

PENINSULA TOWNSHIP

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Township Board Special Meeting

April 14, 2025, 4:00 p.m.

Township Hall

Minutes

1. **Call to Order** at 4:02 p.m.
2. **Pledge**
3. **Roll Call**
Present: Sanders, Clark, Wunsch, Sanger, Chown
Absent: Milliken, Alexander
4. **Brief Citizen Comments (for agenda items only):** none
5. **Approve Agenda**
Sanger moved to approve the agenda with a second by Clark. **Motion approved by consensus**
6. **Governmental Updates:** none
7. **Conflict of Interest:** none
8. **Consent Agenda:** none
9. **Business:**
 - A. Discussion of Pre-construction Consulting Services Proposals for Fire Station #1 with Action Expected (Sanders)

Sanders explained that the township received three sealed bids last week. Sanger, Chown, the fire chief, and Sanders opened them.

Chown recalled the March meeting where the township board discussed going out for an analysis of the proposed new fire station. The motion the board passed asked for an analysis of what the township needs today, in 10 years, and in 50 years, especially in light of the success of the PDR program on the north end, which will limit potential buildout and the number of people who need services.

Chown expressed gratitude for all three bids but didn't feel the bid from Grand Traverse Construction reflected what the township board asked for. Spence Brothers was closer but not quite there. The Cunningham-Limp bid was far more on point. The company's "proactive approach to cost control, risk mitigation, and value engineering will ensure a comprehensive and objective review of this project's financial and operational aspects" gives the township room to do what it needs to do. Noted that she read this statement before realizing they were asking for zero dollars to do this work. Would like to award the project to Cunningham-Limp (CL).

Sanders concurred. Noted that a representative from Spence Brothers did call and talk with Sanger, but she was more impressed with the CL proposal, which highlights the 14 fire station projects they've done in the last 15 years.

Sanger agreed. Cost aside, he was intrigued with their experience.

Chown liked the fact that the CEO, CFO, and vice president for strategy and community impact all live in the township and their commitment to building better communities and willingness to do

Becky Chown, recording secretary

this work for our community.

Sanders didn't think we could accept a zero dollar bid. Suggested a dollar.

Sanger asked about the timetable.

Bobby Peplinski, CFO of CL, said the expected timeline for the analysis is 15 days. Without the firm's experience, it would be 30-40 days, but its historical knowledge and robust database lets them do the work a lot quicker. They've already put pre-construction work into this project and will revise their proposal to charge a dollar.

Sanger asked for comment on the multiple phases.

Peplinski explained the process that any project like this would go through. You have your design team, i.e., Environmental Architects and Ray Kendra. We've worked with Ray many times. The typical phase is that you hire the construction manager, who would come on pre construction and help you through the design process by giving you thoughts on constructability, material availability, pricing, value engineering, all those steps that happen during the pre-construction phase to craft your project. The design team and construction manager work side by side to design the process and price it. Here you have a limited portion of what that construction manager (cm) would do because it's just the pre-construction phase. In this case, it's a conceptual estimate. Often you hire a cm for the conceptual, then a schematic, then a design budget, then a construction drawing budget that becomes your guaranteed maximum price.

Here you only want the conceptual design that's already out there and to check the pricing that's on the table. The logical next steps will be to do the schematic and get to your maximum guaranteed price.

Wunsch asked if the township has gone through the right process to date. Is concerned that the budget as proposed is considerably higher than the township was looking at so wants to look at all options and any trade-offs we could consider.

Peplinski confirmed that this is the appropriate next step. Then you find your construction manager and get to that guaranteed best price. He noted that Ray is phenomenal but said he isn't the one who will guarantee that best price. You'd be trying to make decisions without knowing the price. With a construction manager on board, you can make decisions on specific details knowing what the price is. That's where value engineering comes into play, to get the scope you want at a price you can afford.

Sanders confirmed that CL would turn around and bid on being the construction manager.

Peplinski explained that bidding happens through the cm, who bids out every aspect of the project for the most capable low bidder to perform the work. Noted that CL has a terrific subcontract market and contractors up here in northwest Michigan as well as throughout the state. When you get to the point of bidding it, that's the point of having a cm.

Logical next steps after doing this work and giving you the price check are to further retain CL as a cm to work alongside the design team of Environmental Architects, move on to the schematic design, and give you a budget based on that and to help you make informed decisions going forward.

Chown explained that she and the supervisor met with the fire chief and Ray Kendra, and Ray indicated he would do the work of the cm. Asked Fire Chief Fred Gilstorff if he concurred.

Gilstorff reminded the board that it has approved having Environmental Architects oversee the construction, put it out to bid, and get the bids back twice now. He understands that the board wants a firm to come in and make sure the numbers are reasonable and make sure it meets goals and objectives, but since the board has approved having Environmental Architects do it on two separate occasions, that may be a discussion that has to happen with Kendra. Thinks we need to focus on this evaluation and then worry about whether or not to go with a cm.

Sanders said that, for the purposes of today's meeting, we're just awarding this RFP to see if we're

in the ballpark in terms of feasibility.

Peplinski said that, as he sees it, Ray's been hired to take the township through the design phases and then take the project out to a bunch of contractors who would bid and build it. Ray would help the township decide which contractor to go with. That's the historical, traditional method of construction, and you just hope you get a low number that fits within your budget.

The township is starting to approach the newer model, where you have somebody as a partner to work through the design who can give you real-time pricing all the way through the steps so that you don't get to a fully designed fire station that you can't afford. You'll know that long before you make those decisions so you can avoid that. This approach keeps you from having to go back and start designing it all over again.

With the cm, you can make decisions on constructability all through the process and still do the same competitive bid but do it with your cm for all the subcontracting. You get the maximum price and make decisions with that information.

Chown and Sanders agreed that this explanation was helpful.

Sanders said it's important for the board or a subcommittee to meet with the chief and Ray and whoever gets awarded this to discuss next steps.

Gilstorff asked what percentage increase CL has seen in the last year in construction costs.

Peplinski said it depends heavily on the trades. In the general scope of work, it's fair to say they've gone up six to eight percent. Now we're looking at how the tariffs could impact steel, for example. The biggest jumps happened during COVID, such as the cost of insulation. That isn't a problem now, but things didn't ever fully flatten out again.

Gilstorff said that in 2019, the price came back at three million dollars for about a 13,000-square-foot building. Asked if it's fair to say that it would probably be in the eight- to nine-million dollar range today.

Peplinski said that was fair.

Gilstorff noted that he's just pointing out that the numbers are where they are because of Covid and everything that's happened since.

Board discussion on taking this next step.

Sanger moved to select the bid from Cunningham-Limp for one dollar for the pre-construction contract with a second by Chown.

Roll call vote: yes – Clark, Wunsch, Sanger, Chown, Sanders

Approved unan

Peplinski said he would redraft the proposal to reflect one dollar.

10. Citizen Comments

Fire Chief Fred Gilstorff wants to revisit the land aspect and the citizen who put the offer on the table before. Would like to stay in constant contact so that option doesn't fall off the table. It's the ideal site. Safety concerns will be handled with signage, etc. It's also the safest site. Can't compare putting a structure on top of a hole versus on flat ground...The flat ground decreases issues long term. This station is futuristic – we want a building that doesn't need to be touched for 40 years except for normal wear and tear. These guys know why fire stations need to be built the way they are, why certain areas are so big, etc., things that other people might not understand.

Quite a bit of work still needs to happen to be able to purchase that property. We know the building will fit, but we need to make sure it perks, has proper septic, etc.

11. Board Comments

Sanger agreed we need to figure out the land. Having two options – next to the township and the other flat property – complicates things. Would welcome conversations with that property owner. Doesn't want the best design not fitting the best property.

Becky Chown, recording secretary

Chown urged the supervisor to reach out to the landowner to try to reopen the conversation and said she would ask the assessor what it would cost to take that property off the tax roles, which was a concern Katie [Clark, township treasurer] had at the prior meeting.

Sanders said that in order to seek the property across from Peninsula Grill, we will need a purchase agreement with a not-to-exceed price point.

Clark asked if we need an appraisal.

Sanders said we can still put a purchase agreement together, and if it doesn't appraise accordingly, there's room to renegotiate.

Wunsch noted that we're approaching an eight-figure budget in a community of 6,000 people. He believes that if we just buy a piece of property, then float the cost, we wouldn't leave this building alive. We need to do our due diligence and figure out how to deliver the best value to our taxpayers. Thinks this is an important step right now but doesn't feel comfortable authorizing a purchase agreement until we have an idea of what the actual budget will look like.

Sanders said we could authorize seeking an appraisal.

Sanger asked if we want both sites evaluated and noted we don't want CL to do this work at the wrong location.

Sanders said both sites have been looked at by township engineer Gourdie-Fraser. Costs at the township property, given its geography, could go through the roof whereas the other property is ready to be developed. Still, Sanders believes we have to go down both paths and look at both properties.

Wunsch suggested we keep looking for alternate parcels but the board pushed back, detailing the massive efforts that have taken place to date over the course of many years to find suitable property, concluding that the two options on the table are what's available and that work has been done.

Sanger moved to reopen negotiations with the potential seller regarding the land for the fire station with a second by Chown.

Roll call vote: yes – Wunsch, Sanger, Chown, Sanders, Clark **approved unan**

Wunsch moved to authorize the supervisor to seek an appraisal on the property in question with a second by Chown.

Roll call vote: yes – Sanger, Chown, Sanders, Clark, Wunsch **approved unan**

Chown thanked Doug Luciani and Bobby Peplinski for attending the meeting today and for being so generous with the peninsula community.

Sanger thanked Grand Traverse Construction and Spence Brothers for submitting their bids.

12. Adjournment

Wunsch moved to adjourn with a second by Sanger.

Motion approved by consensus

Meeting adjourned at 4:45 p.m.