

Session 14-13 a Regular Meeting of the Public Safety Building Review Committee was called to order by Chair Ken Castner at 5:30 p.m. on December 10, 2014 at the Cowles Council Chambers at City Hall located at 491 E. Pioneer Avenue, Homer, Alaska and opened with the Pledge of Allegiance.

PRESENT: COMMITTEE MEMBERS MIOTKE, ROBL, CASTNER AND WYTHE  
DESIGN TEAM: DALE SMYTHE, STANTEC

ABSENT: COMMITTEE MEMBER PAINTER (EXCUSED)

STAFF: DAN NELSEN, PROJECT MANAGER  
CAREY MEYER, PUBLIC WORKS DIRECTOR  
RENEE KRAUSE, DEPUTY CITY CLERK

### **AGENDA APPROVAL**

The agenda was approved by consensus of the committee.

### **APPROVAL OF MINUTES**

A. Minutes for the November 10, 2014 Regular Meeting  
Chair Castner requested a motion to approve the minutes as presented.

WYTHE/ROBL – MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 10, 2014 REGULAR MEETING AS PRESENTED.

Chair Castner would like to amend the last sentence in his comments since he believes that it required clarification to read, “stated that while it is not our responsibility to find a new gym to replace the existing gym, it is our responsibility to identify things that are mitigations and losses.”

The amended minutes were approved by consensus of the Committee present.

### **PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA** *(3 minute time Limit – Only items on the agenda not for Public Hearing may be commented on)*

Mary Griswold, city resident, encouraged the committee to request the design team to present an optimal site plan design not constrained by the repurposing of the existing foundation or retainage of the gym. She felt that building the police station in such close proximity to the gym will be very inconvenient for equipment access all the way around the new building and thus more expensive. Ms. Griswold believes that they should know and evaluate the trade-offs between the optimum design and the constrained design. If the complex is built all at once instead of a phased approach she did not see the sense in using the design based on the constraints and phasing.

Brenda Dolma, city resident, encouraged the committee to use sustainable qualities and features within the project. She presented for review a drawing of a “Green Roof” by her daughter that was selected in the Caring for the Kenai and pages from Green Roof Design 101 by [www.greenroofs.org](http://www.greenroofs.org) showing the process. Mrs. Dolma referenced the efforts used in the construction of the Library and wanted to use this as a statement of the community.

### **VISITORS**

There were no visitors scheduled.

**STAFF & COUNCIL REPORT/COMMITTEE REPORT/BOROUGH REPORT**

A. Design Team Status Report – Dale Smythe

Carey Meyer, Public Works Director, provided a summary of the Design Team efforts since the last meeting. He reported the following:

- constrained efforts due to holidays
- stronger civil costs estimate which is provided in the packet
- square footage priorities based on a phased approach
- responded to Public comments regarding the conceptual design
- met with the Police Chief and redesigned the accesses to the police building for Public, Staff and Prisoner/Defendant

Mr. Smythe added that they discussed the priorities on different features of the design.

B. Staff Status Reports – Carey Meyer

Mr. Meyer provided a summary report on staff efforts for the expanded cost estimate for the project which included traditional line items provided by Cornerstone. This represents a general representation of costs. They also provided “crayon” drawings that addressed changes in the accesses to the building, sidewalks and parking. Mr. Meyer confirmed that they applied 21<sup>st</sup> century methods to address storm water drainage although no inclusion of sustainable building measures such as “green roofs” have been considered. Additional issues that should also be discussed is geothermal, solar, and other sustainable methods that could be used, noting it would be more expensive to construct but would cost less in the long run.

C. Council Report – Mayor Wythe

Mayor Wythe reported that Council did not take any actions regarding the project since the last meeting.

**PUBLIC HEARING**

There was no public hearing.

**PENDING BUSINESS**

A. Amending the Proposed Construction Schedule for the Project

Chair Castner provided a summary explanation on the project schedule included in the packet.

There were no comments, remarks or changes made to the proposed project schedule as presented.

**NEW BUSINESS**

A. Project Funding and Financing- What Are the Funding Options for this Project?

Chair Castner read the title into the record. He commented that he felt this was really important and did not feel that this project was going to get any more fundable as they proceeded. He recited the current economic trend with the price of a barrel of oil and the very unlikely chance that the city will receive funding from the state legislature. He was not too optimistic on receiving any governmental funding. He believes that they will be able to bond \$10 million dollars and use the money in the permanent fund and

build in phases and get the police station built and be is prepared to help sell and where his advocacy lays.

Mayor Wythe stated that the Public Safety Building is actually the number one project for the Council acknowledging that Water and Sewer is listed as number one since you do not get funding for that unless it is number one. She stated that they are intending to ask for a reappropriation of the funding the city has received for the East/ West Corridor project since they have not progressed on that project and this project has been stated as their number one priority.

As for the Permanent Fund she does not believe that she agreed to put it there unless it should be left there and hopes that the rest of Council would agree with her, she further noted that Chair Castner knows this and they have had the discussion several times but she is hoping that Council would not support removal of those monies from that savings account because while they feel they may not be making money now they will make money eventually and it is more about the long term needs of the community and not the immediate future.

Mayor Wythe stated she is prepared to sell this project as a whole, citing the costs to phasing the project. Providing the services to the community is of the greatest need and that they will not get the Public Safety Building any cheaper "piece-mealing" the project. The sooner they make this happen the less expensive it will be for the community.

Chief Robl remarked that they are coming into a "Perfect Storm" of bad news regarding funding and that they may attract funding from Department of Corrections for the following reasons:

- expanded jail facilities
- less need to transport prisoners to Wildwood Pretrial Facility

Additional Funding Sources would be:

- Assistance to construct the Firing Range from NRA
  - Funding from Homeland Security since they are a Port and Airport and are an entrance into the country
- There may be other resources that they could approach also.

Dan Miotke commented on the concerns of the Fire Department regarding a Phased Approach as follows:

- the needs of the Fire Department are just as warranted as the Police Department maybe not as desperately, extending out their need only puts them in worse position
- rising costs to finish the project over the years
- Changes in Council priorities in the future
- May obtain community support by separating the two departments since Police tend to have lesser support in a community

Chair Castner responded that he works everyday on projects that have no hope of getting funded. It is heartbreaking on the amount of time and effort people put into these and then sit and wait for the funding. He believed that everyone in this room needs to agree on the approach and he agreed with the increase in funding when phasing but the increase to a \$40 million dollar project to delay the whole project is not smart. He strongly believes that they can convince the community to accept a phased project. He also believes that the money in the Permanent Fund would better suit the needs of the community being used for the Public Safety Building.

Mayor Wythe doesn't disagree that having a phased plan as a backup would be beneficial but that they need to start with the whole project and if they have to step back then they have a place to step back to. She did not believe that they should start with a phased project, she strongly believes that Council believes they can do the whole project.

Chair Castner stated he has no problem supporting that scenario and wanted to propose a third scenario. He provided a brief story on a joint venture between KTUU-KAKM. He urged the committee and Council to explore a public –private venture for this project.

Mayor Wythe responded that she has learned through her recent education and which her term paper is based on a lease scenario or similar partnership means more dollars for a project than to have the city own it and pay for it once. The Federal Government leases property primarily due to the requirement of accounting for the purchase that year instead of amortizing the payments and they have paid for a building multiple times over a lease period of 50 years or more. She has reviewed many different ways to fund a capital project and the least cost to the tax payer is to fund the project once. As the Mayor she is interested in providing the very best services to the community at the very least cost. As a resident she is interested in seeing the project go forward. Mayor Wythe stated that when they get to the final funding discussion they can review that option.

Chair Castner remarked on including depreciation in those figures and they could agree that someone can perform an economic analysis on this project and show us what it means in response to Mayor Wythe.

Chair Castner further recapped the three scenarios spoken about:

- the “All-in” scenario, the “Phased” scenario and the “Public/Private” scenario

Chief Robl and Mr. Miotke offered no further comments.

#### B. Discussion on Design Features Proposed by the Space Needs Study

1. Memorandum from Carey Meyer dated December 3, 2014
2. Comments received from Chief Robl dated November 6, 2014

Chair Castner introduced the item for discussion. He added a gentle warning that they needed to address the project as a whole to get it going before dealing with the details. He further acknowledged that this was pre-supposing it would be a phased project approach.

Discussion ensued on there being no real items that could be left out since the design was just a bit more space than necessary.

Chair Castner inquired if the design changes addressed concerns that Chief Robl outlined in his email. Chief Robl responded that the amended design changes regarding the entrances and parking/pedestrian public access was acceptable.

#### C. Discussion on the Committee Recommendation to City Council

Chair Castner read the title into the record and further stated that there were a couple of policy decisions that are not in the committee mandate:

1. Where will the funding come from to support this new infrastructure?
2. Where will the personnel come to support (i.e. facilities maintenance, janitorial, heating, lighting, etc.) the structure.

Chair Castner further commented on the questions he has been asked regarding regional fire service. He has responded to those inquiries that it is a major decision for the city and should be considered when they consider building training facilities.

Mayor Wythe responded that they could submit a recommendation based on the reaching the benchmarks regarding the following:

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- the Police Station is not usable
- the existing Fire Department could be repurposed/sold
- rough magnitude of construction costs have been determined
- that potentially a phased approach could be used if funding is not available
- proceed to the next benchmark if funding can be made available
- preliminary footprint design
- identified adjacencies

Chair Castner responded that there are some things that could be done in 2015 such as the old school building being demolished, surveying, and site evaluations. He is all for moving forward. They need to discuss what they can do now. He referenced the GANTT Chart and that they have the funding to do it.

Mayor Wythe referred to the packet on what they could submit as a recommendation to Council. All the committee is doing at this time is to approve to continue to the next phase.

Chair Castner stated would like Council to consider the Bond Issue sooner rather than later so they can get that started. Mayor Wythe stated that Chair Castner could include whatever items within the recommendation he felt was necessary and she would support them. She stated what she thought should be in the recommendation to Council: to show them what they have done and what is the next step and they would like permission to proceed.

Mayor Wythe further stated that separate from this committee she will be bringing forth a resolution requesting authorization to have those funds re-allocated from a road project to this project when they are in Juneau next year. Chair Castner reiterated that the committee operates by consensus so whatever they do here will be unanimous, but they need to recommend to Council to make some decisions and Council won't be able to do it in one meeting but believes that this will be the only opportunity before that meeting in January.

Chair Castner continued his remarks stating that the presentation or recommendation should include the three scenarios, where they are in the process and outlining the processes that require the expenditure of funds.

There was a brief discourse on where in Council agenda Chair Castner will be able to speak.

The following questions from the committee followed:

Are they at the point to recommend expending \$28.5 million dollars on this project before proceeding further?

Mayor Wythe responded to the first question that the committee provides the information and Council will determine what action they want to take or they can talk about it more and then proceed.

What numbers do we need or what can they spend money on that can make it look like they are proceeding forward for grant and funding options? Is there any prioritization there for initial steps of the project?

Mr. Meyer responded that one of the purposes of the deliverables is funding, any of the funding agencies will want to see some evidence that they thought this through. Such as how it will sit on the site, sustainability issues, civil documents, and reasonable cost estimates.

He further added that most projects would not have floor plan layout and they do; most projects would have civil drawings that would provide an estimate on what the project is going to look like. What he

would like direction from Council is how do they expend the rest of the money to improve those documents to secure the best funding possible.

Chair Castner added, and if you had some money to tear down the building and do preliminary site work would you want that funding or not?

Mr. Meyer responded that there is something to say about a project gaining momentum and starting site work can do that sometimes, but they don't need construction money until 2017-18, what they need is seed money for the design; if they don't complete the design then they will fall behind on the schedule and it will push construction further back. He would like half of the design money to perform the geotechnical and the survey and reach 35% Design. He elaborated that normally you spend about 50% of your budget getting 35% design. He felt that would also garner support from the community. He also questioned the issues of sustainability that were brought up tonight. These add costs but may offer savings later and they may bring in more public support for the project if they use some of the recommendations of sustainability.

Mr. Meyer reiterated that if they want to stay on schedule they would need \$800,000 they could provide a picture to the community and the funding agencies on what this is and develop momentum and excitement for the project.

Chair Castner remarked that they advertised GC/CM process and he would debate the value of trying to get to bid ready documents when they have the adjacencies, parameters for quality durability and sustainability, he commented on the work between the designers and contractors to iron things out and he was optimistic that if they presented this project in a forthright manner the public will see this and begin to agree with them.

Mr. Meyer responded that the Fire Marshall is required to sign off on the design and they do not have that with what they have now.

Mayor Wythe referencing the GANTT Chart, questioned at what point were they at from Mr. Smythe who responded they are at a 10% Design. Mayor Wythe then stated that the next step was to request from Council authorization to proceed to 35% Design process. Chair Castner added in the request to perform some site development.

Chair Castner also stated that the chart also lists a Notice to Proceed and other dueling activities. This goes back to what Mr. Meyer was speaking about spending money on.

WYTHE/ROBL - MOVE THAT PART OF THE RECOMMENDATION TO COUNCIL INCLUDE A RECOMMENDATION TO PROCEED FROM CONCEPTUAL DESIGN TO SCHEMATIC.

Discussion ensued on the meaning of Notice to Proceed, how far does that take this project, leave design discussion and start talking construction, clarification on what the original appropriation of \$300,000 takes us to the 10% conceptual design, additional monies will be needed to get this project to 35% design status. They discussed the monies needed for design and that the almost \$2 million dollars would get them to a Notice to Proceed for Construction. There was concern that there was only one Notice to Proceed on the schedule. Further discussion clarified that it would be a Phased Notice to Proceed that contains benchmarks to reach before proceeding to the next benchmark. An explanation was also provided on the Contractors role in the process and what they would bring to the table.

Additional discussion on the remaining funds ensued and it was estimated that there was \$60-70,000 unspent and the contract was not for the full \$300,000 so there is maybe an additional \$10,000.

Chair Castner restated the motion.

Chief Robl confirmed that approximately \$600,000 was needed to get through the next phase. Mr. Meyer stated it was a reasonable assessment of the situation.

Chair Castner clarified that will provide more detail drawings of the preliminary design and in addition is the specifications for various things. We would also start seeing master plans for communications, heating, and electrical.

Chief Robl was concerned that the committee would make a recommendation and not know where they are going to get the money to pay for it.

Mayor Wythe stated that is the Council's problem, this committee is tasked with making a recommendation and it is up to council where and how they will fund the recommendation.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/ROBL - MOVED THAT ADDITIONAL ITEMS INCLUDED IN THE RECOMMENDATION TO COUNCIL WOULD BE AN UPDATE ON THE PROGRESS WHICH WOULD INCLUDE THE SPACE NEEDS ANALYSIS, THE BUDGET USED TO DATE AND THE REMAINING FUNDS AVAILABLE AND RECOMMENDATIONS ON THE POTENTIAL USE OF THE REMAINING FUNDS; THE PRELIMINARY DESIGN AND THE GANTT CHART, TO VIEW PROPOSED TIMELINE.

Mr. Miotke requested dollar amounts to be placed on the GANTT Chart in order to assist in understanding. Chair Castner responded that they are at 10% and in some respects at 20% but some of the items that make the project reach 35% may change numerous times.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

There was further discussion on who performs or conducts the Guaranteed Maximum Price Reconciliation and it was suggested that there is a real reconciliation performed since this is going to be a larger dollar amount project. Chair Castner noted that his expertise will offer some assistance with that process.

Chair Castner still wanted to discuss the general funding picture which he can present at Council and would be willing to put it in writing. His major concern is that the public realizes they have done a thorough examination for this project.

#### D. Discussion on the Approval by the Kenai Peninsula Borough to Remove the Deed Restrictions

Chair Castner opined that this was a significant event and opens the way for a number of things and hopes that no one decides that they should just sell the property however he did not believe that was ever the intent. Setting aside the whole public private thing this does open up other options on financing.

#### E. Next Meeting Date and Deliverables

The recommended date from the Clerk was January 14, 2015 at 5:30 p.m. After a brief discussion and review of Committee schedules the next meeting was scheduled for Monday, January 19, 2014 at 5:30 p.m. in the upstairs conference room at City Hall.

Ms. Krause will distribute a written report to the committee from the Chair for review prior to the January 12, 2015 Council meeting and any comments or remarks can be directed to Ms. Krause and she will disseminate.

#### **INFORMATIONAL ITEMS**

- A. Resolution 14-20 Creation of the Committee and Scope of Work
- B. Public Safety Building Project Fact Sheet
- C. Public Involvement Plan dated June 23, 2014
- D. Supplemental Strategies Chart
- E. Project Contact List

There were no comments on the informational items.

#### **COMMENTS OF THE AUDIENCE**

Francie Roberts, city resident, thanked the committee for their work, she commented on the amortization schedule for a bond that they did not discuss and was wondering if they had discussed implementing the winter food tax which could pay for this loan they are thinking about; she also cited the fact that the Homer Police Department serves residents outside city limits so this would be a source and also the Homeland Security grants and if the phased approach or the whole project would provide more opportunity for grants over another.

Chair Castner responded that an email from John Li, Finance Director stated that a projected 1 mil rate increase would provide \$624,000 in additional property tax revenue at the current value and a 1% sales tax increase would generate approximately \$1.6 million assuming that shopping behavior doesn't change.

Mary Griswold, city resident, the original preliminary plans were called very preliminary and it appears that they are becoming set in stone. She expressed concern that it is the best layout for the property or is it what you are going to go with regardless of how you build out and what has to come down. Ms. Griswold feels that it is very important to evaluate the best use of the property for something that is supposed to last 50 years and this was one idea that she thinks has lots of problems. Ms. Griswold continued by stating that it sounds like the committee is progressing to 65% on this concept and that the committee hasn't evaluated the best concept for the property it seems important to her that you would evaluate the best option before getting beyond 10% and hopes that someone will consider that option and provide that answer for her.

Chair Castner responded that with the acreage they have here they were provided the optimal way out from the architect for a one level building then they had certain characteristics of the property such as the creek added and tried fitting it but were unable to fit it as one level so they changed it to two levels and he cannot state that they tried every option to fit it on the property but they did try some different ways; it was worked on by several very qualified staff and members of the design team over several hours and this is what they came up with that accounted for all the needs of the departments. He responded that the design asked for leaving the existing gym intact.



Mr. Meyer agreed that they spent half a day with four people to come up with the best design that left the gym and reused the foundation. They had drainage to consider which lent to the location of the building being placed to the eastern side and consideration for the location of existing utilities, entrances, etc. He will look forward to seeing the results of the testing on the foundation and if it turns out that the concrete is not suitable for the intended use then that will allow them to reconsider the location of the building.

Mayor Wythe restated Ms. Griswold question regarding a discussion on the best layout if the existing infrastructure is not used.

Dan Nelsen, Project Manager, commented on other aspects of the project that have not been mentioned and he wanted to bring those to the table now. The existing neighbors would have no view, if the building is positioned parallel to the property then it will eliminate any view shed those property owners currently have; another issue is the creek, there is a reason that the HERC was built parallel to the creek so drainage was not disrupted. The Fire Station can be backed up to the property line which lends itself to same issues they have currently – backing the trucks into the station. In order to have pass through access it requires being placed in the location that is shown in the preliminary drawings. In these buildings using terms in the hotel industry as front of house which is what the public will be presented and have access to and back of house which the public will not have access to. The fire department equipment is quite heavy and is not something that the general public has interaction with which they do now and we are supposed to be bettering ourselves. So they will be able to pull into the back of house and clean and prep for the next event out of the public interaction. Mr. Nelsen continued to elaborate on the following points for placing the police station to the far east of the parcel presenting front house access to the highway frontage they did not have to do much of rework to the existing land which can increase costs considerably. Placing it here results in minimal disturbances and with Mr. Smythe present they were addressing the location on site more of does it function here.

Mr. Meyer added that to take a review placement on the parcel would cost approximately \$2000 and he believes that they have the best option possible.

#### **COMMENTS OF CITY STAFF**

Mr. Meyer clarified the deliverables from the design team as a packet of information that includes the drawings, the schedule, a cost estimate, space needs study along with a memorandum with the recommendations.

Chair Castner stated he would appreciate a memo with the cost estimate of those two motions that were made tonight that he could deliver to Council on January 12<sup>th</sup>.

Mr. Meyer further stated that there is a law of diminish in return when there is still questions to be answered, where the mechanical room needs to go, should not spend time on that but they should spend some time on the Civil drawing to bring it further along and then focus on trying to conserve the funding they have but still give the committee what they need to move forward with Council.

Mayor Wythe clarified that Chair Castner is looking for items prior to the next meeting on January 19<sup>th</sup>.

Chair Castner would like to see an updated plan reflecting the elevations, and what it is going to mean to get them to NTP, he not sure how to define that at this time. Mr. Meyer believes that it would be beneficial to explain some things such as the timing and GC/CM and conserve as much of the budget as

possible. Chair Castner agreed that some clarity of GANTT would be a good thing and it would be nice to say this is how much it will cost us to get this far down the schedule so if that can be tightened up that would be great.

There was further dialogue between Chair Castner and Mr. Meyer regarding status of actions of the project so far.

Mr. Nelsen commented on the phasing of a project noting that there is not much affect in the design part but when it comes to construction it is another whole story, as a contractor looks at a project and figures out logistically where he will locate things on the site and when a project is phased it adds to the difficulty then you add in the public use of part of the project area and have to add in the costs to make that area or areas safe for the public. Phasing also increases the contractor costs when having to mobilize and demobilize to a jobsite.

Mr. Meyer added comments regarding the costs of those risks accommodations to the project regarding phasing.

Ms. Krause had no comments.

#### **COMMENTS OF THE COUNCILMEMBER**

Mayor Wythe will speak with the City Manager to confirm it will be on the January 12<sup>th</sup> agenda and she will also have a resolution reappropriation request and also a resolution to accept these recommendations. She would also like the GANTT chart discussion and a discussion on the PIP and what they are going to do with the public involvement.

#### **COMMENTS OF THE CHAIR**

Chair Castner thanked the public for coming out and appreciate the public participation. He has said that they are not going to get anywhere until everyone agrees that the project needs to get done. They will talk about what they might do and want to do over and over again.

#### **COMMENTS OF THE COMMITTEE**

Chief Robl commented that they will notice that he is against building the range in phases because it is a vital need to the necessary training and they miss out on so much without that facility. He will write a memo that can be included in the next packet. There was a brief commentary on the placing it as not high priority to high priority. He further commented on being against phasing since that would mean background checks and clearances for all contractors or making sure they were accompanied by personnel.

Dan Miotke commented that the fire department has similar views required about phasing that you move into the building then have to accommodate for additional changes and the inconvenience to the local neighborhood plus the possible changes in priority within the city council.

Dale Smythe commented on the time expended to come up with the preliminary design regarding placement on the location. He is very comfortable that given the parameters of reusing the foundation and the several parameters that they had to accommodate there is not much more they could have done.

**ADJOURN**

There being no further business to come before the Committee the meeting adjourned at 7:35 p.m. The next regular meeting will be **MONDAY, JANUARY 19, 2015 AT 5:30 P.M.** and will be at the City Hall in the Conference Room Upstairs at 491 E. Pioneer Avenue, Homer, and Alaska.

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RENEE KRAUSE, CMC, DEPUTY CITY CLERK

Approved: \_\_\_\_\_