

City of Scottsbluff, Nebraska

Monday, October 5, 2020

Regular Meeting

Item Consent2

Approve the minutes of the September 28, 2020 Special Meeting.

Staff Contact: City Council

Special Meeting
September 28, 2020

The Scottsbluff City Council met in a Special Meeting on Monday, September 28, 2020 at 12:00 p.m. in the Council Chambers of City Hall, 2525 Circle Drive, Scottsbluff, NE. The meeting was requested by a written call therefor by Interim City Manager Kuckkahn. A notice of the meeting had been published on September 25, 2020 in the Star Herald, a newspaper published and of general circulation in the city. The notice stated the date, hour and place of the meeting; that the meeting would be open to the public and that anyone attending was encouraged to wear a mask and to respect social distance guidelines. It also stated that anyone with a disability desiring reasonable accommodation to attend the council meeting should contact the city clerk's office and that an agenda of the meeting kept continuously current was available for public inspection at the office of the city clerk in City Hall; provided, the city council could modify the agenda at the meeting if it determined that an emergency so required. A similar notice, together with a copy of the agenda, also had been delivered to each council member, made available to radio stations KNEB, KMOR, KOAQ, and television stations KSTF and KDUH, and the Star Herald. The notice was also available on the City's website on September 25, 2020. Mayor Raymond Gonzales presided and City Clerk Wright recorded the proceedings. Mayor Gonzales welcomed everyone and informed those in attendance that a copy of the Nebraska Open Meetings Act was available for the public's review. The following Council Members were present: Raymond Gonzales, Jeanne McKerrigan, Nathan Green, and Terry Schaub. Absent: Scott Shaver. Also present were Interim City Manager Rick Kuckkahn, City Attorney Kent Hadenfeldt, and Finance Director Liz Loutzenhiser.

Mayor Gonzales stated no other business shall be transacted at the special meeting unless all Council Members are present to consent and the City Council declares the existence of an emergency. He then asked if there was such an emergency. There was none.

Regarding the item of considering action on the change order increase for 23 Club from Paul Reed Construction for \$12,665 and revising the final completion day and/or terms of the penalties in the Contract due to the delayed start, Mr. Kuckkahn began discussion by stating the Council authorized an additional \$200,000 to cover the grant that was lost because we wanted to start the project this fall. He added we understood at this point that there would not be any changes in the contract, however Jack Baker went back to Paul Reed and asked if there would be any changes, in which Paul Reed came back with the addition of \$12,665, explaining the change order is due to commodity increases. He also stated, concerning the penalties, this should be suspended because of the project starting later than expected due to the City waiting on the tribal review from the Game and Parks Grant. He added the special meeting was called because the change order requires Council approval.

Mr. Jack Baker with Baker and Associates approached Council and gave them a summary of the project. He explained the contracts were sent over to Paul Reed; technically their bid expired in late June, as well as the bids from the subcontractors and suppliers. The contractors did, however, hold a spot in their calendars, but had increases in their bids. Regarding the penalties, the start date was originally slated for August 15th; they are going to work as hard as they can to get done by the May 15, 2021 completion date. They asked, because of the late start, that the penalty clause be removed.

Mr. Kuckkahn asked Mr. Baker if he had a change order that was separate from the Contract. Mr. Baker stated since nothing has been signed they would just amend the amount of the Contract by \$12,665 and revise Article 4 in relation to the Contract time.

Council Member Green asked when we were waiting to hear back from the tribal review from the Game and Parks Grant we gave up the grant under the assumption that the prices were locked in. Did we just cost ourselves approximately \$212,000? Since we have all these costs coming in should we have waited in hindsight since we were told to hurry? Mr. Baker stated the contractors had other work they wanted to pursue and that was the urgency; they would hold the prices the best they could. They are contracted for 60 days, anytime beyond that they have a right to negotiate additional costs if it can be documented. Mr. Green also asked where the money for the \$12,665.00 would come from. Mr. Kuckkahn stated it would come from 23 Club, the City only authorized the \$600,000 plus \$200,000; he understood Mr. Geoff Nemnich, 23 Club President, was committed to 23 Club paying for the change order.

Mr. Nemnich came forward and stated they are committed to covering everything past the \$800,000. He commented he did not think the \$200,000 was officially in there, but that is awesome if it is. He would recommend the City puts forward the \$800,000 now; it would have been nice to put the \$200,000 towards phase 2 if everything would have worked out perfectly, but it didn't. Obviously phase 1 is the priority and having the amount of money for the base bid and signing as quick as possible is the most priority. If you take the \$800,000 that the City is committing, plus the two financing options being the reimbursement from the Civic Center Community Financing Fund and Scottsbluff County Tourism Board that is \$134,000 right there between those two, so the first bills that come in will be submitted right away. He added the Scottsbluff County Tourism money will be a quick turn around, but he is not sure how quick the money will come from the Civic and Community Center Financing Fund reimbursement. He further stated, either way, that would basically leave, with this change order, \$140,000 less to cover the \$1,074,000, explaining we have that in our account now to collect the money. This week we could write out a check to the City of Scottsbluff for \$140,000 and then therefore the City minus the two reimbursements would have the \$1,074,000 sitting in their account. He went on to comment from this point forward he would suggest to work directly with Mark Bohl and Jack Baker, since 23 Club is paying for the rest of the project, whether it's the landscaping, irrigation, field resurfacing, batting cage complex, we all work together to put out the bids, pay for it, get billed for it and as 23 Club collects the money, obviously we have the money to put up a bid for that, and move forward piece by piece and get the rest of this project done all the way up through those phase 2 pieces like we originally had planned.

Mayor Gonzales asked Mr. Kuckkahn if he had any comments of putting forward a project team. Mr. Kuckkahn answered it depends upon what the Council wants to do; he does not know the reasons behind the City being responsible for the Contract for the first phase. He assumes they were trying to keep some kind of oversight of what happens in the parks. If we do it outside the City Contract we need to discuss with legal on how we might manage the arrangement. It is preferable if they can contract and oversee the project. Legal Counsel Hadenfeldt commented we are putting the cart way before the horse; it is hard to comment because we are not there yet, we are still in phase 1.

Council Member McKerrigan made a motion, seconded by Council Member Schaub to approve the change order increase for 23 Club from Paul Reed Construction for \$12,665 and remove the penalties in the Contract due to the delayed start and authorize the Mayor to execute the Contract, "YEAS," McKerrigan, Green, Schaub, and Gonzales. "NAYS," None. Absent: Shaver.

Council Member Schaub moved, seconded by Council Member Green to adjourn the meeting at 12:12 p.m., "YEAS," Green, Schaub, Gonzales, and McKerrigan. "NAYS," None. Absent: Shaver.

Attest:

Mayor

City Clerk

“SEAL”