

MINUTES of the Fire Station Building Committee
Friday, June 25, 2021 @ 8:00 a.m.

Committee Members present: Councilor Martin Pepin, Chairman
Councilor David Witham, Vice Chairman
Councilor Kenneth Vincent
Citizen Representative Paul Robidas

Staff Members present: Bob Belmore, City Manager
Scott Smith, Finance Director
Ammy Ramsey, Deputy City Clerk
George Kramlinger, Fire Chief

Public present: Kelly Davis, Port One Architects
Carl DuBois, Harvey Construction
Tim Lotterhand, Harvey Construction

Chairman Martin Pepin called the meeting to order at 8:05 a.m.

APPROVE MINUTES FROM JUNE 2, 2021

Citizen Robidas made a motion to approve minutes from June 2, 2021. The motion was seconded by Councilor Witham and passed 4-0.

REVIEW GMP (GUARANTEED MAXIMUM PRICE) ESTIMATE

City Manager Belmore explained that Harvey Construction and Port One Architects are present to discuss and answer questions regarding the Guaranteed Maximum Price (GMP) and the actual construction bid amount increasing from 7.7 million to 9 million (round figures). Manager Belmore mentioned that he has discussed several strategies with Finance Director Smith to address the additional funding needed, and is prepared to go over those when the Committee is ready.

Chairman Pepin stated he does not want to go back to the Council to request more funding, and doesn't want to cut anything from the existing project or delay the project but they may have to consider options.

Councilor Witham inquired as to why the project GMP went from 7.7 million to 9 million. Mr. DuBois stated that the current market place is the reason for the additional expense. He also explained that they have reached out to hundreds of firms to get the best prices possible, but when the budget was established the market was very different then it is currently, and that he has never seen the market like it is now in 41 years of construction. Belmore stated that the discussion of the market place has been the topic of several conversations regarding all types of materials. Witham mentioned that he doesn't like the issue that they are dealing with and would like to hear about the strategies staff has discussed and present those to full Council.

Citizen Robidas inquired about considering looking at what a 7.7 million dollar building would look like. There was discussion pertaining to potential savings in a one phase project and relocating the fire department temporarily to the National Guard Building during construction. The issue with moving forward with changing the project would include starting the project over again, delaying the project, and losing money already spent. There was also discussion pertaining to the National Guard site and not knowing when the building would be available to occupy and the potential of contamination issues.

Councilor Pepin inquired about the possibility of pricing going down if the project is delayed. Mr. DuBois stated that the pricing of materials should go down at some point but he believes it will never come down to Pre-Covid pricing.

Councilor Pepin feels that this decision should be brought to the full Council for a decision. Discussion continued concerning the bid acceptance timeline of 30 days, having a special Council meeting, and a public hearing.

City Manager Belmore discussed the memorandum that was sent out describing Fund Balance and Bond options. Belmore stated that if additional Bond Funds are approved there would be an .08 cent increase going from .27 cents to .35 cents estimated net impact to the tax rate for a 25-year bond. The other options would be utilizing the City Fund Balance. Belmore explained the City Fund Balance Policy is to maintain a fund balance of 5-17% of total City expenditures, and based on current year-end (which is June 30, 2021) will be approximately \$4,600,000 (9%), and if the \$1,300,000 is used from the fund balance the balance would then be approximately \$3,300,000 (6.5%). Councilor Witham inquired about the possibility to use both options Belmore suggested and if we could do a 30 year bond to keep the annual tax rate down.

Director Smith notified the Committee that the Tax Rate estimates are predicated on the fact we issue the bond this Fall to replace the expiring bond for the Police Station.

Citizen Robidas inquired about the downside into looking at what a 7.7 million dollar building would look like. There was some discussion concerning the delay in the project to consider that option and the money already spent to get to the point of where the project is now would be a loss.

Councilor Witham made a motion to request the Mayor to call a special meeting for the Fire Station Building Committee and Staff to present these issues to Council. The motion was seconded by Citizen Robidas. and the Council making the decision so this Committee knows how to proceed. Motion passed 4-0.

Councilor Witham requested Port One Architects and Harvey Construction be present for the special meeting.

Councilor Witham made a motion to adjourn the meeting. The motion was seconded by Citizen Robidas and passed 4-0. The meeting adjourned at 8:45 a.m.

Respectfully submitted,

Ammy Ramsey, Deputy City Clerk