

**TOWN OF PRESCOTT VALLEY
SPECIAL COUNCIL MEETING
MINUTES
December 13, 2007**

Magistrate Court/Council Chambers
Civic Center
7501 E. Civic Circle
Prescott Valley, Arizona 86314

1. *CALL TO ORDER*
2. *ROLL CALL*

The meeting was called to order by Mayor Skoog at 7:32 p.m. in the Magistrate Courtroom/Council Chambers. Vice-Mayor Wise gave the Invocation after which the Pledge of Allegiance was said in unison as led by Ben Harper. The following Council members were present for roll call.

Harvey Skoog	Mayor
Harold Wise	Vice Mayor
Fran Schumacher	Council member
Bob Edwards	Council member
Lora Lee Nye	Council member
Mike Flannery	Council member
Mary Baker	Council member

3. *CONSENT AGENDA*
 - a. *Authorizing the Mayor to sign Grant Agreements for the Interoperable Enhancement Grant (#333512-01) and the Special Response Team Personal Protection Equipment Grant (#333512-02)*

Vice-Mayor Wise made the MOTION, seconded by Council member Nye, to approve all items on the Consent Agenda as stated, by roll call vote. MOTION carried with 7 ayes and 0 nays.

4. *NEW BUSINESS*
 - a. *Consideration of awarding a construction contract for the Prescott Valley Library/Yavapai College Classroom project to the lowest responsive bidder, Barton Malow Company, in a total amount of \$16,776.573.00 for the base bid and alternates No. 1, 4, 5, 6, and 7 (CIP#F207)*

Special Projects Coordinator, Kim Moon, introduced Steve Kennedy, representing Richard + Bauer, and Mark Taylor, representing Barton Malow to Council. She reported that a couple of nights ago Yavapai College confirmed their participation in this project by Resolution.

This 52,000 square-foot building is to house the Prescott Valley Library, a new auditorium that will also serve as the new Town Council Chambers, and a wing of the building will have classrooms, and administrative offices for Yavapai College. Yavapai College and the Town of

Prescott Valley have an Intergovernmental Agreement to share in the costs of the construction (20.45%/79.55% split) and ownership of this new building as a condominium.

Richard + Bauer, an award-winning architect, was selected to design this innovative building. The contemporary design is inspired by Glassford Hill, with its volcanic shapes and textures, wrapping roofline, and overlook terrace at the peak of the building. A breeze-way that leads from the entrance area to the Civic Center complex separates the Library/Auditorium from the Yavapai College Wing on the first floor. The library and college connect on the second floor over the breezeway. There are also historic Glassford Hill influences incorporated into the design – specifically the Heliograph Communication Stations that were used to physically relay messages via mirrors from hilltop to mountain top. Around the building, the native landscaping are the same type and species found on Glassford Hill.

The Public Library will completely relocate from the third floor of the Civic Center, into two floors of the new building. Existing departments within the Civic Center would then expand into the prior library space, allowing them to prepare for future waves of growth while maintaining a high level of customer service. The Library will have a general circulation area, children's area and program room, a teen area, internet computer areas, a computer lab, a drive-up book-drop, study rooms, administrative offices, a café, a small bookstore, and a virtual reality room, as well as a shared library collection area with Yavapai College. The Library has both modern popular book displays and traditional book shelving.

The Auditorium will seat 200 people, and is setup in a "black box" style for performances, when not in use for the Town Council. The Auditorium also features built-in projectors, screens, TV cameras, and a new control room that overlooks the audience. There is also a ceiling system to house additional lighting, speakers, etc. There is a large quality meeting room above the Auditorium that will seat 50 people, includes a kitchen area. The 4th floor would feature a viewing terrace with elevator access.

Yavapai College will have its own wing with six classrooms, student services, and administrative offices, as well as a commons area, and a shared library collection with the Public Library.

This facility was designed to be ADA friendly. There are parking areas close to the front door, a drive-up book drop, multiple elevators, and the main entrance is at ground level at the front of the building. The front door is automated and several doors within have ADA operators. A separate ADA review was done of the design by an outside consultant.

Special Projects Coordinator, Kim Moon and Barton Malow Representative, Steve Kennedy, described alternate bids 1, 4, 5, 6 and 7 as follows:

Alternate #1 – is for the fit-up of the auditorium space inside with seating and all finishes inside. The base bid is for shell space only.

Alternate #4 – is for the children's area on the second floor which will have an acrylic partition to help with sound so that it does not transfer to the lower spaces. The base bid is for a glass handrail which would have no acoustical values.

Alternate #5 – is for additional campsites which are for the little quiet reading/study rooms that people can go inside and get away from the rest of the library functions. There are three in the base bid and this will add an additional three along with two other small fireplaces that are in a couple of reading areas. These are small, self-contained gas fireplaces.

Council member Schumacher asked if each of these campsites are in different sections, i.e. adult and teens. The response was that yes they are spread out throughout the library. Additionally, the library foundation is looking at those as potential packages to present for “naming opportunities”.

Vice-Mayor Wise said that he wished he had had this additional information about campsites and fireplaces and why we need them. It was fully explained to him but he is concerned about the project. This is taxpayer dollars. We do need the library and space but wonders why we need fireplaces. He hopes that the Council gets to vote on the building as one vote and the alternates individually. Mr. Kennedy responded that the fireplace option changed and are now UL rating fireplaces without a flue. Council member Schumacher added that they went with this type of fireplace for aesthetics rather than heating.

Alternate #6 – is a series of landscaped terraces and pedestrian walkway going from the lower plaza up to the library. The base is the connection going up the existing ramp that is there right now.

Alternate #7 – is for a Cortan roof which is an upgrade from the base bid which is a painted metal. The original goal was for a copper roof but this was way out of budget. The Cortan is the next best thing. It will turn to a deep brown color over time and is a naturally weathering product. Council member Nye added that it would never have to be repainted.

Council member Baker would like to go on record saying that she is excited about the new library. She is not against the library at all. This will provide added space and appreciates the low bid but she has a lot of concerns about the five alternates. We will be spending over \$1 million to cover these alternates. The meeting was originally scheduled for December 20 but now it was suddenly scheduled tonight. As Vice-Mayor Wise said she was also not aware of the many things that everyone knows about. We need longer to study this unless specific questions can be answered now.

Council member Baker went on to say that she appreciates all the work that has been done and that the packet was sent to her home. But she’s concerned about one of the items. Some things were cut out of the original architectural design. One of the things was the actual auditorium seating. She was wondering why there were not movable chairs to make for a flexible meeting room. And when she heard that it was \$701,000 for the permanent seating, “what else was inadvertently moved that maybe we would have left in if it were something that we really needed to have in there, like the seating.” So she’s having some concerns and brought up a red flag.

Town Manager, Larry Tarkowski, said that the original engineering estimate of three months ago was for more dollars than we had in budget. Working with the architects there was a very clear mandate to go ahead and revise the building so that it would come in with the money we have budgeted. That was accomplished. In addition to that there were bid alternates that were created so that when bids were opened, if they came in over budget, we had the flexibility of

eliminating certain building elements. During the course of that, the build-out of the auditorium space should have been in the base bid because it would be a shame to build that component and not have it usable. It would just be a box with no seats and stage. If you want a usable auditorium Bid Alternate #1 needs to be awarded. As far as flexible seating is concerned, it does have a sloped floor and so it is not a multi-purpose room like our existing council chambers. When you get up into the higher seating capacities, it is recommended that you have a sloped floor. As it relates to the other bid alternates, he recommends awarding the base bid and taking a vote on that and then voting on each of the bid alternates.

The timing of this meeting is a companion motion with Yavapai College (acted on and approved on Monday evening). On December 18 the underwriters are going to go out with the bonds and they need to put together the preliminary offering statement and get that out to potential bond purchasers. The further away from the holidays, but in advance of the holidays, they are able to underwrite those bonds, the better success we will have. That is why it is on tonight's meeting. Mayor asked Town Manager, Tarkowski, to relay the bond rating. He reported that the bond rating was very favorable. Standard and Poor's looked at our MPC bonds that had been issued and information presented to them and they upgraded our bond rating to an even more favorable bond rating on our MPC debt.

Council member Baker says that due to the downturn in our economy we need to have a library but watch the costs. She is now finding out that the base bid does not include the final finishing to the auditorium, which includes seating. Special Projects Coordinator, Kim Moon, added that Alternate #1 is not just the seating but also some of the draperies and dais and woodworking. The intent of Alternate #1 was to provide maximum opportunities to award the base bid if so desired. The auditorium, of course, should be finished and in usable condition. But if we did get into a position, based on the market and some of the estimates coming in, she did not want the fitting process to go to waste. She wanted there to be options.

Mayor Skoog asked about the seating in the auditorium. Special Projects Coordinator, Kim Moon responded that Alternate #1, includes permanent seating that is bolted to the floor (auditorium style) and is for 200 people. Council member Baker said that "it is no longer an alternative. It almost has to be in there if we are going to have a room to meet in." Moon responded that if the bids had come in high, the decision would be the completion of the auditorium.

Library Director, Stuart Mattson, added information about the campsites. We do not currently have these in our existing library. These quiet areas are important to the patrons. The other alternative is in regards to the children's area. There is an existing problem with noise from the children.

Council member Flannery asked if the seats in the auditorium were inadvertently left out and are now an alternate. Special Projects Coordinator, Kim Moon, said that they were not inadvertently left out. Alternates were intentionally broken out so that we would give to Council the option of outfitting the auditorium at a later date but building the structure itself at this time.

Town Manager, Larry Tarkowski, said that this is nothing new in the way we bid projects. We have put road projects out where there are alternates for sidewalks and curb and gutter as

opposed to an open ditch. This is done to make sure that it can be brought in on budget or as close to budget as we can. We have awarded alternates at the same juncture in the process.

Council member Flannery asked what the contingency is on this. Town Manager, Larry Tarkowski, responded that it is 5% of the total project (base bid) \$782,228.65. That is currently not within the award of the construction contract but that is money that has been earmarked as contingency. If we were to look at 5% on base bid with all of the alternates, the total would be \$838,873.65.

Council member Edwards said that he can not see building a building without finishing off the main part of it. The auditorium facility is going to be multi-purpose usage. He asked the Town Manager if we can charge for the usage of that facility. The response was yes. Depending on direction of Council, there will be set fees for the rental of this room or the community room and then it is applied to all adult activities. There is exclusion for youth events, i.e. Little League, who can use the rooms for free. Council member Edwards went on to say that he can see us not finishing the auditorium and paying more for it later because the price of things to put in there will go up. With this economy it will go up higher because they have to make up the difference somewhere and it will be passed on to us.

Council member Edwards asked about the purpose of the campsites. The response was that this is a confusing name. They are in actuality just study rooms. Council member Edwards said they should probably be renamed.

Council member Baker said that the Council has asked every hotel that comes in to put in meeting facilities. She did not know that this auditorium will not be multi-use, except for council meetings and lectures. Special Projects Coordinator, Kim Moon responded that there is a significant, high-quality meeting room on the second floor above the auditorium. It will seat 50 people. This will be available for everyone to use. The auditorium will also serve as a black box theater. We did have input from the arts community for this. A black box theater has a false floor where you would remove the set up for the Town Council and convert it for theater productions.

Council member Baker said she is happy with the base bid that came in (\$15,644,573) and then we take off our agreement with the college in the amount of \$3,819,279, this would leave \$11,825,297. Is that correct? Special Projects Coordinator, Kim Moon, stated that Yavapai College will reimburse us on a monthly basis. Town of Prescott Valley will pay a monthly invoice to the contractor and we will invoice the college for their portion of that. Per our agreement, they are 20.45% of the base bid and then they also have costs for 100% of one of the elevator stair towers and 50% of the parking. Town Manager, Larry Tarkowski, said that the mathematics are correct but you then add 5% for contingency, which Council member Baker pointed out was not in there. He responded that this is correct. This is a bid that has been offered by a contractor. So you take that number and add 5% for contingency. In addition to that you add in the amount of money for the design.

Council member Baker asked if some things were removed from the architectural design, and she feels that we will not add the alternatives, can the total be reduced in such a way that the \$701,000 can be put back that should have been there in the first place. Special Projects Coordinator, Kim Moon, pointed to the spreadsheet and explained that there are expenses that have already been paid, including the design work with Richard + Bauer. These expenses

came out of a different funding source. Also, there are off-site drainage projects. It is associated with this project. Richard + Bauer will still be on board for construction administration services. We still owe them one third of their current agreement. This has been included in the calculations as well. There are also books at \$1 million but we have already received a grant. There is furniture in that dollar amount. Our portion is about \$1.5 million. That accounts for furniture, furnishings and accessories. These are not coming out of the bond financing. There is a circle on the spreadsheet that shows the dollar amount for Prescott Valley that will be assigned as part of this project towards that financing. That amount is \$14,985,270.56. This includes contingency, the amount still due to the contractor, the remainder of the architectural agreement, as well as some of signage and cabling that occurs separately from the construction contract. It was the understanding that \$17 million would have been too high for financing and we were very fortunate that we came in at \$15 million.

Town Manager, Larry Tarkowski, added that there was a presentation by Michael Cafiso and Bob Casillas two weeks ago. At that time we were looking at a net funding to the Town of \$17 million for the project. Because of the very favorable bid, we are now looking at a net funding of \$15 million if the Council chooses to go forward with the project. This is a \$2 million savings including the alternates.

Council member Baker agreed that it was agreed how much funding we could do but that does not mean we have to do it. We try to do what is financially best for our community. She said that Special Projects Coordinator, Kim Moon, did a good job of providing all the details but she wanted to clarify some of it. Ms Moon says that approximately \$6 million would be spent this year and the remainder would be applied to the next fiscal year.

Council member Baker said she is very concerned about costs. She can understand all the funding. She can understand that we have the rating to borrow the money but do we need to spend as much money. What can we possibly cut to add the chairs to the auditorium? I would even consider making a motion to defer the meeting until December 20, 2007 so we can vote after having time to look at the actual costs.

Special Projects Coordinator, Kim Moon, responded that she has not talked to Steve Kennedy (Richard + Bauer) about preliminary information. The contractor has offered value engineering services. She does not know if this is an option yet. To clarify, the architect did go through at least two full rounds of value engineering since May on this project. We will continue to do this throughout the project.

Council member Baker said that she does not know what was removed from what Council first looked at. She is not really sure what the Town is getting in the building for the \$15 million. That is why she is questioning so many things. A lot of changes can be made but she does not know what is in the library.

Special Projects Coordinator, Kim Moon, listed the steps that were taken. In May there was a value engineering process where: the substructure was reduced; some specialty concrete finishes on the exterior flatware were removed; sloped beams were straightened to reduce the foundation on the building; there was reduction in the glazing by having less windows and switching to hard panels, which will not only help with the initial constructions costs but will help with heating, maintenance and cleaning; different paneling was put in place; the auditorium was originally concrete and changed to a steel frame construction to save weight,

concrete and money; eliminated a sub-basement from under the office portion of the library; and eliminated the roof overhang between the library and the college. That was the first round of value engineering.

The second round of value engineering was in October where they deleted some exterior planter walls; and found alternative materials to still meet the architectural intent of the inside. Council member Baker asked if there was anything removed from the inside of the building that was felt to be absolutely necessary. The response was that nothing was removed. The sound wall in the children's section was promoted as much as the ADA access and the meeting space.

Special Projects Coordinator, Kim Moon, summarized that in the first value engineering round there was approximately \$2 million removed and in the second round they engineered out \$1.75 million.

Council member Flannery asked if the bonding amount includes \$2 million for reserve. Town Manager, Larry Tarkowski, said the \$15 million referenced earlier is for construction. The debt service reserve function and the fees and the insurance are over and above the \$15 million. We will have the reserve fund but the decision has not been made yet on the insurance.

Vice-Mayor Wise said he feels like he has been to a car dealer and has a car and the dealer says now you need tires and you need seats, etc. He thinks that he would have loved to have been where we are tonight at a work study session. He knows that there is a time frame and really appreciates the partnership with Yavapai College, which he considers to be very important. He does not like being put into a position where the Council is making millions of dollars worth of decisions for the taxpayers of the community. He does not doubt the need for a library. He feels that he falsely assumed that when the bid came in for the building it would be a finished building inside and out. It may have been at a basic level and then if there were some alternates or options it would be to upgrade with this kind of wall covering, different metal, etc. But tonight he is finding out if they take the basic building there are no seats where there should be and various other things that will not be there. He feels like he has "been taken to the car dealership".

Mayor Skoog feels that now is the time to do it. We have favorable bonding and decent pricing on the project. He agrees with Council member Edwards that if we are going to do it, let's do it right and get the job done.

Council member Edwards said that everything has been cut back as much as possible. He does not want to buy a stripped down model and present it to the public. It's like other projects. How many change orders do council approve? That comes through the process all the time. We should put our money on the project as it stands now with the alternates. The longer we wait the more it's going to cost us. Maybe the contractors will not be available to supply us with the workforce to do this at a later date. Economically we are at a standstill. We do not want to present a "halfway building" to our citizens.

Town Manager, Larry Tarkowski, added that as you go through the project you will see a really good example of working with the contractor to go ahead and make sure that the project comes in on budget with very few change orders. Case in point is the Wastewater Treatment Plant project. There were a number of change orders, many of which were deductive change

orders. As you go through the value engineering process the people may see something through the course of construction where they can save some money, not only for themselves but for the owner. This would not diminish the quality of the project. All contractors we have worked with have been very eager to identify ways to make the building better but to save the owner and contractor money. That will be an ongoing process with the building of the library. He is suggesting that, if it is the pleasure of council, we vote on base bid and then go through the seven alternates.

Council member Flannery has struggled with this for quite some time and came to the realization that he can not go forward, in good conscience, with this project so he will be casting a vote against. But he wants to make it abundantly clear that this is nothing against the library, Library Board of Trustees, the Prescott Valley library director, or the process. He knows that the Town and the library need the space. Right now with all the economic cutbacks, he can not justify adding \$6 million this year to a budget that can not handle it.

Council member Schumacher made the MOTION, seconded by Council member Nye, to approve and ratify the Summary Breakdown of Costs for Yavapai College as set forth in the December 10, 2007 letter from Town Manager Larry Tarkowski, in accordance with the March 8, 2007 Intergovernmental Agreement, by roll call vote. MOTION carried with 4 ayes and 3 nays (Council members Baker and Flannery and Vice-Mayor Wise)

Council member Schumacher made the MOTION, seconded by Council member Nye, to approve award of a construction contract to the lowest responsive bidder, Barton Malow Company, in an amount up to \$16,776,573.00 which includes the base bid and alternates #1, 4, 5, 6, and 7 for this project, by roll call vote. MOTION carried with 4 ayes and 3 nays (Council members Baker and Flannery and Vice-Mayor Wise)

5. COMMENTS FROM THE PUBLIC

No comments were forthcoming.

6. ADJOURNMENT

Council member Nye made the MOTION, seconded by Council member Schumacher, to adjourn the meeting. MOTION carried with 7 ayes and 0 nays. Mayor Skoog adjourned the meeting at 8:37 pm.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:
TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Candice McElhaney, Deputy Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Special Regular Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, December 13, 2007.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 19th day of December 2007.

Candice McElhaney, Deputy Town Clerk