

CIP MEETING
C/SAC THIRD FLOOR WEST CONFERENCE ROOM
April 11, 2003

Finance Officer Jim Preston called the meeting to order at 10:00 a.m. with the following members present: Marcia Elkins, Dan Bjerke, Sam Kooiker, Bill Waugh, Bob Wall, Stuart Wevik and Martha Rodriguez. The following staff members were also present: Engineering Division Manager Randy Nelson; Project Administrator Rod Johnson; Asst. Public Works Director Ted Vore; Police Chief Craig Tieszen, Fire Chief Gary Shepherd, and Administrative Assistant Jeri Lynn.

Preston noted that the March 14th minutes and the financial reports will be available at the next meeting.

The first item discussed was a request from the **Beautification Committee** for funding. Jim Wyatt and Steve Doshier were present for the discussion. A proposed five year plan was submitted for consideration by the CIP Committee, however, Wyatt noted that there is no budget available at this time. The Beautification Committee is made up of volunteers and the City has requested that they be involved with the beautification of the East Boulevard median area. There is no water service to this area, so it would be difficult to do a project at this time. Wyatt added that the Committee would like to see the City apply for grants for various projects if the new governor's administration is open to these types of projects. Until a project is designed, it is difficult to come up with a dollar amount for the construction project. Preston submitted copies of the Beautification Committee's five year plan noting that no funding has been identified. Preston urged the Committee to review all the requests for funding before making any decisions.

Dan Bjerke and Sam Kooiker entered the meeting at this time.

The next item discussed was the **Government Buildings Five Year Plan**. Preston submitted the CIP Spreadsheet and expressed concern about the negative balance that begins in 2005. The CIP budget is behind by approximately \$1.5 million beginning in 2005. There was discussion about where the money was spent. Preston noted that the largest portion of the CIP budget is streets and drainage. Randy Nelson stated that he feels one of the areas where there may have been confusion on how the projects were categorized is the IDPF Fund. There was discussion on how the projects are budgeted, coded and paid. Elkins stated that she would like to see the actual expenditures compared with the budgeted amount. Nelson stated that in the future, staff will implement a system to use fund numbers to break out the expenditures in the 910 budget. This will make tracking the payments easier. Preston stated that the Finance Office is in agreement with implementing this new system which will begin in 2004. He added that projects could be moved and the fund would realize small gains due to interest, but the bottom line will remain approximately the same.

Rod Johnson submitted a handout showing the results of the bid opening for **Fire Station No. 3**. Gustafson Builders was the low bidder. Shepherd explained that an alternate was included in the bid that would give the department the ability to stack trucks at this location. This is not critical at this point in time, however, the cost of the alternate is only \$16,000. Rod Johnson explained that with design fees, reimbursables, permits, fees and contingency, the total project cost is \$1,045,000. The current allocation for this project is \$1,000,000. Preston stated that he feels the City should complete this project now because it will serve the community for the next 50 years. For an additional \$16,000, the alternate should be included with this project. Motion was made by Bjerke, seconded by Elkins and carried to recommend that the bid for Fire Station No. 3 be award to Gustafson Builders, the low bidder, for a total contract amount of \$1,050,000; and allocate \$50,000 from the CIP Contingency Fund for the project.

The next project discussed was land acquisition for the Police Evidence Division. It was noted that Terry Rathbun looked into the land adjacent to the evidence building on St. Joe Street. Right now, the property is not for sale. The owner is keeping it with the majority of the property which is located across the street. Elkins suggested that this \$40,000 be taken out of the budget at this time. If the land becomes available in the future, it can be funded form the contingency fund. It was the consensus of the Committee that the project should be left on the Five Year Plan without funding.

There is also \$400,000 included in the Five Year plan for renovations to the evidence building on Steele Street. Chief Tieszen noted that this building is not in good shape, but it serves the purpose for now. It may be that the funding can be reallocated to the PSB Expansion Project if additional funding is needed. Preston suggested that this funding be left in 2005 with the understanding that if additional funding is needed for the PSB expansion project, it can be considered. Bids for the expansion project will be opened on April 29, 2003. Rod Johnson stated that the City should not lose site of the need for this large facility. It would provide the Police Department with a place to put large items or vehicles out of the elements for investigation and inspection. Elkins suggested that staff review what type of building is needed and get more accurate cost estimates. This information could be presented at the next meeting. Johnson stated that he would get estimates for this item.

The Committee made the following decisions relative to the Five Year Plan for Government Buildings: 1) Leave the Fire Department's burn building in 2004; 2) Delete the Park Office Expansion because it is anticipated that the Recreation Division will be moving to the Indoor Pool Facility in Roosevelt Park when it is completed.

Regarding the Golf Maintenance Facility, there was concern expressed about funding projects for the golf course, which is an enterprise fund, through the CIP Fund. Preston noted that the City has subsidized the golf course by approximately \$100,000. If this project is not funded through CIP, it will have to come from the general fund. He added that there are safety concerns that need to be addressed in this area. It was the consensus of the Committee that this project should be left in the plan for 2006.

Rod Johnson submitted a handout showing the actual costs for the Omaha Street Widening Project. The median beautification costs are \$88,000 and the additional cost for the lighting project is \$70,000. Preston noted that there is \$58,250 in the 2003 CIP Contingency Fund for this project. Also, the irrigation system in Memorial park will need to be replaced at an estimated cost of \$100,000. Currently, there is no funding available for this project. Bjerke explained that the irrigation system is antiquated and we can no longer get replacement parts. He added that the State paid the City \$207,000 for these types of projects. Elkins requested that Public Works staff prepare a list of the projects that need to be done in conjunction with the Omaha Street Widening Project and the funding that is available.

There was continued discussed of the CIP Plan and the anticipated negative fund balance. Projects may need to be cut to reduce the deficit in future years. Elkins stated that the Committee will have to make some hard decisions on future projects so that we can bring this fund back where it needs to be. She added that she can't vote to approve a budget that shows a negative balance in 2005 and 2006.

Steve Doshier stated that he feels beautification is essential in the community and it should have a line item in the CIP Fund. The Beautification Committee has never been given the same priority as other groups like Parks & Rec. Kroeger stated that he doesn't feel the City can put money into the budget for beautification at this time, however, we could add the line item.

Rod Johnson noted that the Public Safety building Expansion is a 2012 project. Perhaps the City should look at funding it entirely from 2012. This would free up some of the CIP funds.

The Streets & Drainage Five Year Plan was the next item discussed. There was lengthy discussion about the \$1.5 million over spent and the possibility of coding errors that would have shown the payment of projects from CIP rather than IDPF funds. Preston recommended that the 2004 Streets & Drainage budget be reduced by \$500,000 and the 2005 budget reduced by \$1 million. Then Randy Nelson could bring back a five year plan that reflects those changes. Ron Kroeger stated that this proposal will not be acceptable to the City Council. Bjerke urged the Council to consider a funding source for drainage projects. Staff is working on developing a drainage fee plan. A decision needs to be made on this by the end of the year because of changes in the EPA requirements. It was suggested that the funding for the Northeast Sewer be deleted from the CIP Spreadsheet. The entire issue of the sewer projects and the plant will need to be addressed by the Council in the near future.

Preston noted that the Parks & Rec Department does a very good job of keeping track of money spent. They are able to tell us exactly the amount of funding to be carried forward at the end of the year. He recommended that the Street Department set up some type of system to do the same thing. Motion was made by Bjerke, seconded by Elkins and carried to remove the Northeast Sewer from the CIP budget and seek other funding sources for this project.

Motion was made by Elkins, seconded by Bjerke and carried to approve the Parks & Rec Five Year Plan, as presented.

Motion as made by Waugh, seconded by Kroeger and carried to approve the Streets & Drainage Five Year Plan on the condition that we continue to look at finding out what happened with the over spending; and that a report be submitted at the next meeting.

Motion was made by Bjerke to take the Public Safety Building Expansion Project from the 2012 Fund rather than the CIP Fund. Motion died for lack of a second.

Motion was made by Kroeger and seconded by Waugh to approve the Government Buildings Five Year Plan. Bjerke stated that he feels the Golf Course Maintenance Facility should be removed from this five year plan. Roll call vote was taken: AYE: Preston, Waugh and Kroeger; NO: Elkins and Bjerke. Motion carried, 3-2.

Motion was made by Waugh, seconded by Kroeger and carried to approve the Bid Award for Fire Station No. 3 to Gustafson Builders, the lowest bidder meeting specifications.

As there was no further business, the meeting adjourned at 12:30 P.M.