



FINANCE COMMITTEE MEETING MINUTES

THURSDAY, NOVEMBER 02, 2023, AT 4:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

Members present: Mayor McFarland, Alderpersons Bartz, Davis, Lampe, and Moldenhauer

Others present: Finance Director Stevens, Fire Chief Teesch, Anthony Rauterberg, Tony Meyers (Maas Bros), Trevor Kearns (Maas Bros), Mark Zvitkovits (SEH via video)

1. **Call to order.** Mayor McFarland called the meeting to order at 4:30 p.m.
2. Mayor McFarland announced the **hiring decision** of the Police & Fire Commission for **Police Chief David Brower**. Ald. Lampe motioned, seconded by Ald. Bartz, to establish pay at G/S T2 [\$48.28/hr] as of November 17. All approved.
3. **Fire Station Project Costs Update:** A group of staff from Fire, Finance, and Administration worked to assemble best estimates of pre-construction, construction, FFE (Furniture, Fixtures, Equipment) and other owner costs. The initial costs for construction originated from estimates from Five Bugles created a few years ago. SEH (architect firm) provided a “60% completed” set of drawings to Maas Brothers (construction manager) at the beginning of October. The Maas staff has been securing more accurate inputs from various subcontractors through the month to help to provide the realities of inflation (approx. 45% construction market increases over last number of years) and supply chain consequences. Another major pricing influencer is the receipt of the soils boring test results; a substantial amount of existing ground/contents (approx. 18,000 cubic yards) will likely be required to be exchanged for suitable materials to build an appropriate base foundation. FD staff have also secured initial alternate quotes for training tower options.

A meeting was held October 26 to incorporate the Maas “60% plans” estimate into the project budget. They presented a construction budget range of \$11.875M to \$13.125M, so a mid \$12.5M number was utilized as a starting amount. The total estimated costs, including a storage building (\$450,000), training tower (\$800,000) and owner purchases (FFE and specialty equipment), were approximately \$16,850,000 (including \$1.1M contingency of 8% construction costs). When reviewing the estimates, the City believes there may be savings by self-performing a few tasks (\$175,000) and using existing turn-out gear lockers (\$20,000). A list of items and options were introduced to reduce the budget and square footage of the project. A total of \$1,185,000 in value engineering cuts were incorporated. The revised estimated cost is \$15,360,000 (including \$90,000 contingency of 8% construction costs).

We’re working with “informed” estimates, but not final numbers. Outside of the elimination of both the training tower and storage building and a further reduction in square footage of the station, we cannot borrow the original amount of \$12,500,000 to complete this project; inflationary costs on building materials have exceeded expectations. A few borrowing scenarios (\$13.5M, \$14.0M, \$14.5M) were presented. Suffice to say, no one was excited about the updated information. No consensus was reached as to an appropriate course of action to recommend to the Council.

4. **Adjournment.** Ald. Davis moved to adjourn, seconded by Ald. Bartz, and carried by unanimous voice vote.

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.