adjourned at 9:00 am.