

CITY OF CROSSLAKE
SPECIAL MEETING
THURSDAY, JULY 30, 2020
9:00 A.M. – CITY HALL

The Council for the City of Crosslake held a Special Meeting on Monday, July 30, 2020 in City Hall. The following Council Members were present: John Andrews, Dave Schrupp, and Aaron Herzog. Also in attendance were City Clerk Char Nelson, Park Director TJ Graumann, Public Works Director Ted Strand, Fire Chief Chip Lohmiller, City Attorney Brad Person and City Engineer Dave Reese. Attending via Zoom were Mayor Dave Nevin, City Administrator Mike Lyonais, League of MN Cities Insurance Adjuster Carol Geiger, Echo Publishing Reporter Dan Determan, and Northland Press Reporter Paul Boblett. There were seventeen people in the audience.

1. Mayor Nevin called the meeting to order at 9:00 A.M.
2. Carol Geiger of the League of MN Cities (LMC) reported that LMC staff and Encompassing Engineering Consultants toured the firehall on July 13, 2020 to review the mold issues and water damage. Included in the pack for Council review was a report from Encompassing Engineering Consultants Forensic Analysis regarding the condition of the building. Ms. Geiger reported that much of the damage would not be covered by insurance because the damage is due to faulty workmanship, construction or design which in turn caused rust, decay, deterioration and mold. Some damaged areas on the building appear to be from the time of the original construction. The two areas that can be considered for coverage are ice damage to the western dormer trim and minor water damages to the drywall in the closet in the day room located on the back wall to the slop/sink room of the firehall. Each area would have a \$250 deductible.

Andy Pickar of Hy-tec Construction outlined additional costs to fix the areas of concern that were discovered after construction demolition and after the initial quote for the remodel was submitted. The estimate for the additional work is \$126,000. John Andrews noted that the LMC showed problems on their report that were not addressed in the scope of repairs from Hy-tec. Andy Pickar replied that fixing the ventilation would cost approximately \$10,000.

Dave Nevin stated that the City has lost a month of construction time and questioned why they waited to receive the report from the LMC. Mr. Nevin wants to move forward right away. Mike Lyonais questioned the estimates for repair which now total \$136,000 and noted that the engineer consultant suggested that the roof be replaced and determine if the slab that the building sits on has a vapor barrier. Dave Nevin stated that the conditions of the building can be fixed and the mold mitigated and that the \$50,000 in Hy-tec's quote to do this is probably more than needed.

Aaron Herzog asked if there were any other areas that needed to be checked in the building. Andy Pickar replied that all the walls from top to bottom should be opened up which could cost an additional \$100,000. Aaron Herzog stated that the total cost to fix now was up to \$250,000 and Dave Nevin argued that the costs were inflated and realistically should be about \$186,000. John Andrews asked what the life of the building would be after the remodel. Andy Pickar replied that it will still be an old building with the same life expectancy of 20-30 years.

Dave Nevin said there was no need to replace the roof. Dave Schrupp stated that he is uncomfortable with each additional cost being proposed and that he would like to see a spreadsheet with costs that covered every possible issue. Mr. Schrupp added that renovations usually start with a sound building and this building is not sound. Dave Nevin stated that he disagreed.

Fire Chief Chip Lohmiller reported that the firefighters are not entering the construction area of the firehall due to the exposed mold. Mr. Lohmiller stated that he was tasked at the last meeting with getting quotes for the cost of a new building and that Mike Angland of Widseth was here to present a design.

Mike Angland of Widseth presented a design for a new firehall at the existing location. The structure presented would have two levels, with the bottom floor at 15,064 square feet. The upper level would be used for storage and training. The estimated cost is \$225 per square foot or \$3.5M. Mr. Angland discussed the water damage issues in the current building and stated that there are health and structural concerns with a remodel. John Andrews stated that he would have to consider the effects to taxpayers on building a new structure versus a remodel. Mike Lyonais stated that the City has allocated \$1.4M for the project and that there are approximately \$200,000 in proposed change orders. If the Council increased that cost by \$2M and bonded for that, the annual payment of a \$2M bond would be approximately \$160,000. Mr. Lyonais noted that there are benefits for either project, new or remodel. Mike Angland noted that the \$3.5M did not include engineering fees of approximately \$300,000. To date the City has incurred approximately \$125,000 in the building.

Firefighter Joel Carlton addressed the Council and stated that he has construction experience. Mr. Carlton discussed the issues and problems of the existing building and noted that remodels usually end up costing 50% more than anticipated because there are so many unknowns.

Dave Nevin stated that the question of building a new firehall could be put to the voters as a referendum question at the general election and that he thinks the public will be outraged. Aaron Herzog stated that the City has a contract with Hy-tec and that they need to dig into the building more and give the City a solid cost to remodel. Andy Pickar stated that he will prepare a spreadsheet with costs and that the more walls that they open, the better estimate they will have. It will take approximately 2-3 weeks to open the walls at an additional cost of \$30,000.

Dave Nevin stated that staff is using scare tactics to say that the remodel could cost up to \$2M. Mr. Nevin stated that a new building estimated at \$3.5M could easily turn into \$4.5M. Mr. Nevin suggested that the newspapers write a story about the proposals to see what reaction there is from the public. Mr. Angland noted that this is a big decision for the Council and that keeping staff and public safe should be the top priority.

Mr. Nevin stated that Hy-tec will remove the mold and put the building back together. Mr. Schrupp stated that he would like to know the life of the remodeled building versus the life of a new building. Mr. Nevin stated that you can't determine the life of a building and that the mold issue is a small hiccup and that everyone is overreacting. Mr. Schrupp replied that it is not a small hiccup and requested that true costs for both scenarios be given to the Council before a final decision is made.

Aaron Herzog stated that he agrees that the Council needs to have true cost estimates but that talking about a new building was premature and needed to stop. John Andrews worried that they could be putting good money after bad and that he agreed with Mr. Schrupp.

Dave Nevin agreed that the Council needs to see realistic numbers from the contractor and suggested that if the roof needs repairs that it could be done down the road, perhaps in 10 years. Mitch Feierabend of Hy-tec Construction addressed the Council and stated that it would take more than two weeks to tear down more walls and that remodels are tough, but they will do what the Council wants.

MOTION 07SP3-01-20 WAS MADE BY DAVE SCHRUPP AND SECONDED BY JOHN ANDREWS TO REQUEST FROM HYTEC CONSTRUCTION THE BEST ESTIMATED COST FOR THE FIREHALL REMODEL PROJECT, INCLUDING THE MOST RECENT FINDINGS FROM THE MOISTURE DAMAGE REVIEW, AS WELL AS AN ESTIMATED "LIFE EXPECTANCY" OF THE REMODELED BUILDING AND TO REQUEST FROM HYTEC CONSTRUCTION AND WIDSETH THE BEST ESTIMATED COST FOR THE ENGINEERING AND CONSTRUCTION OF A NEW FIREHALL AS PRESENTED BY WIDSETH, AND TO DIRECT MIKE LYONAIIS TO PREPARE FINANCIAL INFORMATION ON HOW EITHER BUILDING WOULD BE PAID FOR. ALL ITEMS TO BE PRESENTED AT AUGUST 10, 2020 COUNCIL MEETING.

Firefighter Neil Luzar addressed the Council and stated that he is concerned that the mold in the building could cause health issues for staff and that he would want to be reassured that the remodeled building will be safe when completed. Mr. Luzar is not in favor of remodeling the building and feels it is just a band aid on the existing issues.

ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

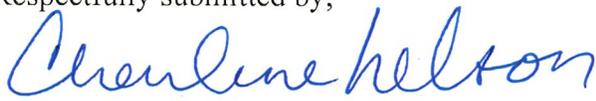
Chip Lohmiller stated that the Mayor had a mold study done in 2018 and asked to see the results of the study. Dave Nevin stated that he will share the results and added that he should be reimbursed for the cost of the study. MOTION 07SP3-02-20 WAS MADE BY JOHN ANDREWS AND SECONDED BY DAVE SCHRUPP TO REIMBURSE DAVE NEVIN FOR THE COST OF THE 2018 MOLD STUDY. ROLL CALL VOTE WAS TAKEN AND ANDREWS AND SCHRUPP VOTED AYE AND HERZOG VOTED NAY. NEVIN ABSTAINED FROM VOTING. MOTION CARRIED. Dave Nevin suggested that an officer pick the study up from his house after the meeting and suggested that the Council invite Service Master to attend a council meeting to explain the results. MOTION 07SP3-03-20 WAS MADE BY DAVE NEVIN AND SECONDED BY JOHN ANDREWS TO INVITE SERVICE MASTER TO THE NEXT COUNCIL MEETING TO EXPLAIN THE RESULTS OF THE 2018 MOLD STUDY. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

3. The Council reviewed a request from DeChantel Excavating for a time extension for the Water Quality Project at the intersection of County Road 3 and Manhattan Point Blvd. The substantial completion date was July 31, 2020 and they are requesting it be delayed to August 31, 2020. Dave Reese explained that the contractor has had issues with dewatering. Dave Nevin stated that the project started before Memorial Day and that there have been no workers present at

the site the last 3-4 weeks. Mr. Nevin and Mr. Andrews both live down that road and have seen little activity throughout the project. There is a clause in the contract for liquidated damages. If the City has burdened any costs related to the extension, the contractor would require a list of damages from the City. MOTION 07SP3-04-20 WAS MADE BY JOHN ANDREWS AND SECONDED BY DAVE SCHRUPP TO GRANT THE EXTENSION OF TIME TO COMPLETE THE WATER QUALITY PROJECT AT THE INTERSECTION OF CSAH 66 AND MANHATTAN POINT BLVD TO 8/31/2020 FOR DECHANTEL EXCAVATING. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

4. MOTION 07SP3-05-20 WAS MADE BY JOHN ANDREWS AND SECONDED BY DAVE SCHRUPP TO ADJOURN THE MEETING AT 10:50 A.M. ROLL CALL VOTE WAS TAKEN AND MOTION CARRIED WITH ALL AYES.

Respectfully submitted by,



Charlene Nelson
City Clerk