



TOWN COUNCIL WORK SESSION MINUTES

TUESDAY, February 18, 2014 @ 7:00p.m.

Front Royal Administration Building

1. Overview of Design Build of Police Headquarters by Lantz Construction

Project Delivery Systems

Design-Bid-Build versus Design-Build

Presentation to Front Royal Town Council

- Max A. Clatterbuck, P.E., President
- Steven L. Diehl, Vice President

Lantz Construction Winchester

- Commercial General Contractor
- In Business for 30 Years
- Design-Build
- Design-Bid

Presentation Outline

- Design-Bid-Build versus Design-Build
- What is Design-Bid-Build
- Advantages of Design-Bid-Build
- Disadvantages of Design-Bid-Build
- What is Design-Build
- Advantages of Design-Build
- Disadvantages of Design-Build
- Virginia Public-Private Education Facilities and Infrastructure Act (PPEA)
- Which Delivery System is Best
- Things to Consider When Choosing a Delivery System

Design-Bid-Build versus Design-Build

What is Design-Bid-Build?

- Two contracts are utilized
- Owner contracts with an Architect
- Architect completes the design documents
- The Architect/Owner issues an Invitation to Bid
- The Contractor with the lowest bid wins
- The Owner contracts with the Contractor

Advantages of Design-Bid-Build

- Low bid cost through maximum competition
- Design changes easily accommodated prior to bidding and construction
- Owner has more control over the project design
- The Architect is working on behalf of the Owner

- Alleviates public perception/concerns of an unfair selection process

Disadvantages of Design-Bid-Build

- Multiple contracts
- Lowest bid is not necessarily the best value
- No Contractor input in design, planning or value engineering
- Construction cost is unknown until bids are received
- Owner at risk to Contractor for design errors
- Construction cannot start until design and bidding procedures are finalized

What is Design-Build?

- An integrated approach that delivers design and construction services under one contract with a single point of responsibility.

Advantages of Design-Build

- Single point of contact
- Faster completion time
- Reduces litigation, change orders and cost growth
- Gives the Owner the flexibility to pick a contractor based on best value not low bid
- Lower cost
- Opportunity for cost savings
- Your facility is designed around your budget
- Higher quality on a tight budget

Disadvantages of Design-Build

- Less competition
- The Owner has less control over the design process
- The Architect is working on behalf of the Contractor

Virginia Public-Private Education Facilities and Infrastructure Act (PPEA)

- Facilitates public use of Design-Build contracting
- Recently used to construct Skyline & Warren County High School
- Local governments must adopt PPEA guidelines
- Proposal types: Solicited, Unsolicited
- Land component
- Financing component
- Proposal review fee
- Comprehensive Agreement

Which Delivery System is Best?

- No project delivery system is faultless
- Depends on the project
- Depends on which factors are most important to you

Things to consider when choosing a construction delivery system

- Do you prefer having the Architect work for you

- The complexity of the project
- Length of time you have to build your facility
- Available time and expertise of your in-house staff
- Your budget constraints
- How much risk are you willing to assume
- Lowest cost/Best value
- Public perception
- Limit claims for additional cost
- Quality

Councilman Tewalt asked about the whether it would be change order costing extra money in a design build situation. Lantz explained that it would be a “hard” bid/public bid situation and would be different, though in this situation it would be on them to make the change at their expense, not the Town’s expense.

Councilman Tharpe noted that there were options rather than just having an architect designing a building, he stated that they could have a contractor onboard from the beginning. He thanked Lantz for their extensive information.

Representatives from Lantz stated that end of the process they still go through many stages with their subcontractors and review the project mid-stream and the price is developed with a team approach. They noted that the best thing is they are requesting results from those that can perform at the best price.

Vice Mayor Parker noted that their contract was still valid with BKV. Mr. Burke stated that have submitted final payment.

Mr. Burke asked how in depth the school’s RFP was for their specifications (science labs, chairs, etc.) Lantz explained that was fairly general in nature and their proposals needed to be examined in detail to ensure that the Town was getting what they desired.

Councilman Sayre inquired about to how the Town ensures their preferences are in place with the design and bid specifications. Lantz explained that the contractors will offer different items in which they hope you will want and comparisons will be made at each step.

Mayor Darr stated that the cost value is when you choose the specifics. He thanked Lantz for providing Council with the information.

2. Water Treatment Plant Final Payment – *Director of Environmental Services*

Summary: The Department of Environmental Services Water Treatment Plant has held final payment to English Construction due to extensive roof leakage and a drainage issues. Council is requested to review the information submitted by the Department of Environmental Services regarding the final payment of \$60,000 to English Construction.

Staff Evaluation: The Water Treatment Plant staff has been working with English Construction to correct the roof leaks and drainage issues. The upgrade issues have been completed to the satisfaction of the Town. The issues were identified approximately two years ago when the final payment was withheld. Due to the significant time to correct the issues, the Purchase Order for the project was closed and the remaining funds were returned to the Water Reserve Fund. At the time the Purchase Order was closed, approximately \$100,000 was returned.

Budget/Funding: Funds will be required to be transferred from the Water Reserve Fund to complete this payment. The Finance Director will be available to address fiscal issues.

Staff Recommendations: Staff recommends approval of the final payment to English Construction as all upgrades and concerns have been finalized to contractual and staff standards.

Town Manager Recommendation: The Town Manager recommends the transfer of funds from Water Reserve Fund and approval of the final payment for improvements to the Water Treatment Plant.

Council Discussion: Mr. Burke noted that the funds were returned because we thought that we were going to have to deal with the matter. Councilman Sayre asked who has tested the roof and drainage matters. Mr. Burke stated that it has been examined in full.

Council chose to place it on the consent agenda.

3. Snow Removal Expense Discussion – *Director of Environmental Service/Finance Director*

Summary: The Department of Environmental Services has depleted the budget line item 4500-5478 for snow removal and requests a transfer of \$57,000 (fifty seven thousand dollars) from the general fund to cover additional purchase of salt for two invoices already received through purchasing, an order of 220 tons, and an additional order of 220 tons for the rest of the winter months.

Council is requested to review the information from Environmental Services regarding the snow removal expenses sustained by the department and the need for additional funds.

Staff Evaluation: Environmental Services has reviewed the purchases of salt this past fiscal year. Due to the extreme temperatures causing water breaks, snow, and ice the department has used more salt than anticipated. This has depleted our stock and with the weather continuing to be more severe than expected, additional purchases of salt are still needed to finish off the winter months.

Staff Recommendations: Staff recommends the transfer of funds to cover invoices past due, salt on order, and additional salt purchases to complete the winter season ensuring the safety of our residents and visitors.

Council Discussion: Councilman Hrbek noted that the entire east coast was affected and the entire State of Virginia as well; he pointed out that the Town was not the only locality addressing this

matter. He added that the crews did a great job and he was very impressed with the work that was done to clear the roadways.

Mayor Darr pointed out that this was from General Fund. Vice Mayor Parker asked about businesses clearing sidewalks within 48 hours. Mr. Burke noted that if they were in a commercial district they were required to clear the area.

Vice Mayor Parker stated his concerns with Crescent Street with people attempting to drop areas businesses parking and Main Street

Burke – noted that they generally addressed Main Street because

Burke – would reach out to the County to see if they need help to the school areas with snow events

Parker – the school areas are not being addressed and it is unfortunate; when the business community comes before the school children

Hannigan noted that he contacted the school system and they were told that they were told that they did not need assistance to the school

He and the Town crews are looking into the matter

His child does attend E Wilson Elementary and he noticed the concerns

He did reach out to the schools and again he was turned down when the help was offered

4. Resolution Pertaining to Land Use Permit Regulations of VDOT – *Director of Planning/Zoning*

Summary: During VDOT's review of the site plan for Riverton Substation, VDOT commented that the latest performance surety to VDOT from the Town dates back to the year 1952. VDOT further commented that the previous agreements must now be updated, and then provided draft language for a new resolution. The attached resolution is the language requested by VDOT. In summary, it would be an on-going agreement between the Town and VDOT, with the following assurances provided to VDOT from the Town:

- A general assurance to VDOT that the Town will comply with all VDOT Land Use Permit Regulations when performing work within a state road.
- A specific assurance to VDOT that liability insurance will be provided by the Town for personal injury and property damage, including coverage of up to 1 million dollars for each occurrence to protect VDOT employees, and 75K for each occurrence to protect against lawsuits.
- A specific declaration that the Town Manager, or designee, is authorized to execute on behalf of the Town all land use permits and related documents required by VDOT, including procurement of insurance.
- Certain bonding and performance guarantee obligations for future firms contracted by the Town to do work within a state road.

Budget/Funding: No direct budget impact is anticipated by passing the resolution VDOT requires.

Staff Recommendations: Staff recommends placing the draft resolution required by VDOT on a future Town Council work session as either an independent agenda item or on the consent agenda, depending on the preference of Town Council.

Council Discussion: Mr. Camp noted that the resolution was not holding up the project

Tewalt noted that does not apply to the Town

Council chose to place it on the Consent Agenda.

5. Ordinance Amendment “Height & Setbacks for Wireless Telecommunications Towers –
Director of Planning/Zoning

Camp noted that the PC evaluated the set back requirements
They obtained the SUP and the Town phased it as allowed by current Town Code
Phase 2 height would be 150’ if approved
Camp noted that it was a reasonable request

Tewalt – concerns with the Code allotment for residential areas
Though since the SUP is how the towers are allowed, then apparently the Town can control whether they are in the right areas in Town

Public hearing if applicant decides to move forward with \$400 change to ordinance

6. Ordinance Amendment “The Finished Side of Fences” – *Director of Planning/Zoning*

COUNCIL voiced support of moving forward as written.

7. Shentel Request to Install Antennae to Water Tank – *Town Attorney*

Summary: Shenandoah Personal Communications, LLC (formerly Shenandoah Personal Communications Company) to install one (1) additional 28” RFS microwave dish antenna, for additional consideration, to its existing facilities located at the Town’s Fairgrounds Road water tank. Shenandoah Personal Communications, LLC is currently under lease with the Town for use of the Town’s Fairgrounds Road water tank and “floor space”, through October 31, 2019, at a monthly rent of \$2,750.00, commencing November 1, 2014 (Shenandoah Personal Communications, LLC is currently paying \$2,500.00 per month). At the expense of Shenandoah Personal Communications, LLC, Tank Industry Consultants have conducted a structural evaluation, and has approved the proposed installation with recommendations.

Town Council is asked to consider approving the request of Shenandoah Personal Communications, LLC to install one (1) additional 28” RFS microwave dish antenna, for additional consideration of \$250.00 per month, commencing March 1, 2014, to its existing facilities located at the Town’s Fairgrounds Road water tank.

Town Manager Recommendation: The Town Manager recommends approval of Shenandoah Personal Communications, LLC’s request to install one (1) additional 28” RFS microwave dish antenna, for additional consideration of \$250.00 per month, commencing March 1, 2014, to its existing facilities located at the Town’s Fairgrounds Road water tank.

Council Discussion: Council noted that it should move forward as written.

8. Revision to Chapter 12 “Fees” – Finance Director/Town Manager

Summary: Staff has reviewed the User Fees in Chapter 12 and is requesting three revisions. Two of the requests are from the Energy Services Director as presented. The Department is also requesting an amendment to Chapter 70 to add Section 70-23 (F) “Charges for Temporary Electric Service” to define these charges. The third request is from the Finance Director and will be provided Tuesday night. All amendments to the Town Code will require a public hearing, and be included in the FY14-15 Budget presentation. Council is requested to consider the proposed changes in Town fees.

Staff Evaluation: Staff has evaluated the costs for services for the existing fees and propose the recommended changes, as well as the new fee be considered by Council.

Staff Recommendations: Staff recommends adoption of the fees as presented to be included in the FY14-15 Budget.

Council Discussion: Mrs. Breeden explained the tiered changes have previously been approved by Council, they only now need to be included in the Code. Councilman Funk asked about retesting meters. Mrs. Breeden noted that if it is a faulty meter the resident is not charged for the retest. Council was pleased with that process.

9. Setting Town Tax Rates

Summary: Based upon items discussed for consideration in the FY2014-2015 Budget, Council needs to determine the tax rates to fund the proposed projects. Council is requested to discuss funding of the proposed major expenses.

Staff Evaluation: New revenue sources have not been identified to cover the anticipated costs for these major projects. Timing of the debt service can be adjusted if the construction of the new Police Headquarters is not completed until the FY2015-2016 Budget. The construction of Leach Run Parkway is not anticipated to be completed until the FY2015-2016 Budget. In addition, Council can dedicate the approximate \$75,000 of revenue associated with the previous Real Estate Tax increase for the Local Connector Road. A summary of the possible General Fund Cash Flow is provided as requested by Council at the February 3rd Work Session.

Staff Recommendations: Staff recommends that Council discuss and establish consensus on the proposed FY2014-2015 Tax Rates

Council Discussion:

Tewalt – just building program is where a tax increase is where it is needed; at least a two cent increase

Hrbek –can we increase by ½ a cent
Yes, per Burke you can do that

Tewalt proposed one cent this year, 50- to PD; 50- to Leach Run Parkway

Tharpe – public sees when taxes need to be raised and when funds are raised unnecessarily

Darr – no one likes to raise taxes; though the Town's rate is very low compared to other similar localities and

Funk – will not vote for a tax increase; though it will move forward, the votes are there obviously

Tewalt – must move forward now, or you will have to vote for six cents; you cannot continue to be stubborn; you must do it now; you see the Pol Department needs it, you see that the Parkway needs to be built; we do it, or shut up about it

Sayre – when the Town did the coal fired plant years ago, the Council had to set aside \$5 million; We have a lot of money tucked away

Parker – we need two cents over the next two years

We are still about \$175,000 a year short

He proposed two cents for an increase; he voiced that the Town should hold true to the local connector road they spoke of previously

Darr/Burke noted that they advertise for two and they could drop to one if need be
Consensus of Council was to advertise for two at this time

Tewalt – cannot take a lot out of reserve funds, over time that adds up

Parker – asked for 2.5 – no support of the rest of Council, except Tharpe

Darr – public hearing is to have the listing of the items we are speaking of

10. Update on Comprehensive Plan – *Vice Mayor Parker*

Burke PC holds pub hearing tomorrow on Visioning Statement

Camp – following meeting would be assigning the Steering Committee, then continue with the six phase approach

PARKER: Hope the Council would give them two additional tasks 1) include FRLP and 2) portion of the Corridor – if Council would support those requests

HRBEK expressed support

Council said place on agenda as separate items

11. Council Discussion/Goals

HRBEK – IHOP contract lists specific meals and lodging tax – not collecting that because of matters relating to Mr. Robinett's comments as the past attorney

DARR – may play a bearing – may create an unfair playing field

FUNK – he understood that it was a pass thru; Hrbek explained that they noted that they cannot

FUNK – perhaps have the discussion in CLOSED SESSION

DARR – we're having to raise taxes and if there is funding out there that should be collected, then we should collect it if it is rightfully ours

TEWALT – spoke before about taxing rental owners – if we can do it, then we should do it: no sense to charge someone BPOL and then there is a landlord that has 40 units for example and

PARKER – no enabling legislation there, though he recommends that the Town contact VML for assistance on the matter

HRBEK – last week he attended the Chamber’s Sustainable Energy Conference – more energy conscious in our own building – the more checks are available from the State of Virginia if we are taken off the grid.

12. CLOSED MEETING – Consultation with Legal Counsel & Personnel Matter (*Community Development Director Position*)

Motion to go Into Closed Meeting

PARKER===== moved, seconded by DARR that Council convene and go into Closed Meeting for the purpose of consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel pursuant to Virginia Code § 2.2-3711.7 of the Code of Virginia; and, for the purpose of assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees, or employees of a public body, specific to applications for the Community Development Director Position, pursuant to § 2.2-3711 A. 1. of the Code of Virginia

INSERT VOTE HERE
INSERT VOTE HERE
INSERT VOTE HERE

Motion to Certify Closed Meeting at its Conclusion

Read Out Shae/Gene; 7-0

===== moved, seconded by ===== that Council certify that to the best of each member's knowledge, as recognized by each Council member’s affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Action as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.

INSERT VOTE HERE
INSERT VOTE HERE
INSERT VOTE HERE

ALL COUNCIL PRESENT

Staff:

Burke, Berry, Breeden, Shiflett, Camp, Kisner, Napier, Hannigan