



Town of Nantucket Finance Committee

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Committee Members: David Worth(Chair), Stephen Maury(Vice-chair), Clifford Williams, Matthew T. Mulcahy, John Tiffany, Joseph T. Grause Jr., Peter McEachern, Henry Sanford

MINUTES

Wednesday, July 27, 2016

4 Fairgrounds Road, Community Room – 4:00 p.m.

Called to order at 4:00 p.m.

Staff in attendance: Libby Gibson, Town Manager; Brian Turbitt, Director of Finance; Paul Rhude, Fire Chief
 Attending Members: Worth, Maury, Williams, Tiffany, McEachern, Sanford
 Absent Members: Mulcahy, Grause,
 Late Arrivals: None
 Early Departures: None
 Public: None

Documents used: Nantucket Fire Station Project Update; memo Mr. Turbitt passed out at the table

I. PUBLIC COMMENTS – ANY MEMBER OF THE PUBLIC MAY ADDRESS COMMITTEE AT THIS TIME

1. None

II. APPROVAL OF PRIOR MEETING MINUTES

1. None

III. REVIEW OF RESERVE FUND TRANSFER REQUESTS FOR NEW FIRE STATION

Sitting Worth, Maury, Williams, Tiffany, McEachern, Sanford

Discussion **Turbitt** – Have to do something by August 4 or the bids will expire and we’ll have to do the process over, which will set us back further. We can review it on August 4, have a meeting before that, or discuss it today.

Worth – Only the OPM can answer some questions.

Maury – He did a comparative analysis of similar constructions in Brewster, Chatham, Oaks Bluff, and Hyannis. His questions are all the same, why are our per-square-foot construction costs so high for similar facilities: same number of garage bays, same apparatus space, and similar number of bunks. We’re paying at least 55% and up to 110% more per square foot for these facilities than the other communities, to include Oaks Bluff. With the new overage, the cost is now \$825 per square foot.

Rhude – Our estimators, KBA, thought it would come in lower; we had only 3 bidders with two eligible and one disqualified.

Turbitt – One of our overages was with the file subject because of the scope of work; HVAC came in at over \$1 million because there was only one bidder and they knew that. The “Nantucket Factor” came in higher too. Also, we have mobilization costs the other communities don’t have.

Maury – He would think Oaks Bluff would have similar costs. You wouldn’t expect the comparative difference to be 112% more.

Williams – Asked if the pool of bidders is limited due to bonding abilities.

Turbitt – Under Chapter 149, performance and payment bonds have to be added; those are factored into the costs. Noted the first bidder was disqualified because they omitted an update that was required.

McEachern – He was surprised by Brait Builders, which is already doing work on Island; due to that he would think their mobilization costs would be deminimus. Asked what the line item for paving would be.

Rhude – The OPM asked that and the estimate was \$800,000 or \$900,000 for paving.

Turbitt – We can't negotiate with a bidder before the contract is signed.

Gibson – There was a discussion with the lower bidder about a couple of pricey things, specifically paving. Our pricing would be lower than the bid. There was talk about doing the paving under the Town paving contract.

McEachern – Asked if any value engineering relative to some contracts.

Rhude – The OPM went through the station plans and pulled out every square foot they could; they looked at the HVAC to find ways to make it less expensive. There was no alternate to match the new system to work with the geo-thermal system. If we went with a system that didn't work with the geo-thermal system, it would be less expensive to install but we'd lose the savings over time.

McEachern – Asked if the current system in the Public Safety Facility is built for the new station to piggy back on it or if it is at capacity.

Gibson – It was designed to have the fire station with it.

McEachern – In a project for Nantucket Yacht Club; they ran into the same problems: lack of bidders and higher bids.

Maury – Noted that Oaks Bluff bid was authorized one year before the Town of Nantucket. Discussion about the bonding of contractors.

Maury – In the original plans for the fire station, there was a separate basement gym; asked if that is on the new plans or would the fire and police share the existing gym.

Rhude – The current plans has space in the basement for gym equipment. The existing gym isn't big enough to double the usage. Thinks the two departments would share both spaces.

Maury – During the value engineering process that went on, it was estimated that the cost could be lowered. Asked what the value engineering process eliminated.

Rhude – We shrunk the size of the offices; we lost a training room; some brick went to shingles; redid HVAC to reduce the costs; and re-laid the plan to reduce the square footage by about 8,000 to 10,000 square feet.

McEachern – Asked if that square footage reduction was in the footprint or height.

Rhude – The footprint was reduced.

Tiffany – Asked about the bidding process and whether or not there is any flexibility. There are large contractors on Island.

Gibson – Massachusetts procurement requirements are very specific and very exact. The on-island contractors are not certified and can't be used.

Sanford – He would like to hear from the consultant.

Gibson – If the committee wants to hear from the consultant, a meeting would have to be scheduled before August 3.

McEachern – Asked if the administration was leaning toward one or the other option.

Gibson – This had been discussed with our OPM several times.

Turbitt – Option 2, which leaves a shortfall of \$1,273,875, is preferred. At Special Town Meeting, we would ask to transfer \$350,000 from the property insurance line to the capital projects stabilization fund; recommend using the capital stabilization fund to make up the difference; and at the April Annual Town Meeting, after free cash is certified, we would commit an amount to fully or partially replenish the capital projects stabilization fund. He is reluctant to put this out to bid again. The capital projects stabilization fund balance is around \$1.5 million plus interest.

Worth – Asked Ms Gibson if this is acceptable to her.

Gibson – Yes.

McEachern – Asked if the Town has ever done something like this before.

Turbitt – We did something similar for the new intermediate school.

Worth – The approval of this could be conditioned upon the replenishment of the capital projects stabilization fund.

Maury – He doesn't want to make a decision until he hears for the consultant; This is a large amount of money. He would like to know why we had only 3 bids that overshot the predictions by over \$1 million. The cost went up \$4 million since November.

Gibson – Noted that the selectmen already voted for Option 2. The bid expires on August 4. Discussion about when to meet to discuss this subject.

Action None at this time.

Vote N/A

V. NEXT MEETING DATE/ADJOURNMENT

Date: Monday, August 1, 2016; 3:00 p.m.; 4 Fairgrounds Road Community Room

Topics: Review Of Reserve Fund Transfer Requests For New Fire Station

Adjourned 4:35 p.m.

Submitted by:

Terry L. Norton