

- Call to Order                   The Champlin City Council met in Worksession and was called to order by Mayor ArMand Nelson at 7:50 p.m.
- Roll Call                        Present were Mayor ArMand Nelson, Councilmembers Eric Johnson, Ryan Karasek and Bruce Miller.
- Excused Absent: Councilmember Kara Terry.
- Staff Present: City Administrator Bret Heitkamp, Community Development Director John Cox, City Planner Scott Schulte, City Engineer Tim Hanson, Assistant City Engineer Todd Tuominen, City Clerk Roberta Colotti and City Attorney David Schaps.
- Approval of Agenda  
(February 9, 2015)  
Motion                         Motion by Councilmember Miller and seconded by Councilmember Karasek to approve the agenda for the February 9, 2015 Worksession II as presented. Voting in favor were Mayor Nelson, Councilmembers Karasek, Johnson and Miller. Voting against: none. Motion carried.
- Elm Creek Dam                 The City Administrator reported that bids were open for the Elm Creek Dam project on January 13, 2015. The projected included flood mitigation improvements and eight bid alternates. Four bids were received ranging from \$6,327,467.20 to \$7,581,617.43. Established in 2011 the Engineer's Estimate for the base bid and alternates was \$4,826,053.99. In June of 2014 the funding amount identified for this project was increased to \$5,584,490.
- The scope of the dam design was modified with the addition of the flood mitigation improvements and the project design elements that include park amenities and improved pedestrian access. This increase of project scope was part of the City funding request in the State bonding bill. However, in the final design process, a stream by-pass system and de-watering costs needed to be implemented. The stream by-pass was originally intended to be completed by first constructing the permanent overflow culverts allowing the diversion of the Elm Creek, while the dam was completed. Ultimately this was not feasible due to the confined construction area near the dam outfall. It was determined that a separate Elm Creek by-pass would need to be constructed further downstream and away from the outfall. This change was required to accommodate the construction of the dam outfall, plunge pool excavation, cable concrete armoring, and other downstream work. The de-watering bid costs involved the work to lower the groundwater and holding back the Mississippi River during construction. These items have caused significant costs and constructability concerns to the contractors, as the risk associated with the Elm Creek and Mississippi River changing flow-elevations will impact the effort required for the construction. As a result of this component, the project was \$500,000 over the engineers estimate in of itself.
- Also, the permit process required specific improvements with significant cost implications. These include: plunge pool excavation, scour protection and riprap edge improvements at the dam outfall.
- The Elm Creek Dam Improvement Project is a cooperative project with West Mississippi Watershed, Elm Creek Watershed, MN DNR, Hennepin County and the State of Minnesota MMB.
- It is recommended by staff that the contract for the Elm Creek Dam, Improvement Project No. 21008, be awarded to the low bidder, CS McCrossan Construction, Inc. in the amount of \$6,327,467. The Alternate Bids will not be constructed under this contract, which will reduce the construction cost to \$5,651,727.80.
- Funding for the City's cost share of the Base Bid will come from the Storm District 10, MSA, Park Reserve Fund, Sanitary Sewer Fund, Street Light Fund, and Turn Back Funds. With a total of \$1,436,570.02 available for the City's portion of the project cost.

Don Sterna, WSB Vice-President, stated that when they started to layout the project they looked at it as a more simplistic design and as the project grew in complexity it needed to be looked at differently.

Bret Weiss, WSB President, stated that the designers stayed with the original plan, but it was Mr. Sterna that looked at the project and made changes.

Councilmember Miller asked if the project grew because of changes the City requested or outside agencies such as the DNR required.

City Engineer Tim Hanson, WSB, stated that it was the weir, culverts, spillway and items such as adding the steps as requested by the DNR that required work in the spillway. As these changes moved along the plan stayed in place a little too long.

Mr. Sterna stated that when we committed to moving water through the culverts that resulted in a jump in the risk factor for the contractors. Because they are working 13' below the river. The best way to manage the risk is to divert the water. The risk of building in two parts may have been greater and we cannot do the project over two years. There are multiple levels of footings and it takes a long time to do this work.

Councilmember Miller confirmed that it was not because the City had made the project more ornate that the bids came in higher than estimated.

The Assistant City Engineer Todd Tuominen stated that it was not because of aesthetics that the price increased. He stated that we had a base dam design and added pieces. The dam price jumped because collectively the cost to build it with these changes jumped.

The City Administrator stated that the historic stair-step design and other characteristics of the 1930's were instrumental in the approval of our mitigation plan and the permitting process of SHPO and USACE. The Utility Plan amendment and the de-watering/by-pass increased the cost as well. The risk related to diverting the water was a piece we underestimated because the contractors were not willing to accept this risk without cost.

The City Administrator stated that when this project is brought back before the Council for formal approval the ADA component will be kept as it requires the same equipment needed for the Dam work.

Councilmember Johnson questioned how the increased cost to cover the contractor's risk factor would impact the need for future change orders.

Mr. Weiss stated that if the project had been bid in 2011 the price would have been different. If the contractor has problems with water then the bid price might actually be low for them but if they do not experience problems then they will make money.

Councilmember Johnson stated that he would have an issue with them coming back requesting a change order for work related to the water management.

Mr. Weiss stated that he did not expect they would come back with a change order for water management and if they did come forward with a change order on this project it would be for something else.

The City Administrator stated that an example of a change order that could happen would be if they experienced bedrock or similar construction issues.

Councilmember Johnson asked for details on that possibility.

The Assistant City Engineer stated that they did do borings as part of the project.

The City Engineer stated that the concern is there was a mill on this site and they don't know if any remnants are left in the project area.

Councilmember Johnson stated that his concern is an increase in costs after the project is awarded.

Mr. Weiss stated that when awarding the bid the City will have a set of plans and a time frame and there isn't much a contract can do to get out of completing the work. Part of the bid cost reflects the contractor wanting to move faster in order to deal with the water. The good thing about the recommended contractor is they do bridge work.

Councilmember Karasek stated that there was a number that was set before we went out to bid. Looking at the bid results the City is still dealing with a significant overage.

Mr. Sterna stated that the bidding climate today reflects the fact that a number of the contractors are already loaded up with work.

Mr. Weiss stated that this is not a normal street project and yet other projects are coming in high for normal street work. There isn't a lot of bridge work done in the state. By way of example Rochester awarded a bid a year ago and that price went up. The highest bidder on Champlin's project is normally the lowest bidder.

Councilmember Miller confirmed that it wasn't just concrete costs that increased the costs.

The City Administrator agreed that it wasn't the concrete prices.

Mr. Weiss stated that they did the project redesign and have tried to keep the project going. He would like to be able to identify just one item that increased the project cost but there isn't just one item.

Councilmember Johnson stated that we have changed the project scope over the years.

Mr. Weiss stated that the City did request the State Legislature to increase its project funding prior to going to bid.

The City Administrator stated that the bid will be presented to the City Council on February 23<sup>rd</sup>. He reviewed the legal counsel advice regarding the award of the bid and alternates. He stated that the City will look at value engineering to help control costs.

Mayor Nelson stated that he is interested in defining how the City can reduce the project cost. He stated that he is not inclined to fund the project by taking funds from other projects.

The City Administrator outlined the project costs and City funding sources. He reviewed what pieces would not be included in this project award. He stated that the City would look for grants to fund some of the pieces that are recommended to be removed from the original project.

The Assistant City Engineer confirmed that the project pieces that are not included in the current project would have to compete at budget time for funding through the CIP with other City projects. He also stated that the City can look for grants and other outside funding sources. He noted that the City did explore grant funding for the fishing pier but the money wouldn't have been available for a 2015 project.

The City Administrator stated that the big picture for this project is it will last 100 years and is part of the Gateway to the City.

Councilmember Karasek asked if there was a timeframe for the completion of the pieces of the project that would not be included in the original award.

The City Administrator stated that those items to be included in the CIP would be given a timeframe within that budget.

Councilmember Karasek stated that he is concerned that some of the elements that make this project special for the community are being cut.

The Assistant City Engineer stated that looking ahead we will need to do rip-rap work and that might be a time to do the fishing pier project as well.

Councilmember Miller stated that he hears what Councilmember Karasek is saying regarding the unique features of this project being eliminated from the project award but he also sees there is immediacy to doing this project.

Councilmember Johnson reiterated that his concern is future change orders.

Councilmember Johnson requested that when the project is brought back for Council approval on February 23<sup>rd</sup> that the Base Bid, alternates and funding sources be presented in a clear fashion for the Council and public's review.

Councilmember Johnson stated that he is favorable to the project as defined.

Mr. Sterna stated that throughout the construction project they will look at what they can do to control costs.

Councilmember Karasek stated that he is favorable to moving forward with the project as defined but he would like to see the alternates remain a future priority.

The Reserve at Elm Creek  
Development

The Community Development Director stated that at the Work Session immediately prior to the Regular City Council meeting this evening the Council had been requested to consider several plan changes for the Gonyea development prior to them investing in the redesign of their project for final plat submittal. The Developer is also requesting \$100,000 in development assistance funding.

**Council Consensus**

It was the consensus of the Council to support the plan changes in concept as presented by Gonyea Companies with Final Plat approval to be contingent upon Planning Commission review and the submittal of an acceptable plan at the time of Final Plat submittal to the City Council. The Council was favorable to providing development financing assistance that is tied to the value added by the development with a refined request for funding to be submitted by the Developer in order to make a final determination regarding City Council financial assistance.

Adjournment

The Champlin City Council adjourned the Worksession at 9:22 p.m.

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ArMand Nelson, Mayor

Attest:

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Roberta Colotti, CMC, City Clerk