

AGENDA
SPECIAL FINANCE/AUDIT COMMITTEE MEETING
MAY 3, 2021

- 1- Budget transfer for the Kingston Point Park Improvement Project-Mayor Noble
- 2- Request for bonding for the Cooper Lake Dam & Intake Remediation Project-
Judith Hanson

Tinti, Elisa

From: Noble, Steve
Sent: Friday, April 23, 2021 3:51 PM
To: Shaut, Andrea
Cc: Scott-Childress, Reynolds; Tinti, Elisa; Tuey, John
Subject: RE: Request for Special Finance Meeting at Caucus

Thank you for the consideration!

-Steve

Steven T. Noble
Mayor, City of Kingston
420 Broadway
Kingston, NY 12401
845-334-3902
www.kingston-ny.gov

From: Shaut, Andrea
Sent: Friday, April 23, 2021 3:28 PM
To: Noble, Steve
Cc: Scott-Childress, Reynolds; Tinti, Elisa; Tuey, John
Subject: RE: Request for Special Finance Meeting at Caucus

Good afternoon,

I would be comfortable doing a Special Finance meeting before Caucus on Monday May 3rd 6:30pm.

Rennie, Elisa, John – are you available for this meeting? Please let me know, and I will call the meeting.

Thank you,
Andrea

From: Noble, Steve
Sent: Friday, April 23, 2021 2:51 PM
To: Shaut, Andrea <ashaut@kingston-ny.gov>
Cc: Scott-Childress, Reynolds <rscott-childress@kingston-ny.gov>; Tinti, Elisa <emtinti@kingston-ny.gov>; Tuey, John <jtuey@kingston-ny.gov>
Subject: Request for Special Finance Meeting at Caucus

Dear President Shaut,

This is a request to schedule a special finance meeting to discuss a request for a budget transfer for the Kingston Point Park Improvement Project.

Resolution 232 of 2017 authorized myself, as the Mayor, to expend funds in the first instance for the Kingston Point Park Infrastructure Improvements Project, with funding from the Office of Parks, Recreation and Historic Preservation. In this authorization, it recognized that the City was awarded \$300,000 in grant funding, with a required match of \$100,000, expected through in-kind staff time and the Recreation Fee Reserve. The project bids have been received and are within

budget, however, we have realized that as part of the 2017 resolution, an allocation of the recreation fee reserve was not done. With the council's authorization, this project can be awarded in May and will allow construction to begin shortly thereafter.

At this time, I am requesting approval of the city share, to be funded through a transfer from the A1-388905 Rec Fee Reserve to the A1-9905.19.5901 Capital Projects Account, of a max of \$100,000, for the Kingston Point Park Improvements Project. I've attached a draft committee report.

Please feel free to contact me with any questions regarding the project. Thank you for your consideration.

Sincerely,

-Steve

Steven T. Noble
Mayor, City of Kingston
420 Broadway
Kingston, NY 12401
845-334-3902
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1THE CITY OF KINGSTON COMMON COUNCIL

**FINANCE AND AUDIT
COMMITTEE REPORT**

<u>REQUEST DESCRIPTION</u>		
INTERNAL TRANSFER _____ AUTHORIZATION ^x _____ CLAIMS _____	CONTINGENCY TRANSFER _____ BUDGET MODIFICATION _____ ZONING _____	TRANSFER ^x _____ BONDING REQUEST _____ OTHER _____

DEPARTMENT: <u>Mayor</u>	DATE: <u>4/23/2021</u>	
Description: Authorization and transfer of a max of \$100,000 from the Rec Fee Reserve to cover the city's share for the OPRHP funded Kingston Point Park Improvements Project.		
From A1-388905	Rec Fee Reserve	\$100,000
To A1-9905.19.5901	Capital Projects	\$100,000
Estimated Financial Impact: \$	Signature _____	

Motion by _____

Seconded by _____

Action Required:

SEQRA Decision:
 Type I Action _____
 Type II Action _____
 Unlisted Action _____

Negative Declaration of Environmental Significance: _____

Conditioned Negative Declaration: _____

Seek Lead Agency Status: _____

Positive Declaration of Environmental Significance: _____

<u>Committee Vote</u>	<u>YES</u>	<u>NO</u>
Reynolds Scott Childress, Ward 3, Chairman	<input type="checkbox"/>	<input type="checkbox"/>
Don Tallerman, Ward 5	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Davis, Ward 6	<input type="checkbox"/>	<input type="checkbox"/>
Michele Hirsch, Ward 9	<input type="checkbox"/>	<input type="checkbox"/>
Steven Schabot, Ward 8	<input type="checkbox"/>	<input type="checkbox"/>

Tinti, Elisa

From: Shaut, Andrea
Sent: Monday, April 26, 2021 9:27 AM
To: Alderman
Subject: FW: Cooper Lake Bids and Bond Authorization

Follow Up Flag: Follow up
Flag Status: Flagged

Here is the second agenda item to be discussed at the May 3 Special Finance meeting.

Andrea

From: Hansen, Judith
Sent: Friday, April 16, 2021 5:00 PM
To: Scott-Childress, Reynolds <rscott-childress@kingston-ny.gov>
Cc: Noble, Steve <SNoble@kingston-ny.gov>; ddc1953@hotmail.com; Hirsch, Michele <mhirsch@kingston-ny.gov>; Bill Cloonan <wnc76@hotmail.com>; Joanne Seche <jvseche@yahoo.com>; Bob Niedzielski <nijelski@aol.com>; Jim Noble <jnoble39@aol.com>; Shaut, Andrea <ashaut@kingston-ny.gov>
Subject: Cooper Lake Bids and Bond Authorization

Rennie

As the Mayor may have mentioned, we opened bids yesterday for our long awaited Cooper Lake Dam Project and were disappointed to see that the bids were all significantly above the engineers estimate for construction. We received 3 bids and all were within 1% of the low bid which suggests that the bids reflect the real cost of the project. We are working with our engineers to review the bids and see where the discrepancies are, but it appears that there has been a sharp escalation in the cost of materials for the project and that, not only have prices increased dramatically, but they are also continuing to increase.

The bottom line is that we have bonding authority from the Council for \$15 million for this project and it now appears that we will need \$20 million in total to undertake this work (an additional \$5 million) which will take 2 full construction seasons to complete. It is critical that we get full use of this season since work will begin in the Reservoir itself in year 1 and to accommodate the work, we must drop the water level in the Reservoir 10 feet below normal. Therefore, it is critical that we get this work completed ASAP so that we can return the Reservoir to normal levels.

Therefore, on behalf of the Water Board, I am asking that our request for an additional \$5 million in bonding authority be placed on the Agenda of the Finance Committee and, if approved, go before the full Council at your earliest convenience. On a more positive note, NYS DEC has just begun to approve grant funds for dam remediation, and while funding for planning and engineering are currently the only grants available, it is our understanding that grants for construction are on the horizon. The KWD is committed to applying for any and all funding opportunities to lessen the burden of this project on our rate-payers.

I am available to answer questions or provide additional information regarding this request. In advance, thank you for any consideration that you can provide. Judy

Judith A. Hansen
Superintendent
Kingston Water Department
PO Box 1537

Kingston, NY 12401
845 (331)-0175 (X1301)

1 THE CITY OF KINGSTON COMMON COUNCIL

**FINANCE AND AUDIT
COMMITTEE REPORT**

<u>REQUEST DESCRIPTION</u>		
INTERNAL TRANSFER _____	CONTINGENCY TRANSFER _____	TRANSFER _____
AUTHORIZATION _____	BUDGET MODIFICATION _____	BONDING REQUEST <u>X</u>
CLAIMS _____	ZONING _____	OTHER _____

DEPARTMENT: <u>Water Dept.</u>	DATE: <u>4/26/2021</u>
Description: Request for bonding authorization in the amount of \$20,000,000 to fund the Cooper Lake Dam and Intake Remediation Project. Included within this authorization are previous ordinances (\$800,000 -- 2/6/18; \$7,000,000 -- 9/10/19; \$7,200,00 -- 1/7/2020).	
Estimated Financial Impact: \$5,000,000 Signature _____	

Motion by _____

Seconded by _____

Action Required:

SEORA Decision:

Type I Action _____

Type II Action

Unlisted Action _____

Negative Declaration of Environmental Significance:

Conditioned Negative Declaration: _____

Seek Lead Agency Status: _____

Positive Declaration of Environmental Significance: _____

<u>Committee Vote</u>	<u>YES</u>	<u>NO</u>
Reynolds Scott Childress, Ward 3, Chairman	<input type="checkbox"/>	<input type="checkbox"/>
Don Tallerman, Ward 5	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Davis, Ward 6	<input type="checkbox"/>	<input type="checkbox"/>
Michele Hirsch, Ward 9	<input type="checkbox"/>	<input type="checkbox"/>
Steven Schabot, Ward 8	<input type="checkbox"/>	<input type="checkbox"/>

Kingston Water Department Dam Rehabilitation Project

Board of Water Commissioners of the Kingston Water Department is requesting bonding authorization for up to an additional \$5 million dollars for a total of \$20 million for the Cooper Lake Dam project:

Project Background:

- In 2009 the NYS DEC promulgated new dam safety regulations that, among other things, stipulated that owners of high hazard dams had to conduct a condition assessment of their facilities and bring them into compliance with current factors of safety.
- The condition assessment indicated that both the main Dam and the West Dike at Cooper Lake needed to be rehabilitated. Following design, it was determined that this would take 2 years to construct and the Engineers Estimate of Probable Construction Cost (EOPCC) put construction costs at \$13,000,000 . Adding engineering design and construction management fees, the project was estimated to cost about \$15,000,000
- Previously, the KWD had requested and received authorization from The Common Council for bonding for the Cooper Lake Dam Rehabilitation Project for \$15,000,000.
- All required permits from the NYS DEC have been obtained. Construction will take 2 years and it is important that all in-reservoir work be completed in year 1, prior to the Reservoir icing over.

Bids:

- Bids for the project were received on April 15, 2021. We had 3 bidders submit proposals and all 3 were within 1% of each other (\$140,000 low to high). **Unfortunately, all exceeded the engineer's estimates by nearly \$3 million.**
- In conjunction with our engineering consultants, we took a detailed look at the bids to determine why they exceeded the estimated costs by such a large margin. The analysis revealed that **material costs have risen sharply due, in part, to supply chain issues as a result of the pandemic and are continuing to rise.** Additionally, since most of these materials will be used in year 2, the contractors are likely mitigating some of the risk in their pricing.
- Bids were opened on April 15, 2021 and bidders are only required to hold their bids for 30 days. Since all of the bids were tightly clustered, it is unlikely that rebidding the project would substantially reduce the cost. It would delay the project by a year and incur additional engineering fees to rebid.
- **The additional \$2 million** is being requested to cover possible contingencies as well as the operating costs associated with activating the Ashokan connection should a drought develop during the period when Cooper Lake capacity is reduced during construction.

Impact of Rate Payers:

- The Board of Water Commissioners is keenly aware of the impact that this project could have on our rate payers and has been taking steps to ease the rate shock that a project of this magnitude could impose.
 - There are costs associated with the activation of the water supply to the Ashokan that may never be incurred since they are weather dependent.
 - Those aspects of this project that are directly related to the supply of drinking water are eligible to be financed by low interest loans through the NYS EFC. The KWD has applied for this funding and is awaiting approval.
 - Recently, NYS DEC has made limited funding available for planning and design work associated with dam remediation. KWD is in the process of applying for this funding and will pursue similar opportunities as they become available.
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