

Islesboro Municipal Building Project Committee (MBPC)

March 12, 2024

Minutes

APPROVED

4/29/24

Members present: Andrew (Pete) Anderson, Linda Gillies, Derreth Roberts, Jay Zlotkowski
Via Zoom: Lauren Bruce

Absent: David Sessions, Bill Boardman

Ad Hoc Members: Cressica Brazier, Murt Durkee, Fred Porter.

Others: Carrie Reed (Zoom coordinator), Greg Janney, Odesser Schoppe, Mike Clayton
Via Zoom: Mark Ouellette (S. B. Architects), Peter Pelletier (Ledgewood Construction), Christine Robb

1. A. Anderson called the meeting to order at 3:03 pm. Quorum met.

2. Approve Minutes of December 28, 2023

Motion to approve the minutes of December 28, 2023, as written, D. Roberts, seconded by L. Gillies. No discussion. Roll Call. Motion passed, 5 yes, 0 no, unanimous.

3. Discussion of Guaranteed Maximum Price (GMP)

- Pete explained that the Committee has worked hard to come up with a GMP that is under or close to the original estimate for this 3-part project. Our efforts have not been in vain. We have found many ways to lower the cost of construction, but not enough that our final GMP matches the original estimate. Unfortunately, the construction market has gone up with only a hint that it may be leveling off in the future. Waiting for prices to go down isn't a smart bet. Most experts agree that the market won't go down to pre-Covid prices. It doesn't make sense to wait and build in a year or two. That leaves us with a difficult choice: Do we go forward and request the additional funding needed to build the complete project? Do we consider building one of the buildings and phase in the others? Do we give up and pay all the bills accrued to this point? What is the cost of not building this project?
- With the help of Mark Ouellette and Peter Pelletier, we will go through these options and explain why we believe the best choice is to ask the Town to fund the Health Center building and wait to build the Up-Island Public Safety Garage. We believe there are grant opportunities which we can look into for the Up-Island Garage, and the current construction bids are too out-of-line to consider seriously. We have a bit more work to do to know precisely how much we will need to request in a Town Warrant, but we can give our estimate at this point.
- Peter Pelletier, President and Director of Pre-Construction Services at Ledgewood Construction and Construction Manager for this project, explained the Guaranteed Maximum Price (GMP) process.
 - Ledgewood has solicited bids for everything that has to do with the project, with detailed bid packages. They have gone through the process and put together a graph of the GMP.
 - We had lower than expected coverage. Not many subcontractors bid on the project. The challenges of working on the island may be an issue.
 - We have not yet found a contractor to give us a price for siding and trim. Because of the low roof configuration, it should be a fairly simple project with a 3- or 4-person crew.
 - We only received one price on electrical, and we feel that number is way too high. We have asked a couple of electrical contractors in this area, and they agree that the number seems to be out of line. We've contacted over 45 electrical contractors to try to get some participation. We currently have three new contractors that are bidding and will give us a price by next Tuesday, so we're hoping to see a significant change in the electrical number.
 - The whole industry is suffering right now. During Covid, a lot of projects just shut down or got shelved, and that created a backlog. A lot of people retired early or got out of the industry and found different work. The workforce is depleted drastically. Many electricians would've liked to bid the job but couldn't find any help.

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- We put together a GMP budget of both buildings together, and only the Health Center building.
- We came late to this project. When we got involved, we worked hard with Steve Blatt's office to come up with suggested cost savings to incorporate into the project to simplify things to make the project quicker and less expensive.
- Mark Ouellette went over key points of the spreadsheet with different options for both buildings and the Health Center only.
 - The original estimate and budget for the entire project was \$3.5 million. The new estimate, even with adjustments and cost-saving measures is at \$5,272,024. The Up-Island Public Safety Garage alone is estimated at \$1.4 million.
 - The team feels that the \$1.4 M cost of the garage is not a good value, do not recommend proceeding with that at this time. They recommend holding the original budget value back for the Up-Island garage to be done later.
 - The high estimate for the Health Center alone at this point is \$3,740,104. With new bids coming next week, we hope to reduce that number.
 - With just the Health Center building, we are \$1.2 million over-budget. If we proceeded with both buildings, it would be \$2.2 million over-budget.
 - Pete clarified that in a nutshell, we've looked at doing all the buildings together, and the Up-Island garage is more than we can stomach taking to the voters. We've looked at dividing the projects up and focusing on the Health Center, but keeping the money that had originally been budgeted for the Up-Island Garage and the renovations to the municipal building, and bid them later or try to find a different way to do them. When we add up the current cost of the Health Center at \$3.7 million, along with the Up-Island Garage at \$432,000 (original budget) and the Public Safety renovations at \$100,000 (original budget), we come up with \$4.8 million. We've already got donations, and our available funding is \$3.6 million, so that is giving us an additional funding request from the Town at \$1.2 million.
- Greg Janney, local electrician at Islesboro Electric, bid on the project. He explained that this is a patient-care building, which requires an a larger amount of time and materials, in respect to his trade. He did want to check his numbers because they seemed high, but everything needs a secondary ground path in a patient-care space, and that's what's driving the numbers. He also has \$150,000 just in generators for the two spots, and well over \$150,000 for the security and fire alarm. He went through numbers again, and checked to see what other towns are doing. The West Rockport fire station on Route 90 has a budget of \$4.5 million, and they're getting a 4-bay garage, 3 bedrooms, 2.5 bathrooms, and a few offices. It's not apples-to-apples, but we're basically building a small hospital and not a storage garage. He thinks those numbers need to be questioned a little more. This is a satellite station in West Rockport, and he doesn't see how we're going to get a small healthcare facility for less than that on the island.
- Fred Porter asked if the Town has to go before the voters again to go forward with the new proposal. Pete answered that we do, and we have a Special Town Meeting scheduled for April 10th.
- Lauren Bruce added that there is no doubt in the minds of any of the committee members that we are dedicated to doing the Up-Island Public Safety Garage and the renovation of the municipal building for Public Safety. There is the possibility of grant money which hasn't been fully explored. We should be able to use the original budgeted amount to build the garage ourselves some other way. We're just trying to bring down the additional ask from the Town. The existing Health Center is doing a good job but not meeting requirements, and ultimately, we will need a new building for that. Renovating the existing Health Center is not doable to the degree that is required for privacy, ventilation, etc. We are on the verge of getting a good health center with the ability to expand in the future if needed. She wants to compliment Mark Ouellette and Peter Pelletier for working so hard for us. We may get a somewhat lower number, but we need to think about the approach we want to take.
- Our timing is very tight. We have to bring a request to the Town at a Special Town Meeting April 10th, which means the Select Board needs to approve a Warrant on March 27th. Ideally, today we will decide whether we want to recommend to the Select Board that we go forward with the budget that Pete has outlined.
- Jay Zlotkowski asked if this number covers completing the Health Center, with the apartment and everything 100% done. Pete answered that it does. The newly designed size is about 4,400 square feet.

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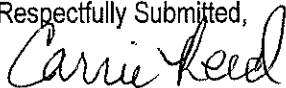
Minutes

- Derreth asked about the numbers at the bottom, far right. Pete answered that those are the numbers for doing all the projects together, including the Up-Island Garage at over \$1 million and the renovations to Public Safety. Then we would be asking for an additional \$2.2 million.
- Cressica Brazier asked for clarification on the numbers. There is an error. The \$432,000 line should be \$1.8 million.
- Christine Robb stated that if she were the inspector for the current Health Center, she would shut it down. It's not safe. There's no confidentiality. The lunch room is next to the lab on the same countertop. They're doing an excellent job with bad conditions, but if we want to keep quality healthcare professionals coming to this island, we need to give them a better place to work. She asked about doing a pre-fab building for the Up-Island Garage. Lauren answered that they have talked about that.

Motion to recommend to the Select Board that we ask the Town to put forward additional funds necessary, at \$1.2 million, to build the Health Center, keeping the original funds reserved for the Up-Island Public Safety Garage and renovations to the municipal building for Public Safety, A. Anderson, seconded by D. Roberts. Discussion about keeping the original budget of \$432,000 for the Up-Island Public Safety Garage and building later, and the savings of building now vs. later. Roll Call. Motion passed, 5 yes, 0 no, unanimous.

Meeting adjourned at 3:53pm.

Respectfully Submitted,



Carrie Reed

