

BOARD OF PUBLIC WORKS AND SAFETY MINUTES
April 18, 2006

Approved at the April 25, 2006, Board of Works meeting.

The Board of Public Works and Safety of the City of West Lafayette, Indiana met in regular session in the Board of Works Room at City Hall on April 18, 2006, at 11:00 a.m. Present were Janet L. Broyles, Gilbert T. Satterly, and Mayor Mills, who presided.

Request for Board's Assistance to Obtaining Copy of Insurance Release – Clerk-Treasurer

Clerk-Treasurer Rhodes said I have yet to receive the insurance release which the Board authorized the Mayor to sign April 11 Board of Works. I made several requests for it. I'd like to ask the Board's assistance in obtaining a copy of that document for our files.

Mayor Mills said this is for what, Judy [Clerk-Treasurer Rhodes]? I'm sorry.

Clerk-Treasurer Rhodes said it is this item, which the City Attorney removed from the Board of Works Room, although I asked him to please—

City Attorney Bauman said you need a copy of that? I sent it in, but I sent you [Public Works Director Downey] a copy.

Public Works Director Downey said yes.

Clerk-Treasurer Rhodes said I made a request to Donna Van Meter. The Mayor said that they would give me a copy—

Mayor Mills said I forgot. I'm sorry.

Clerk-Treasurer Rhodes said I made another request today. I would like a copy of the insurance release. That's why the minutes don't reflect any identification of the insurance company or any items, because we have no document on file.

Public Works Director Downey said is that what you called me for this morning, Judy [Clerk-Treasurer Rhodes]?

Clerk-Treasurer Rhodes said yes, but I had already called Donna last week.

City Attorney Bauman said it's not an insurance company. That's why I sent it to you [Public Works Director Downey]. It's not an insurance company, it's the claim company.

Clerk-Treasurer Rhodes said I'm glad you recollect that detail. Do you know of the document we're talking about?

Public Works Director Downey said I believe so. It's laying there on the corner of my desk, along with several other items.

Clerk-Treasurer Rhodes said thank you.

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Increase in Wages: Operator Stephen Nelson - WWTU

Public Works Director Downey said I have a request for the Board to increase the wages of Stephen Nelson for the California State University, the Sacramento Course, which will increase his wages \$9.62 per pay period, effective retroactive to April 1, and I believe that is correct on his certificate also.

Ms. Broyles said I move that we approve the increase in salary for Stephen Nelson to reflect an additional \$250.00 for the California State University Sacramento course in Industrial Waste Treatment, and it will reflect an additional \$9.62 biweekly. It is retroactive to April 1, 2006. Motion was seconded by Mr. Satterly, and the vote was AYE.

Contract: Wessler & Associates, Inc. – Digester Renovation with Alternate Power Source – WWTU

Public Works Director Downey said I have a contract for Board consideration, an agreement between Wessler & Associates for the design of the digester renovation and alternate power source and standby power. And that total would be for \$730,000.00, and that's for design phase and bid phase. Soil boring and the electronic O & M manuals for a total of \$185,000.00. I give you those for your consideration and signature. This would be the design of the full project of construction of \$9,420,000.00 total.

Mr. Satterly said I move we approve the agreement between the City of West Lafayette and M.D. Wessler & Associates for the digester renovation with alternate power source project for the design phase \$680,000; bid phase \$50,000; total lump sum fee \$730,000. For the additional engineering services, soil borings, testing, analysis and report; \$20,000 electronic operations and maintenance manuals \$165,000; estimated total for part two, \$185,000. Motion was seconded by Ms. Broyles, and the vote was AYE.

Mayor Mills said thank you. We're looking forward to getting started, Mr. Wessler.

Mr. Wessler said so are we.

Contract: Greeley and Hansen LLC – North River Road Sewer Interceptor Condition Assessment – WWTU

Public Works Director Downey said I also, for your consideration, have a contract here with Greeley and Hansen for the investigation and engineering study of the North River Road Interceptor, to do condition assessment of that interceptor. I have a picture of that. This interceptor runs north of Catherwood. You can take into consideration all those manholes and the structure of that sewer line. When the Wabash River is high, that is all in the flood plain between the highway and the river, which takes I and I, infiltration. It's part of our need to keep that filtration out, and so we need to do an assessment of that. That would be for \$47,800, which includes 13,000 lineal feet of 24-inch diameter sewers.

Ms. Broyles said I move that we approve the agreement between the City of West Lafayette and Greeley and Hansen LLC for the North River Road Interceptor condition assessment, in the amount of \$47,800. Motion was seconded by Mr. Satterly, and the vote was AYE.

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Mayor Mills said thank you. Another phase of our many Wastewater projects that are ongoing.

Contract: Greeley and Hansen – Master Plan - WWTU

Public Works Director Downey said I have one other contract between Greeley and Hansen for the Board's consideration. It would be for \$56,100. Our master plan is over five years old, and part of the conditions of IDEM is that we have a master plan. It also helps us secure grants and other assessments and especially to qualify us for our SRF loans. This update would take into consideration, once the Western Interceptor is offloading, what that would do to our North River Road leg, as far as coming in and tying into our combination sewer and how that would affect our CSOs, which is one of the biggest things that we're trying to negotiate, as to whether we can finally close them off, so that we would have no combined sewer overflows to the Wabash River. And then also any future areas that we would take into consideration and what our capacity would be and so forth. So I present that to you for your consideration also.

Mr. Satterly said what page is the total compensation on?

Public Works Director Downey said for the master plan? \$56,100.

Mr. Satterly said what page is it on?

Public Works Director Downey said you have all those copies. I have my draft copy. It should be—

Clerk-Treasurer Rhodes said is there an attachment missing, Dave [Public Works Director Downey]?

Public Works Director Downey said I would hope not.

Clerk-Treasurer Rhodes said I think you're missing Exhibits A and B. It's what's happened a couple of times.

Public Works Director Downey said could be.

Clerk-Treasurer Rhodes said do you have Exhibits A and B? Anybody?

Mr. Satterly said I had it on my preliminary.

Clerk-Treasurer Rhodes said are those exhibits on all of them?

Public Works Director Downey said I do have on my rough draft.

Mr. Satterly said here's Exhibit B, but that's on the draft you gave me.

Clerk-Treasurer Rhodes said how do you know if the Exhibit A and B haven't been altered?

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City Attorney Bauman said it's still the same number.

Public Works Director Downey said since I presented them for your consideration, if you'll give them back to me, I'll give them back to you next week and we'll be sure that Exhibit A and B is there.

Mr. Satterly said I think the agreement— It says Exhibit A here.

Public Works Director Downey said I know it was on the rough draft.

Mayor Mills said let's just wait 'til next week.

Public Works Director Downey said I know I gave them to you in the rough draft, but I don't know what you've got—

Mr. Satterly said I've got Exhibit A and B here that I got last week.

Public Works Director Downey said they just emailed, but I don't see it.

Mr. Satterly said this needs to be signed here.

Mayor Mills said let's wait 'til next week.

Public Works Director Downey said bring those four back to me, and I'll get Exhibit A and B attached to them, and I'll have to bring them back to you next time.

Bid Announcement: Sagamore West Street Light Project – Engineering

City Engineer Buck said the first item I have is I request the Board's approval for the Notice to Bidders and Advertisement schedule for the Sagamore West Street Light Project, Plans and Specifications—approve those as well, that is. The bid schedule would be advertising this Friday and the following Friday, April 21 and April 28, with a bid opening on May 9.

Ms. Broyles said I move that we approve the notice to bidders for the Sagamore West Street Light Project. Plans, specifications, and bidding documents are open April 21 and April 28 and are open until 11:00 a.m. on May 9, 2006. Motion was seconded by Mr. Satterly, and the vote was AYE.

Mayor Mills said I just want to thank Steve Hardesty who's working with us on this project and has helped us push these permits through. It's been a very slow process through the Department of Transportation, but we've got good response finally from Crawfordsville District, so we're anxious to move forward on the project. Thanks for all the hard work from Dave [City Engineer Buck] and his staff to get it going.

City Engineer Buck said I really appreciate the Crawfordsville District, their cooperation in working with us and being willing to sit down and discuss the details of what it is we want to do, and that there wasn't anything that was really scary for them to get on the same page with.

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Change Order No. 2: Hamstra Builders, Inc. – City Hall Basement Renovation –Engineering

City Engineer Buck said the second item I have is Change Order No. 2 for the contract with Hamstra for the City Hall Basement Renovation Project. Change Order No. 2 includes seven items, several things that we were able to afford actually, after we got far enough into the contract. One of the large items on there is furniture, and we purchased \$8,800 worth of tables and chairs and break room furniture. Very nice additions to the conference room and the break room. We were also able to rework the existing break area and do some additional vinyl base around that area. Number five is recessed lights for the conference room. We were able to add in dimming lighting that would allow for basically note taking lighting during a presentation or a practice presentation down there. We put in infrared switches for the restroom lights that will automatically go off after 10 minutes of no movement. We were also able to install some sound equipment as a part of this, for the City Hall Council Chambers, but also the conference room in the basement project. The total for the Change Order No. 2 is \$32,421. That brings the total contract to \$223,344. We request the Board's approval.

Mr. Satterly said I move we approve Change Order No. 2 on City Hall Basement Renovation. The Change Order No. 2 is \$32,421. The original contract sum was \$187,500. The new contract amount, including Change Order No. 2, \$223,344. Motion was seconded by Ms. Broyles, and the vote was AYE.

Mayor Mills said it's looking very, very nice in the basement. I invite you folks, if you haven't been down there to go down and look. Certainly the press is welcome to go downstairs.

City Engineer Buck said it's starting to get used, too.

Mayor Mills said yes, it's very nice. We have a very nice large conference room with presentation capabilities that we haven't had in the past, and a nice break room, which we have also not had in the past. Nice reuse of the Police space downstairs.

City Engineer Buck said it's nice to finally get something done.

Mayor Mills said it's, I think, gone very well, and very quickly. The contractor has been wonderful to work with.

City Engineer Buck said yes, relatively smoothly, all things considered.

Construction Contract: Fairfield Contractors, Inc. – Salisbury Street Safety Improvements Project – Engineering

City Engineer Buck said the last item I have is the contract for the Salisbury Street Safety Improvements Project with Fairfield Contractors and their performance bond. I request the Board's approval of that contract and accept the bond.

Ms. Broyles said I move that we approve the contract between the City and Fairfield Contractors for the Salisbury Street Safety Improvements Project and the bond—

City Engineer Buck said the performance bond.

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Ms. Broyles said the performance bond.

Mr. Satterly said I wonder what the amount is.

Ms. Broyles said base bid \$974,627.28. Motion was seconded by Mr. Satterly, and the vote was AYE.

Mayor Mills said again, we're excited to begin working on this project.

City Engineer Buck said we're very excited. We'll begin right away the acquisition portion of the project, and we'll now schedule a pre-construction meeting with the contractor and include the utilities in that, so their relocation schedule can be coordinated with the contractor. They'll be doing some relocation and trimming of the lines, so there will be some tree trimming begin soon. They're going to do the entire stretch of Salisbury; it's time for that anyway. So there'll be some crews out there shortly doing that. And as we get the right-of-way clear, we can begin construction.

Risk Management for the City of West Lafayette: Gary Henriott

Mayor Mills said Gary Henriott is here today, from Henriott, to talk to us about risk management and the work they are doing for the City. Gary.

Mr. Gary Henriott said thank you. On behalf of the Mayor and Clerk-Treasurer, they asked us to do a couple things. We've been, over the last couple years— I want just to summarize for you the insurance coverage the City has, just so you understand at a high level maybe what that all encompasses and answer any questions you have. I have some definitions also. And then talk a little bit about how insurance fits into the overall risk management program. I'll try to be brief about this. Let's start with this. This is an executive overview of just the insurance coverages currently in place. Our insurance program renews January 1 every year, so it's an annual program for the year. On the left-hand column gives you the policy period, the coverage areas. We're covering obviously property. We have something called Inland Marine, which is a bunch of equipment we have scheduled. It's things that move around, they could be in Police cars, they could be guns, they could be other things that we would have. We have an animal floater for our dog, Fonske. We have crime coverage. We have general liability. We have auto liability and auto coverage, law enforcement liability—we'll define some of these in a second—public officials, excess in workers' comp coverage. Those give you just an overview, again, of the types of coverage you have under the program. The carrier for all the coverages is a company called Argonaut. They're an A+ rated company out of Illinois, and you've been with that company for the last three years or so, I think that's the correct number. The workers' compensation is with a company called Employers Security out of Indianapolis. Limits of coverage are shown. So, for example, on property, we have a blanket property limit of about \$53,000,000 of assets or values. Inland Marine coverages all this equipment—fire equipment, other things that aggregate to \$2,600,000, and then you can see limits of liability that are listed. Our dog is insured for \$10,000. Other values that we have listed on there. Deductibles, I'll skip that column Annual Aggregate, but we'll talk about the deductibles we have obviously with property and with liability coverages there are deductibles. You are retaining—and we'll talk about that in the

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risk management paradigm in just a second—but you're retaining certain exposures. Premiums, obviously very important, what the annual premiums are, and then any comments that are made just as a bit of further explanation. That's sort of, again, very quickly as an overview, of some of the basics of the insurance program. Because these things are not self-evident, I have some definitions of a couple things that I thought would be helpful, just to describe a few things. For example, what general liability coverage does, and also what law enforcement liability coverage does, and finally public officials' liability. General liability covers the liability—and the City's liability, by the way—is limited by statute. Unlike a private corporation that does have unlimited liability, the State of Indiana—we're operating obviously within that State—we have certain limits that are statutory limits. The maximum liability that we have, basically, is \$5 million for the worst-case scenario on an aggregate. There are some limits below that for specific injuries and specific incidents, but basically that's the aggregate limit of liability. But obviously we have lots of assets and lots of operations that are ongoing, which contractors, with vendors, with providers, with City employees. If City employees—general liability, just real quickly, generally is triggered by two things happening: somebody being injured, or somebody's property being damaged. So, for example, if we would have a sewer backup in somebody's home, that's property damage, and that would be something that would trigger the general liability coverage. Then the question comes down to: Are we negligent in causing that loss, or are we not? And that's the question that obviously has to be investigated and looked at. So general liability coverage is triggered by bodily injury and property damage, generally. Those are general statements, but that's what triggers those coverages, and it covers the entity, it covers employees, it covers elected officials, it covers board members and volunteers, it covers anybody that would be associated with the City. Law enforcement liability, obviously, and you can read the definition, but it talks about law enforcement issues, issues of, for example, the canine exposure is listed there, false arrest or detention, excessive use of force, those types of issues. Again, these are all alleged issues that can be alleged of us that we have to defend. Again, if we're found to be responsible, if we think we're responsible, we have to take care of those claims. Again, who's protected: public employees, obviously all the officers of our departments, volunteers, and those types of things. From your perspective on the Board of Works, public officials liability's important. This is more of less like D & O coverage, directors and officers liability coverage for a private company. So it covers the decisions you make, it covers the liability that may arise from the decisions you make. Again, coverage is bodily injury and personal injury and property damage, along with other management decisions you make. Again, it covers all the people of the public entity—it covers the City, it covers the employees of the City, it covers the public officials, the volunteers, and all those types of things. So those are three liability sort of foundations that a property and casualty program is based upon. Finally, these types of insurance coverages are only one tool that a risk management person uses to mitigate risk. Transferring insurance is basically transferring responsibility to an insurance carrier for premium. There are other ways of mitigating or talking about risk that we're talking about within the City. Not just buying more insurance, but actually looking at risk and how do we address risk issues. The contracts you're talking about, you're approving contracts today. Obviously there is contractual liability that is established for vendors, providers, contractors. We want to make sure that they're meeting our standards of coverage, that we want them to protect us if they make a mistake. That's called risk transfer. Mr. Bauman is involved in that process every day, of transferring risk from one entity to the other by contracts. That's what those contracts do. So we want to make sure that our engineers and architects and

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designers have errors and omissions coverage. We want to make sure that our contractors are adequately insured, and not only are they able to take care of their responsibility if they make a mistake, but they're also there to cover our interests as well. Because we don't want to do that, we want them to do that, if they make a mistake. So risk management talks about those issues, talks about identifying exposures, making sure our property values are correct, making sure we have vehicles schedules that are correct, making sure we have driver policies for people who drive our vehicles that have certain requirements, all those types of things are important to talk about insurance in the risk management context. So we want to make sure that, at the end of the day, our philosophy is, we want you to be able to have a good risk management program that allows you to retain more, accept higher deductibles in a way, buy less insurance, but if you retain more, you have to manage what you're retaining. It has to be a good business decision to do that. So, at the end of the day, if we're doing a good job with safety programs, with loss prevention, with contractual risk transfer, with other things, then we can have confidence, as we begin to manage those processes, that whatever we're retaining we're also management. Does anybody have any, I know that's real fast, but does anybody have any questions regarding that stuff?

Public Works Director Downey said is there feedback from your people, Gary [Mr. Henriott]? Are we doing a good job, as far as safety and those types of things that you're aware of?

Mr. Henriott said yes, absolutely. And the answer to that is yes. We have our workers' comp carrier and other carrier and have come through and done inspections and do, for example, they look at playground equipment—is the playground equipment installed properly? Are the bolts cut off at the proper length beyond the nut, so that people are not getting caught on those types of things? The answer to that is we're doing. We're complying with certain standards that you would have for an installation, in Joe's [Parks Superintendent Payne's] case, of playground equipment. We're doing that, and they don't have any suggestions regarding that, that's all good. Now, because an insurance carrier doesn't have any suggestions doesn't mean you're perfect. But the process is a continuous improvement process. So there was nothing overtly, from an insurance perspective, that we're really too concerned about. If there's any issues on safety or those types of things, those pop up when we deal with those, but the risk management is sort of the next level down of saying, "Okay, there's nothing obvious that we're talking about. What's less obvious? What do we begin to dig down and begin to look at?" For example, policies, driver policies. What happens if you have somebody that's a City driver that has a DUI? Or, do they know that if they have a DUI they can't drive? It's that type of information that comes up, that we have to begin to discuss and make sure we're all on the same page.

Mayor Mills said and that's why we will start now, we've set them up for the year, quarterly meetings, Gary [Mr. Henriott] and his staff will come in, meet with us during staff meeting, just to all be on the same page. They'll update any information. It'll be just a little bit more hands-on, think help us all manage our risks better.

Mr. Henriott said we'll also talk about claims, making sure they're being handled properly, making sure the insurance carriers are responding the way you want them to respond and doing their part, too, so it's a mutual issue, both sides.

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Mayor Mills said thank you so much for being here

Mr. Satterly said have we started this, have our premiums gone down?

Mayor Mills said yes.

Mr. Henriott said they actually did go down, but it has nothing to do with your activity. And I don't want to mislead you, because the market's gone down. This is a market-driven issue, and so the insurance market— We came off a period of time a couple years ago, where the premiums were going up, not because of anything you did or didn't do, but because the market was going up. So these things are beginning to come down. They're also coming down because we're beginning to look at retaining more. For example, in workers' compensation, now we have \$5,000 deductible on workers' comp that helps us lower our cost. But we're making a decision that that deductible, retaining that amount, makes sense financially, because of our good past experience. So there's a combination of a couple things, marketplace, your own claim experience, the amount that you retain, just the competition in the marketplace is a big factor, though.

Mayor Mills said but it has been very good. Gary Henriott has done a wonderful job, Henriott Financial Services, at really helping us manage our risk. It's very hands-on now. We have a great relationship back and forth between Dianne [Human Resources Director Foster] and his staff all the time, and it's made a big difference, I think, in having great coverage for the City and managing it well. Thank you very much.

Mr. Henriott said thank you.

Claims

Mayor Mills moved to approve the claims as submitted in four dockets in the following amounts:

Accounts Payable	\$235,799.47
Accounts Payable	\$82,138.33
Accounts Payable	\$2,298.25
Payroll	\$226,531.83

Motion was seconded by Mr. Satterly, and the vote was AYE.

Minutes

Mr. Satterly said I move we approve the minutes of the April 11, 2006, Board of Works meeting. Motion was seconded by Ms. Broyles, and the vote was AYE.

Adjournment

There being no further business at this time, Ms. Broyles moved for adjournment. Motion was seconded by Mr. Satterly, and the vote was AYE.