

CITY OF BRIDGEPORT
CITY COUNCIL
CONTRACTS COMMITTEE
SPECIAL MEETING
WEDNESDAY, FEBRUARY 16, 2011
6:00 PM

ATTENDANCE: Council members: Paoletto; Co-chair, Curwen, Holloway
Council member T. McCarthy (*sat in to make a quorum*)

NON-COMMITTEE: Council members: Brannelly, Vizzo-Paniccia

OTHER(s): Attorney Pacacha, Associate City Attorney
R. Weiner, Benefits Manager
A. Nunn, CAO

Co-chair Paoletto called the meeting to order at 6:00 pm.

Approval of Committee Minutes of January 24, 2011 (Special Meeting).

**** COUNCIL MEMBER CURWEN MOVED TO ACCEPT THE MINUTES**

**** COUNCIL MEMBER McARTHY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

10-10 Proposed Agreement with Anthem Health Plans to provide Medicare Advantage Health Plan to covered Medicare-eligible retirees of the City and Board of Education for the period of January 1, 2011 through December 31, 2011.

Mr. Weiner distributed a copy of the agreement. He stated that the contract was for fully insured Medicare retirees and the carrier is Blue Cross/Blue Shield. He explained that the city pays Medicare the supplemental portion that they are contractually obligated to pay through the bargaining agreement. The cost is \$172.00 per person per month and it's a fully insured plan and there are no run on expenses. He further explained that last

year, they had a plan with HealthNet and the cost was \$175.00 per month. However, given the history of the rate increases, they intended to go to a self-insured plan, but they were surprised when HealthNet came forward. He stated this plan will result in a savings of \$129k this year and \$500k next year. As a comparison, he referred to the marketing information as it related to Aetna that outlined the reduced liability.

**** COUNCIL MEMBER CURWEM MOVED TO APPROVE**

**** COUNCIL MEMBER McCARTHY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

***Consent calendar**

28-10 Proposed Assignment of Arena Operating Agreement from Centerplate to Sound Tigers Entity.

Attorney Pacacha reviewed the amendment that he stated was submitted to the city clerk today. He relayed that the context of the document pertained to Centerplate, who approached the city a few months ago to get out of the agreement. They have been in negotiations with the Sound Tigers to assume all obligations that Centerplate has under the operating agreement. He stated that it was a fairly simple matter, however, the Sound Tigers came back with ongoing negotiations and they are looking to amend the agreement – *amended agreement distributed to the committee members.*

He reviewed that they want to change references from “American Hockey League” or “AHL” to “Professional Hockey League”. They also want to grant permission to the Islanders to operate the surface parking lots on Broad Street. He noted the current arrangement operating the parking lot has been problematic, so it was felt that if the operator sets the rate and operates it, the situation will be greatly improved. He gave some background history dated back to 2004 that was related to a discussion about the opportunity to run the parking lots. He stated that money has been lost in the past due to the problems running the lots.

Mr. Nunn gave an overview of the matter. He said the operating agreement can't be withheld from signing the Centerplate food and beverage company, who has 30,000 employees. They thought they could operate it, but they are losing money. The Sound Tigers owner has thirty plus years running various businesses and he is on the Board of Governors for the Islanders. There was some discussion about Centerplate wanting out and the Islanders requested to manage the facility. He further mentioned that the Mayor doesn't believe the city should own arenas, however, they lose \$80k or more on the

parking and the city is not reaping the benefits or getting any money back. He explained that if you follow professional sports, for example, the NBA League; they now have a National Basketball Development League, but there is a call for the "AHL" to go away. The Islanders are looking to form a triple-A team, but there is a concern about "AHL" going away. The idea is to hit the ground running. And from the city side, there are capital considerations to decide, as well as some improvements to the arena. He further mentioned that they are looking to hold numerous events at the arena and there is a consensus that Bridgeport kids should playing there more often, in addition to holding other events to help the city and the community and bring more revenue into the city.

Council member Holloway stated at this time, arenas, ball teams and hockey teams don't have much money and they are losing money. He noted the example of the New Haven baseball team to make the point that if Centerplate wants out, then it was fine with him. However, he asked if the Islanders own the team. Mr. Nunn said the city is on the hook for the arena and they don't want to see it go dark. So they have an operator to take it over, save money and in the long run garner more money for the city. He agreed that the city shouldn't own arena, but this is the best option at this time to generate revenue.

Council member Holloway went on to question whether the Islanders will really make money. Mr. Nunn replied that the local business person that is involved is committed to the community. Also, the Islanders have connections and there are currently three to four concerts booked out through November 2011. He said that normally, this is a time span when the arena isn't booked. He said there has been some question as to why the arena isn't booked more often for concerts, noting that most of them are held at the casino. There is a large commitment to bring more to the arena to generate money.

Council member Vizzo-Paniccia asked if the upgrades to the arena were in writing. Mr. Nunn said yes, they are looking at a 60-day window and the results will be seen immediately. The improvements are to include a new paint job, new carpeting, flat screen televisions and the tile will be redone.

Council member Vizzo-Paniccia commented that said she would like to see the marquee raised higher on the building so that it's more visible for people to see, but not blinded by it. Mr. Nunn reiterated that the operator is committed to doing these types of improvements.

Council member Vizzo-Paniccia asked what degree of liability there is. Mr. Nunn said they have a current liability policy and a \$250k PILOT. Attorney Pacacha explained that for anyone who operates a city property, there are varied liability clauses incorporated into the operating agreement.

Council member Curwen asked about the city participating in the arena and ball park functions. He said he hoped the provision in the contract regarding ball parks, didn't pertain to some of the functions related to use of the parking lot. Mr. Nunn said there wouldn't be a charge for high school graduations and those types of events, the charge will only be for major events.

**** COUNCIL MEMBER CURWEN MOVED TO AMEND THE EXISTING AGREEMENT WITH THE MODIFIED AGREEMENT SUBMITTED INTO THE RECORD TONIGHT.**

**** COUNCIL MEMBER McCARTHY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

**** COUNCIL MEMBER CURWEN MOVED TO APPROVE AS AMENDED RE: WHEREAS, THE SOUND TIGERS HAVE REQUESTED TWO (2) INITIAL AMENDMENTS TO THE OPERATING AGREEMENT and the USE AGREEMENT, AS FOLLOWS:**

- (1) CHANGE REFERENCES FROM "AMERICAN HOCKEY LEAGUE" or "AHL" to "PROFESSIONAL HOCKEY LEAGUE" ("LEAGUE REFERENCE"); and**
- (2) GRANT PERMISSION TO THE ISLANDERS TO OPERATE THE SURFACE PARKING LOTS ON BROAD STREET ("SURFACE PARKING LOTS")**

**** COUNCIL MEMBER McCARTHY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

***Consent calendar**

ADJOURNMENT

**** COUNCIL MEMBER McCARTHY MOVED TO ADJOURN
** COUNCIL MEMBER HOLLOWAY SECONDED
** MOTION PASSED UNANIMOUSLY**

The meeting adjourned at 6:33 pm.

Respectfully submitted,

Diane Graham
Telesco Secretarial Services