

THE CITY OF STREETSBORO, OHIO

**SPECIAL FINANCE COMMITTEE MINUTES**

Monday, March 9, 2020

This Special Finance Committee Meeting was called to order on Monday, March 9, 2020 at 7:16 p.m. by Justin Ring, Chairman.

PRESENT: Jon Hannan, John Ruediger, Justin Ring, Mike Lampa, Chuck Kocisko, Jennifer Wagner, Julie Field

ABSENT: None.

ALSO PRESENT: Glenn Broska, Mayor  
Sarah Fagnilli, Assistant Law Director  
Darin Powers, Police Chief  
Rob Reinholz, Fire Chief  
Jenny Esarey, Finance Director  
Bill Miller, Service Director  
Joe Ciuni, City Engineer  
John Cieszkowski, Planning Director  
Patrick O'Malia, Economic Development Director  
Greg Mytinger, Parks and Recreation Director  
Shawna Lockhart-Reese, HR Manager  
Dan D'Agostino, Residential Building Official  
Todd Westover, GPD  
Bill Schurman, Hammond Construction  
Caroline Kremer, Clerk of Council

**Special Business**

**Discuss Fire Station and 10-Bay Service Garage Finances**

Mr. Ring said there was nothing to actually say under this topic; it would be covered under the other agenda items.

**T-6808 Contract for Construction Manager at Risk (CMR) and Gross Maximum Price (GMP) for Fire Station**

Mayor Broska introduced Todd Westover, from GPD, and Bill Schurman, from Hammond Construction. Mayor Broska said the City had been working with these gentlemen for quite some time to come to some decisions. The City had been working on this whole project for about three years and now Mayor Broska felt they had come to a point where they had a well-designed fire station that would serve the needs of the community for quite some time to come. It would be an aesthetically pleasing asset to the community that would be readily visible from SR 43 once the old fire station was demolished.

Mrs. Fagnilli had given Council a recap of the process by email earlier this week. She explained the legal process for this fire station project. In order to hire a Construction Manager At Risk the City went through the legal process (had several proposals, narrowed them down, then got price proposals), and then through some back and forth negotiations, the City was now able to name a Construction Manager At Risk. The City through its committee and lots of processes had selected Hammond Construction, subject to the approval of Council, at a Guaranteed Maximum Price. To get the best price for the fire station at a guaranteed price so there would not be any change orders value engineering was used.

Todd Westover distributed the updated drawing of the proposed fire station. He said it had been a long process, but after they had changed construction managers the City decided to go out and do RFPs for a CMR. There were 11 submittals and a City committee chose 5-6 to interview and narrowed it down to 2 and then selected Hammond as the best choice. Their price was the closest to the City's budget. Through some changes with the Planning Commission and working with Mr. Miller regarding streets and water they were able to get the price even closer to the budget. After some meetings in November and December and again about two weeks ago they went through all the items and double checked everything and the Mayor and administration and the Council Member who had attended the meetings were happy with it. He offered to answer any questions Council may have and asked Council to approve the contract.

Mayor Broska stated the Gross Maximum Price (GMP) of \$5,436,320.22 was in the ordinance. Although it was a little bit higher than originally anticipated, this process had actually started almost three years ago and construction costs, especially steel, had gone up. There were some add-ins or upgrades that were included, i.e. the more durable flooring, which was around \$100,000 all by itself. This fire station facility would be functional and durable. He said they felt the price was fair for what the City would get. He asked Council to approve Hammond Construction as the Construction Manager at Risk and approve the GMP so the administration could get started on the financing. They would go out for bond anticipation notes. He felt the City would be able to break ground right after the financial paperwork closed on April 15, 2020.

Mr. Westover commented that the negotiation process also involved giving some things back, i.e. the three story fire training tower, to get close to the budget price without just increasing the price. Chief Reinholz added that there were a lot of trade-offs and concessions to try to stay within the budget because they took the taxpayer dollars very seriously. There were a lot of discussions, deliberations and soul-searching to get something the City would be proud of and could afford. He gave examples: 10 dorm rooms instead of 12; they reduced the size of the building by 4 feet; there wasn't a training room, just a conference room; instead of a metal roof they went with the more durable flooring. He said this was necessary to stay within the budget the taxpayers had approved with the levy or it could have been a \$6.5 million fire station.

Mayor Broska said although the stock market had recently taken a dive, it was actually good news for the City because last week the Fed had lowered the prime lending rate by half a point and it would be in effect for 90 days so that would save the City money.

Mr. Lampa asked about the Gross Maximum Price (GMP) of \$5,436,320.22. Bill Schurman, Hammond Construction, explained that they had been the building partner for Streetsboro City Schools and looked forward to coming back to Streetsboro to work for the City. They had competed very deliberately last September/October for this project with an interview process and since then had been working closely with the Fire Chief, his staff, and other members of the City staff to hone in on the numbers. That process was fruitful because they had been able to lower their initial price and add some alternates in, although there were some concessions, to get a better facility with the things that mattered most to the department. The GMP had elements within it and was founded on a set of documents. The documents were nearly complete so in the event there was something unforeseen/unknown under the ground, it would be an add to the GMP. There was also some allowances to the GMP and whatever was not spent of those documented allowances was given back to the City. He said it could move either way, it was very transparent, all the costs were open book. He said they were hopeful they could extract more savings and return some of the allowances that were built into the GMP back to the City.

Mr. Ruediger said if the City did receive some of the allowances just mentioned, would those monies be applied to the bond that the City would take out? Ms. Esarey answered that money would be used to pay off the notes and then the City would not have to bond the additional amount. She said borrowers used the bond to pay off the notes, but because the City would get the levy monies this year, the City could actually also pay down some of the notes and not have to bond that amount as well. Any savings the City would get would lessen the amount that it would spend over the 20-year bonds.

Mr. Kocisko wondered if any of the savings might be able to be used for the Service Department. Ms. Esarey explained the notes were separate and one was specific for the fire station and the other one was specific for the Service garage.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING AS EMERGENCY LEGISLATION.**

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6809 Contract w/GPD for Additional Architectural Services for Fire Station

Mr. Westover explained this was to wrap up the end of the contract. This was a summation of the work for the RFP, storm water issues, reimbursables, change of drawings (to save hundreds of thousands of dollars). He explained the Contract Task of Bidding and Permitting charge of \$23,000 that was listed on the invoice. The Contract Tasks 100-500 were part of the original \$405,000 contract; the rest were an accumulation of things along the way. There were already three Purchase Orders for various pieces parts of this and this would be the fourth and hopefully final PO. Bidding and Permitting was getting bids from the contractors, doing the RFPs etc., assisting with RFIs, responding in writing to the myriad of questions, and getting things through the building departments. The City did not charge itself for building permits, but there were County permit charges, and the professional services charges for GPD's efforts to do these things.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING AS EMERGENCY LEGISLATION.**

Moved by Mr. Ruediger, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

T-6807 Amend 2020 Appropriations [#3]

Ms. Esarey explained the biggest part of this amendment was to increase estimated resources based on the bonds the City would receive (\$5.4 million for the fire station, \$815,000 for the Service garage). Those increases would be offset by the increases to the Capital Fund for the construction costs. The library building maintenance adjustment was included to take care of the emergency repair of the hot water supply. An adjustment of \$57,000 for the additional Architectural Services just discussed was also included in this as an increase from the carryover in the Capital Fund.

Mr. Ruediger asked why the City was responsible for the maintenance of the Streetsboro branch of the Portage County Library. Mayor Broska explained it was part of an agreement authorized a long time ago between the City, the Portage County Library District, and the School District. The City did the snow plowing and building maintenance. Years ago the City had received a grant to replace the library front door to make it ADA acceptable. Mr. Ring said he had read the agreement and understood that as part of the reception of the donation from the Pierces for the library, and to ensure construction, the School (which owned the property), gave a 99-year lease of the property to the Portage County Library District which built the building, and the City as a partner agreed to take care of the maintenance. Mr. Mytinger said the maintenance of the library fell under the Parks and Recreation Department and the Parks staff inspected the building multiple times a year and took care of small maintenance issues as they arose.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING AS EMERGENCY LEGISLATION.**

Moved by Mr. Ruediger, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

**Announcements**

The Service Committee Meeting will immediately follow this meeting.

There being no further business to come before this Special Finance Committee, and upon motion by Mr. Ruediger, seconded by Mrs. Field, this meeting adjourned at 7:42 p.m.

ATTEST:

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Caroline L. Kremer, Clerk of Council

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Justin Ring, Chairman

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