



# Council Conference Meeting

April 10, 2023

5:30 PM

Fridley City Hall, 7071 University Avenue N.E.

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## Agenda

- [1.](#) Parks and Recreation Department Update
- [2.](#) Moore Lake Park Improvement Project

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Upon request, accommodation will be provided to allow individuals with disabilities to participate in any City of Fridley services, programs, or activities. Hearing impaired persons who need an interpreter or other persons who require auxiliary aids should contact the City at (763) 572-3450.



# AGENDA REPORT

**Meeting Date:** April 10, 2023

**Meeting Type:** City Council Conference Meeting

**Submitted By:** Mike Maher, Parks and Recreation Director

## Title

Parks and Recreation Department Update

## Background

The Parks and Recreation Department values the support and vision provided by the City Council and desires to build more familiarity between the Council Members and Parks and Recreation staff. Program staff will present an overview of the many events, classes, and services the Department offers to the Fridley Community as well as a vision for how the Department will grow alongside the Park System Improvement Plan implementation and operation of Locke Park. Staff will be prepared to answer questions from the Council.

## Financial Impact

None.

## Recommendation

None.

## Focus on Fridley Strategic Alignment

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|----------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Vibrant Neighborhoods & Places   | <input checked="" type="checkbox"/> Community Identity & Relationship Building |
| <input type="checkbox"/> Financial Stability & Commercial Prosperity | <input type="checkbox"/> Public Safety & Environmental Stewardship             |
| <input checked="" type="checkbox"/> Organizational Excellence        |                                                                                |

## Attachments and Other Resources

## Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



# AGENDA REPORT

**Meeting Date:** April 10, 2023

**Meeting Type:** City Council Conference Meeting

**Submitted By:** Jim Kosluchar, Public Works Director  
Nic Schmidt, Civil Engineer

## Title

Moore Lake Park Improvement Project

## Background

The Moore Lake Park Improvement Project bids are projected to increase the expense of the Moore Lake Park in the Parks Improvement Plan by approximately \$720,000 over designated funding for this park. We are awaiting responses on one bid package in the interim, which will be obtained next week. It is important to note that sitework for the project came in under anticipated cost, while the building was higher than the costs anticipated.

In formulating our target funding allocation prior to bidding, we relied heavily on the construction manager's estimates. With their consultation, we defined three main reasons that the building bid out as high as it did. The wall and roof panels were subject to major manufacturer's revisions in the manner in which they are installed due to recent issues with that product. This occurred without the architect's knowledge in early 2023 and accounted for about a third of the overage. The team looked into revising the wall and roof method, and it is found to be no less expensive than what was specified, even with this increase. Another cost driver was the final design increases to meet quality desires that the City desired. A few of the final elements were not re-estimated to reflect the final weeks of design changes. Finally, about a third of the increase is related to significant and variable inflation in labor and materials that were not accounted for fully in the final estimate. These are evident in the mechanical, electrical, and carpentry work and are mainly driven by labor costs and supply chain issues that have been fluctuating wildly in recent months. The variability in these costs from estimate is magnified due to the scale of the building, which is rather small and has very few comparison projects for anticipating these fluctuations in estimating.

A preliminary discussion was held with the City Council at the conference meeting on March 27, at which time options were explored for moving forward with current projections. Those included 1) redesign of the building to bring it within budget and rebidding of the project, 2) rejecting bids and rebidding with a new schedule, 3) allocating funding from other parks in the plan through their elimination or reduction in utility of those elements, and 4) allocating additional funding not yet designated for the plan. The City Council discussion affirmed that there was no desire to change the quality of the building in substantial ways, and staff agrees that the building design is the quality and utility that will fulfill the goals of the plan. Allocating funding from other parks in the plan was discussed as well, and while there were no

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details presented, the City Council seemed to indicate this was a less desirable approach. Staff subsequently has focused on options 2 and 4 above and is providing the following results of its review of these options.

Regardless of the approach, staff would recommend continuing with site improvements this summer in concert with the Anoka County Central/Gardena roundabout project, as the costs are well below estimate and allocated funding and would recommend considering the building in any reschedule scenario. Staff has worked diligently with our construction manager, architect, and industry professionals to evaluate the benefits and risks to a potential reschedule and rebid of the building.

The labor market at this time is cooling, but labor costs are not on the decline or plateaued yet. Supply chain issues are improving, but specific material prices are increasing, which is expected to cause additional variable increases. As an example, sheet metal used for HVAC systems just saw a jump of 8% in supplier pricing this week. Further, non-residential building spending is projected to increase 18% in 2023.

In summary, the opinion of industry professionals, including our own construction manager, is that in the best case, up to a 5% reduction (approximately \$170,000) in cost may be obtained by rebidding in October/November of this year and constructing the building in 2024. The most likely case is a slight increase in pricing of 3-5%, and the worst-case scenario for this is a significant increase in pricing should material or labor costs shift. Costs may further steady in the industry in 2024-2025, however holding the project for this amount of time would have an impact on the overall implementation schedule and availability of improvements.

In regard to funding, staff would recommend the following approach to providing the added revenue that the project would require. These sources of revenue have been reviewed with the Finance Director and Parks and Recreation Director, and we have reached a consensus on this approach.

1. The Finance Director, upon hearing of our preliminary bid results, has shifted some investments in bond funds that would generate an additional \$75,000 in the coming year.
2. Self-financing solar improvements on the building is projected to generate an estimated \$150,000 over a twenty-year period.
3. Staff is confident that obtaining \$150,000 in grant revenue to offset costs in the plan can be achieved.
4. Accelerating the improvement schedule for all parks from an 8-year plan to a 7-year plan is projected to save over \$400,000. Staff believes this is achievable at current staffing levels.

Should any of the above be found infeasible, the Finance Director advised the City could allocate of one-time revenue sources associated with current redevelopment projects the City may finance, totaling up to \$300,000. Finally, there are reserves available in the Community Investment Fund for contingencies and/or dramatic increases in future costs.

As the rebidding option is not believed to have likely benefit and the City is satisfied with the building that is being delivered, staff from Public Works, Parks & Recreation, and Finance recommend that the supplemental funding options above be applied to abate some of the cost of the building.

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**Focus on Fridley Strategic Alignment**

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**Attachments and Other Resources**

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