

**WATERVILLE ECONOMIC DEVELOPMENT AUTHORITY
AND
WATERVILLE CITY COUNCIL
JOINT SPECIAL MEETING
MAY 13, 2024 AT 3:30 P.M.**

There was a special joint meeting that the Waterville Economic Development Authority & City Council held in the Senior Center at 3:30 p.m. on May 13, 2024.

EDA Call to Order / Roll Call

President Sue Myers called the Waterville EDA meeting to order at 3:30 p.m.

Present: President Sue Myers, EDA members: William Conlin, Sue Mariska, and Jennifer Grobe

Absent: Richard Davis

City Council Call to Order / Roll Call

Mayor Conlin called the Waterville City Council meeting to order at 3:30 p.m.

Present: Mayor Bill Conlin, Council members: Dave Wollin, Tim Smith, Roy McIntyre, and Jennifer Grobe

Also Present: Administrator Teresa Hill, City Attorney Jason Moran, and Deputy Clerk Melinda Grant

Special Guests: Paul Michell from B.K.V. & Knutson Construction Management team Jordan Cepress, Collin Bennett, and Barry Wright

Absent: City Engineer Jason Femrite

Pledge of Allegiance

Mayor Conlin led the Pledge of Allegiance.

EDA Reimbursement Resolution

Administrator Hill presented Resolution No.2024R-001 to the EDA for consideration. This will allow us to add cost to the Bonding as the project progresses. **Motion by, Grobe Seconded by Mariska to approve Resolution No. 2024R-001 Motion Carried 4-0.**

Construction Management Recommendation and Discussion

Administrator Hill conveyed to Council and EDA, that today you get the chance to speak with the recommended Knutson Construction Management team that was selected by the Fire Hall Committee and Paul Mitchell from B.K.V. Now will be the time to have open dialog, questions, or concerns that you may have on the project or how they fit into the project equation. **Paul Mitchell** conveyed to Council and EDA members that having a construction management team is a great benefit; From the designing of the plans to the building being built and the inspections that need to take place. In the beginning designing phases, working hand and hand with the management team and engineers will greatly benefit the city. They provide a great voice on the cost and availability of products within the specification that is requested for the project. Also, having the construction management team at the beginning of the design phases will give you the ability to have a close relationship with the management team that will be your eyes and ears on and off the construction site. The Construction Management team introduced themselves and the duration they have spent in their positions in construction management; Consisting of of Jordan Cepress the Preconstruction Manager, Collin Bennett the Project Manager, and Barry Wright the Superintendent. **Collin Bennett** gave history on the Knutson Construction Company. To echo what Paul had said, this is a great opportunity for Knutson to start this relationship at the beginning process of engineering. We want you to feel like we are an extension of your team. For us to be a part of the designing phase is great for the client, architect, and ourselves. This gives us the ability to work through products, costs, and time. **Council Smith** mentioned that during the interview process with the Fire Committee, the Committee was thoroughly impressed with Knutson Construction. They want to work directly with B.K.V. and are also open to communicating with the public to educate them on the construction and the process. A very important factor is that they are prompt at keeping the construction sites clean and functional. **Barry Wright** stated that Knutson Construction is always wanting to provide the greatest experiences even down to the cleanliness and safety of the work site. We like to be a good neighbor to everyone in the City. **Collin Bennett** reiterated to the Council and Staff no matter the number of meetings you would like us to attend during this process we will. If there are any community outreach education meetings, we will do this. To keep the sense of your community in mind, we want to be a part of your team. So, where you want and need us, we will have someone there. **Attorney Moran** stated having a warranty with a

management team will give the City a piece of mind to have eyes, ears, and boots on the ground. They will set up many revisions and inspections as needed throughout this process to guarantee the build is up to code. **Barry Wright** stated that Knutson has stop gaps set up to reduce any risks that could happen along the process of construction. Other items may fall under special inspections, these inspections will be performed by a direct specialist within the field of product. **Collin Bennett** stated that if the City would like to bid out for these inspections they can, or as a construction management team, we will go out for those bids and bring the bidder's information to the Council for you to decide. **Paul Mitchell** agreed with Collin. The inspections being done by a specified inspector, are normally not held by the construction company. They are normally held as a City soft cost. With a construction management team, the City paying out for these types of soft costs will be tracked by the management team. This is to ensure that the City will not go over budget. **Council/Commission Grobe** asked if we set a Bond amount, your company will stay within that bonding amount. **Jordan Cephress** replied yes, we track all costs, this is an assurance of staying within budget and tasks are getting completed within a timely manner. Council, Staff, and Guests discussed why 3rd party inspections were not performed by the construction management team. **Barry Wright** stated we do multiple inspections as the process is taking place. As stated previously we have quality controls and stop gaps set up for the complete project. We get certified engineers within specific fields to inspect and certify the work performed. This is a typical procedure with construction management teams. **Paul Mitchell** concurred that this is very customary. **Collin Bennett** stated that with Paul's help, we will write up a scope of services once the design phase is complete. **Paul Mitchell** mentioned that B.K.V.'s structural engineer will come out three to four times during the project, specifically for the storm shelter component, when the walls are being erected, and the roof is being placed. Our engineers are required to inspect this along with a state inspector. **Commission Mariska** asked if there is a typical cost for these types of inspections. **Jordan Cephress** replied we will acquire a budget sheet from an inspection company, and the first budget that you will see; will only be the first pass at the construction budget. You will also see unrelated items like this as well. There will be no hidden fees, nothing above and beyond we will manage within the budget allocated. **Paul Mitchell** reassured that these types of costs will be within the budget and will be reflected within the soft cost allowance which is a part of the budget. Soft costs typically run anywhere from 18% - 21% of the total construction cost. When you think of soft cost it is everything within the building if you were to shake it, it would fall out, this also includes the inspections and legal fees. **Council/Commission Grobe** asked what is the cost for you to be a construction manager. **Collin Bennett** went through the cost proposal. Referring these costs are based on the RFP that was supplied for this project. Phase one is the preconstruction phase, with a cost of \$8,560.00. Phase two is the construction phase with a cost of \$197,280.00. The third portion of this cost proposal is the list of potential reimbursable within is listed cost of \$70,000.00 or 1.75% of the project cost for the construction management administrative fees. The 2nd phase can be fine-tuned once an actual design is ready to be constructed, and at this time there will be specifications to follow, this allows us to provide a more accurate price. Collin made special note of the Procore software and how beneficial it is to use between all involved parties. Not only does this help with the beginning and construction phases allowing us to track all progress and costs, but this is a great tool to use for the longevity of this building for scheduled maintenance. This ensures the building's integrity and longevity. A discussion was had between the Council, EDA, Staff, and special guests on how important the third bucket of costs are. Concluding that an approximate total cost will be about \$500,000.00. **Commission Mariska** asked if there is any potential for any unexpected costs. **Barry Wright** stated the soil could be a possible risk. But the City has already done soil boring samples, so this will help. Keep in mind these are only samples, not the complete footing of the project. **Collin Bennett** stated that when these types of factors come into play; we as the construction management team, have already set up a contingency amount to cover these types of costs. If these risks do not come to fruition, then that monies will be returned to the City. **Jordan Cephress** added these costs will be laid out once a budget is set. We as your management team, will track all expenses to make sure we stay within the budget. If there are monies left over after construction milestones these funds get returned. **Paul Mitchell** concurred that it is highly recommended for any project to hold contingency funds. This will protect you as a client. Being able to see the costs of the project upfront, therefore you are not being presented with hidden costs during or at the end of the project. The Construction Management team provides all the management, and assistance to the client. This is a higher level of service. It will reduce your risks as a client and will be less work for the City officials. The primary difference between a General Contractor and a Construction Manager is that the client will have to hold more money on their end to cover any unexposed costs that may be low bid by a General Contractor. Where the Management team works up to and within one collective budget with

safe falls set into place to guarantee exceptional and timely work. Also, with the Management team, it is an open book, being able to track progression and see where every dollar is spent. **Jordan Cepress** added that when we look for companies to perform work or inspections. We are looking for companies within a specific field. We will put everything together and then put it out for bids. Once the bids are submitted, we will oversee them. Then, we will present all bids to the Council with suggestions of what bidder we would like to see for the project. We as your Management Team will be responsible for every person that sets foot on the job. **Barry Wright** stated that any of these trade packages that are created to be set out for bids can be as specific as you need or direct us to set them up to be. **Commission Mariska** asked if the drawings were going to match these packages. **Paul Mitchell** concurred that B.K.V. will tailor the drawings for the trade packages before they go out for bids. **Administrator Hill** pointed out the importance of recognizing possible cost savings by having a Construction Management team be a part of the drawings in the preconstruction phase. The management team can identify current trends with product accessibility, quality, and costs. **Jordan Cepress** expressed that this is a huge part of his position on the team, the pre-construction phase. Stating he will be the main contact for setting up the costs within the budget. This is a very important part of our services to be in the design process. As the Preconstruction Manager, I will be at every design meeting. I will be looking at the trends with the materials chosen. Time is a huge factor when it comes to getting products. If like product and material are available instead of waiting a few extra months, we will go with the like material that will be delivered timely. There will be a cost analysis done on every possible plan to be in trend with the budget and be able to identify possible lead times. I identify these in the preconstruction phase for you as a client to help provide timely completion of a project within your budget. **Administrator Hill** thanked the Knutson Management Team for their time and permitted them to leave the meeting. Council and Staff discussed the other construction management bids compared to the Knutson Construction Management team. **Administrator Hill** said that she would be willing to put together a further analysis of the reimbursements. These were all presented to the Fire Committee and this is the team that they had chosen. I feel that it is the most economical and best fit. As of right now, the Fire Committee has been in discussion about the schematic phase of the project with a rough cost estimate. To get a full grasp on the project, the pre-construction phase needs to be completed first. This will give us costs and the amount of time that will be needed to complete this project. **Council/Fire Committee Smith** stated that the committee is currently leaning toward an engineered steel building but is open to other building concepts depending on the dollar amounts. We have also looked at different types of outside finishes, and space requirements, interviewing construction manager ideas, and architects. But all of this is open for interpretation too due to only having a conceptual budget. **Administrator Hill** mentioned this is where the preconstruction phase of the Management Team would be extremely beneficial. **Council/Commission Grobe** asked so to start this process with the Project Manager it will cost us \$8,560.00 upfront. Then how much would we have to spend with the architect? **Administrator Hill** stated that she did not have that cost in front of her, but she would pull the architectural agreement for review. **Council/Commission Grobe** asked how are we going to get the money to pay for that. **Administrator Hill** stated that we would have to bond for it along with a reanalysis to know what our payments would consist of.

Hire Approval and Direction for Attorney Moran to prepare the contract

Administrator Hill conveyed that we should be looking at getting a management team on for the preconstruction phase. If you are not comfortable deciding and you would like to see more data on the other companies that can be done. **Attorney Morran** agreed with the Administrator that hiring a management team would be a great asset for the City with all of the professional services that they would provide throughout the entirety of the project. I do feel as though the reimbursable should have had some type of estimated cost associated with the listed items. **Administrator Hill** stated that Attorney Moran will be reviewing all contracts presented, and he will write up some safety stop gaps to ensure safety for the City if you choose not to move forward with this project for any reason. Council McIntyre had to exit the meeting for the evening at 4:50 p.m. **A Recommendation by the City Council that the EDA go with Knutson. EDA Motion by, Grobe Seconded by Mariska to tentatively approve the hire of Knutson management team contingent with an agreed upon contract with them providing a detailed contract with a spreadsheet of reimbursable for the City Attorney to review Motion Carried 4-0.**

Adjourn

City Council Adjourn. Motion by, Wollin Seconded by Smith to adjourn the meeting at 5:03 pm Motion Carried 4-0.

EDA Adjourn. Motion by, Grobe Seconded by Myers to adjourn the meeting at 5:04 pm Motion Carried 4-0.

William Conlin, Mayor

Sue Myers, EDA President

Teresa Hill, Administrator-Clerk