

## **Fire Station #2 Questions**

### **How does the new proposed Fire Station #2 compare to the City's existing Fire Station #1? Is the proposal for Fire Station #2 excessive? Is the new Fire Station #2 a need versus a want?**

The City of Ramsey Fire Department currently operates as a paid-on-call service structure. The City does not employ full time firefighters (excluding the Fire Chief and Fire Marshal). The City does not intend to deviate from this model now or into the future.

When the City completed a space needs analysis in 2006, and a preliminary design in 2013, the new proposed Fire Station #2 was designed as a paid-on-call station. As a result, Fire Station #2 does not include additional space for full-time firefighters (i.e. sleeping space, etc.).

What is unique about the station is the inclusion of a satellite location for the City's Police Department and a satellite location for an Allina Emergency Ambulance. Inclusion of both services will reduce emergency response times and the increase effectiveness/efficiency of the City's police services to greater Ramsey (i.e. eliminate the need for Police Officers to drive back to City Hall routinely).

Additionally, the Fire Station #2 will serve as the "back-up" Emergency Operations Center (EOC) for the City of Ramsey. This proposed station includes a small conference room (for EOC purposes); and will also be available for use by the community (non-profit groups and residents). The conference room in Fire Station #2 is smaller than Fire Station #1.

Attached to this case is a "comparison" of Fire Station #1 and the new proposed Fire Station #2. It should be noted: based on the 2006 space needs analysis for Fire Station #2, it was determined, utilizing the existing municipal center site was not a feasible or practical long term solution. Fire Station #2 was designed to be "right-sized" and an efficient facility. It is built to effectively deliver the service needs of the community now and into the future.

### **Why was construction administration increased from preliminary design to final design? How will this benefit the City?**

Staff has requested additional oversight of this project by BKV Group to ensure quality construction of a multi-million dollar permanent/prominent community facility, to increase efficiencies of the construction process, to improve communications during construction between staff-general contractor-architect-City Council, increase oversight of general contractor, and to attempt reducing/eliminating construction issues. More specifically, BKV Groups' site visits and communications to City staff will be doubled from 1x every two weeks to 1x every week. The original proposal by BKV Group was \$34,000. The adjusted (increased) price for this service is now \$50,000.

### **Can we reduce or eliminate SAC or WAC fees?**

Sewer and Water Access Charges (SAC & WAC) for this project are estimated at \$30,000. Historically, it has been the City's policy to pay WAC fees for any municipal project. The City Council does have the authority to deviate from this informal policy if desired.

Regarding SAC fees—the City does not have the ability to simply waive this charge. Sewer services are provided by the Metropolitan Council (MetCouncil)—not the City of Ramsey. All sewer fees collected by the City are forwarded to the MetCouncil. The City DOES have the ability transfer SAC fees paid on one property to another (assuming the former property is demolished and cleaned; and that the new owner will pay their appropriate SAC fees).

In the case of this project, the City will have SAC credited after the former municipal center site is demolished and cleaned. Unfortunately, the City will be required to pay MetCouncil SAC fees at the time of building permit (about April 2015) for the new Fire Station #2; and the City will be credited SAC fees after the former municipal center site is cleared (about May 2016). As a result of the conflicting timing, and the risk of demolition not occurring on the old municipal center site as anticipated, MetCouncil is unwilling to transfer credits to the new Fire Station #2 project. With this in mind, the City will receive their appropriate SAC credit in 2016; and may utilize said credits moving forward (i.e. economic development projects, other municipal buildings, etc.).

### **Can we utilize fill from the old municipal center site for this project?**

Staff had a conversation with the buyer of the old municipal center site. The buyer has indicated: if they determine (through their planning and design process) that excess fill is available, they would be willing to sell excess fill to the City for Fire Station #2 (at market rate). BKV Group has indicated they will include an 'alternate' in their bid documents indicating fill may be located nearby this site. The City will likely not get an answer from the buyer until March/April. The City should not count on this potential savings.

### **Why do some portions of the original design include a flat roof?**

Small portions of the original design include a flat roof for three reasons: (1) to allow for safe access locations to the roof from the interior of the building, (2) to provide space for mechanical equipment storage, and (3) building articulation and aesthetics.

### **Can the City save money by not including capitalized interest in the funding solution for this project (as shown in a previously proposed bond run)?**

Yes, the City does have the ability to remove capitalized interest from the previously proposed funding solution. Over the course of the entire project, the City would save nearly \$200,000 as a result of this adjustment. The proposed funding package has been adjusted and will be recommended by staff accordingly.

DETAILS:

This move will require the City to begin making bond payments in 2015 rather than waiting until 2017 (i.e. utilizing capitalized interest in 2015 and 2016). It is proposed, the City will make interest only payments in 2015 and 2016. In 2015, staff would propose utilizing the City's Facility Fund for bond payments (about \$60,000). The Facilities Fund has a balance sufficient to support this payment and the construction of the anticipated "parking ramp garage" project. In 2016, staff would propose utilizing the City's levy for bond payments (about \$115,000).

The \$200,000 savings realized is a result of (1) the elimination of capitalized interest (which would have also increased the principal); and (2) from reducing compounding interest payments. Making this adjustment will require the City to increase the general levy in 2016 for Fire Station #2 bond payments rather than waiting until 2017 to increase the levy.

**What has been done to reduce project costs?**

Staff worked with BKV Group to see what could be cut from the design of this building to reduce project costs. About \$150,000 in cuts were identified and included in the final design and project budget (reconfigure meeting space, eliminate patio area, cut 2' from apparatus bay, and change of landscaping materials).