

MINUTES

1. CONVENE CITY COUNCIL WORK SESSION MEETING

Mayor Labadie called the meeting to order at 5:45 P.M.

A. Roll Call

Present. Mayor Labadie; Councilmembers Labadie, Maddy (via electronic means), Sanschagrín, DiGruttolo, and Gorham (arrived at 5:55 p.m.); City Attorney Shepherd; City Administrator Nevinski; Parks and Recreation Manager Czech; City Clerk/HR Director Thone; Planning Director Griffiths; Director of Public Works Morreim; and, City Engineer Budde

Absent: None

B. Review Agenda

Sanschagrín moved, DiGruttolo seconded, approving the agenda as presented. Upon a roll call vote, the motion passed 4/0.

2. ENGINEERING SERVICES REPORT

City Administrator Nevinski explained that the Council, at the February Retreat, had expressed the desire to discuss the current engineering services model. He noted that the current contract would be up for renewal in 2026, so staff felt this was the appropriate time to review this information and prepare for any possible modifications. He highlighted information included in the staff report related to engineering services, different models, what other cities have done for engineering services, what services were included within the current engineering contract, and the history of engineering services in Shorewood.

Mayor Labadie reminded the Council that this item was not something that they would be voting on and was just intended for discussion and to give direction to staff. She explained that the switch of engineering firms in 2019 was a positive change. She stated that what she has seen from talking with other mayors was that smaller cities typically used a consultant for engineering services rather than having an engineer on staff.

Councilmember DiGruttolo stated that she did not have an issue with the City using a consultant for engineering services but would prefer that the consultant be independent from any of the engineering firms that the City planned to use. She explained that she felt it would be difficult for the consultant to separate what is good for the residents of the City from what would be good for the firm the engineer worked for. She asked if the City had considered this before and what a consultant would do that a staff engineer could not do. She explained that she did not believe that a staff engineer would need to have an entire staff behind them because they could also pick up the phone for additional expertise, if necessary. She stated that she had heard from residents while she was campaigning, in addition to a few emails earlier today, that there did not appear to be a huge amount of incentive for accountability from the engineering consultant over the projects

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that his firm was responsible for. She noted that there was a perception from residents that there is a conflict of interest in the situation where the City's consultant works for the firm that was doing the majority of the work for the City. She explained that she preferred the idea of having a staff engineer rather than using a consultant.

Councilmember Sanschagrín explained that it was also his preference.

Councilmember DiGruttolo noted that the staff report from City Administrator Nevinski seemed to outline the arguments for the City having a consulting engineer and not a staff engineer.

Councilmember Gorham stated that he did not believe that anyone on the Council wanted to build out an engineering department for the City. He stated that it made sense for the City the size of Shorewood to have an RFP for some engineering firm to do the wide array of projects within the City. He stated that the question became how the City would manage that suite of services.

Councilmember Sanschagrín stated that there were some pervasive issues, such as the water infrastructure, stormwater management, and road issues. He explained that there was plenty of work to do for one captive staff engineer to be able to drive the best solution for Shorewood residents.

Councilmember DiGruttolo stated that she agreed, and it would benefit the City to have someone who had complete and total oversight of all the contracts. She shared a recent example of an issue raised by a Birch Bluff resident related to the dirt and stated that the perception is that the current City Engineer was covering for his firm in this situation.

City Administrator Nevinski clarified that Bolton and Menk was the City's engineering consultant and the contractor who did the work on Birch Bluff, and another contractor who did work on Strawberry Lane, are independent construction contractors. He stated that he wanted to be clear that Bolton and Menk did not construct those projects, and some contractors had bid on the projects. He noted that Bolton and Menk had put together the specifications for those projects, did the prep work, and bid out the projects. He explained that the City Council had reviewed the project bids and awarded them to the lowest bidding contractor, and Bolton and Menk, on behalf of the City, oversaw the overall construction activity and worked with residents to resolve problems.

Councilmember Gorham stated that there was an anecdotal misconception of Bolton and Menk's role, which was indicative of other conversations he has had. He stated that the issue was more about a misunderstanding and not the engineering model itself. He explained his background as a project engineer and did not agree that consultant engineers were somehow lining their own pockets with gilded designs. He noted that he understood there was a perception problem and had also heard it while he was campaigning but did not think it was accurate. He stated that he did not want the City to base its decision on knee-jerk misconceptions.

Councilmember Maddy asked whether the project engineering costs outlined in the staff report were hourly.

City Administrator Nevinski stated that he did not know but believed that most of it had been billed hourly and tracked.

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Public Works Director Morreim explained that the project engineering costs were billed hourly to the different projects and noted that the majority of projects have stayed under budget.

Councilmember Maddy asked what the City's total capital expenditures had been for the amount of money the City had spent over that time frame for those projects, for example, twenty-five percent.

City Administrator Nevinski stated that it would roughly be twenty-five percent, but explained that he would have to go back and tally that information. He stated that the City had four major projects in four years and noted that in addition to those, there were also smaller projects, such as lift station rehabilitation projects.

Councilmember Gorham stated that the City has allowed the public perception of this situation to fester and stated that if Bolton and Menk were one of the options for the RFP, it would put everyone in an awkward position when they are evaluating proposals.

City Administrator Nevinski stated that there was currently no direction from the Council to proceed with an RFP and clarified that the engineering services contract had been entered into in 2019 and had been renewed through 2025. He stated that if the Council was thinking that they wanted to do an RFP, he asked that they give him this direction as soon as possible. He stated that if there were specific concerns or goals that the Council had related to engineering services, it would be helpful for staff to have as they are working through the budget. He noted that there may be some choices that the City could make that were not binary or just a black and white choice.

Mayor Labadie asked if the Council felt it would be helpful for staff to bring back information on each of the four major projects, including the overall costs of the project, so they could compare the project cost to the amount the City spent on the engineering services. She stated that this information would then become public so the community could see this information as well, which may address some of the misconceptions that were out in the public.

Councilmember DiGruttolo stated that it was important to see what the costs were and noted that she would like to see the direct costs for the City having City Engineer Budde and whether those costs were more than what it would cost the City to hire its own engineer. She stated that she wanted to be able to look for inefficiencies and see where the City may be able to save money and referenced her shock at the cost for Bolton and Menk to put together an RFP for the replacement of the chillers.

Mayor Labadie stated that there was a resounding desire from the Council to have more hard facts and numbers that would allow them to make a more informed decision regarding engineering services. She referenced various situations where the Council had asked City Engineer Budde to provide alternatives in projects, such as moving trails to the opposite side of the road, but noted that they had not asked what those requests would end up costing the City. She stated that some of the engineering costs were driven by the Council's requests, and some were also driven by resident requests.

Councilmember DiGruttolo stated that the scenario just described by Mayor Labadie was more of a reason for the City to have a staff engineer rather than a consultant. She explained that it was more transparent and more cost-effective for the City to have its own staff engineer.

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Councilmember Maddy stated that sometimes the Council asks for too much and has been over-accommodating to the residents, which then ends up costing a lot of extra money. He stated that design engineers have a baseline of about twenty-five percent and are directly incentivized to make projects more expensive. He stated that if the City could have more direct oversight of the consultant from City staff, because they already have an engineer on staff in Public Works Director Morreim, he did not think the City would need to hire one. He explained that he believed there was a way to oversee, limit the scope, and limit the add-ons, with the staff already in place at the City.

Mayor Labadie stated that if the City added this work to Public Works Director Morreim, they may need to shift some of their current duties to other staff members, because it would be difficult to just add them on to his already full-time tasks. She agreed that this could be an avenue that the City explored because Public Works Director Morreim was an engineer, but cautioned the Council to be cognizant that the City had great department heads and did not want to burn them out by adding more responsibilities to their plate.

Councilmember Maddy stated that this oversight did not need to be done by the Public Works Director and could also be overseen by the Accounting Department, because they were keeping track of where the money was going. He clarified that he was just trying to look at ways that they could limit the scope and creep of the projects.

Councilmember Gorham stated that it was more than just looking over the numbers because it should also include presence on site, punch lists, design review, public meetings, and change orders. He explained that the Council just wanted to understand the cost effectiveness of bringing in its own staff engineer, but noted that they would still need project management on the consultant side, so he was not sure there would be a cost savings for the City.

City Administrator Nevinski stated that there are general engineering services that City Engineer Budde provides for the City, which are more administrative, but when the City does a project, those require a lot more people and engineering hours that go into those. He stated that the City may not even see all of those people because they could be out on the job site doing survey work, but they usually know who the project managers are. He clarified that for these types of projects, there would almost always be a consulting engineer acting in various capacities.

Mayor Labadie stated that, based on the feedback from the Council, for more information on engineering services, she would like to see this item brought back to a future Work Session discussion.

Councilmember DiGruttolo stated that the Council had not answered the question raised by staff about what their priorities were and suggested that the Council spend some time thinking about that before this was brought back. She asked them to consider whether their priority was cost or efficiency, because that should be the first thing they discuss when this information is brought back to them.

Councilmember Sanschagrín explained that he understood what it was like working in a rate-per-hour consulting position at the large firm and noted that there was a lot of pressure for billable hours. He stated that an advantage of having a staff engineer would be that there would not be the same pressure, so they would be able to spend more time thinking about what would be in line with the City's residents' needs.

Public Works Director Morreim stated that he was overseeing this work, and those duties were part of his job. He noted that there was a good job with give and take because the consulting firm provides recommendations, the City makes decisions, and moves forward. He clarified that it was not Bolton and Menk saying that the City needed to do certain projects, because the direction was mostly coming from the City. He explained that he wanted to make this point clear because there is the perception that Bolton and Menk was leading these projects and they were not.

Mayor Labadie stated that they were running out of time and suggested that they continue the meeting following the regular City Council meeting so they would have adequate time to discuss the next agenda item. She noted that this meant the Council could take a few more minutes to discuss the engineering services item.

Councilmember Sanschagrín asked if another alternative to a JPA would be for the City to have its own staff engineer, and allow other cities to use this individual for a cost.

City Administrator Nevinski acknowledged that would be a possible model, but was not sure the City was at that advanced point yet. He explained that his gut reaction to that idea was that he was not sure the City would ever be at that point due to the size of Shorewood, but could look into it more closely if that was the direction of the Council.

Councilmember Sanschagrín stated that he was in favor of having a captive staff engineer.

Mayor Labadie asked if he was saying he was in favor of that option before he had seen all the data.

Councilmember Sanschagrín explained that he may end up being swayed by the data, but the concept of that role for someone who could plan more proactively for the City, rather than being reactive.

3. SOUTH SHORE SENIOR PARTNERS AGREEMENT

Sanschagrín moved, Gorham seconded, to table discussion of the South Shore Senior Partners Agreement.

City Attorney Shepherd asked if the Council was attempting to recess the meeting until after the regular City Council meeting.

Mayor Labadie admitted that she was not sure of the correct approach and asked for guidance from City Attorney Shepherd.

City Attorney Shepherd suggested that they move to recess the Work Session until after the Regular City Council meeting.

Sanschagrín withdrew the motion, Gorham withdrew his second, to table discussion of the South Shore Senior Partners Agreement.

DiGruttolo moved, Sanschagrín seconded, to recess the Work Session meeting until after the Regular City Council meeting.

Upon a roll call vote, the motion passed 5/0.

The meeting was recessed at 6:48 p.m. and reconvened at 8:15 p.m.

Park and Recreation Director Czech reminded the Council that at the March 10, 2025, Work Session, they had discussed an agreement with the South Shore Senior Partners (SSSP) to provide senior programming at the Shorewood Community and Event Center (SCEC). He gave a brief overview of the two issues related to insurance and background checks that need Council direction before an agreement can be formalized. He explained that both of these could have significant financial impacts on the City and outlined the concerns that had been expressed by the SSSP regarding the sustainability of their organization if they were required to take on the insurance and volunteer background checks responsibilities.

City Attorney Shepherd stated that this came down to a policy issue on whether the City would pay for the insurance related to the work SSSP is doing. He stated that he would recommend that if there were volunteers staffing the building, there be background checks conducted, as a best practice to protect the City.

Mayor Labadie stated that background checks, to her, were necessary, in part because numerous groups with minor children utilize the SCEC. She noted that the warming house attendants need to pass a background check for the same reason, and taking this action would not be picking on the SSSP.

Councilmember Sanschagrin asked what would trigger the need for insurance and what would be different about this from any other SCEC activity.

City Administrator Nevinski explained that the SSSP was already kind of covered under the City's current insurance policy, but they were a separate organization. He stated that he was not sure how this situation came to be, but staff wanted the Council to be aware of what the City would be taking on with the insurance piece. He noted that the current agreement with the SSSP was only one to two pages long and was about twelve years old. He explained there would be the potential for higher premiums if a claim were made on behalf of SSSP, but acknowledged that they provide an important service to the City. He stated that the Council needed to decide whether they were willing to take on some of the costs and risks in order for them to provide this service to the seniors in the community.

Park and Recreation Director Czech stated that with the SSSP utilizing the facility, the City did not have things like waivers for their participants, like they would for someone who signed up to rent the facility or the athletic associations who sign up to use City facilities.

City Attorney Shepherd noted that typically when the City contracts with an organization, there is an agreement to have them in the building and rent the space, and they are also usually obligated to provide insurance to cover their activities. He acknowledged that the risk in this situation was minimal, but there was always a risk of something like a slip and fall. He reiterated that right now, the City's insurance policy was covering the SSSP rather than them being required to have their own policy.

Councilmember DiGruttolo asked if this would be different than a situation where a resident came in for a tour and fell.

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City Attorney Shepherd stated that it would be covered by the insurance policy and noted that typically, when the City allowed someone to use the building, they ask for the extra insurance to cover this.

Councilmember DiGruttolo stated that she did not have a problem with using taxpayer money to provide insurance to the seniors who are providing a service to the City. She suggested that perhaps they could put some language in the agreement that says if there were a certain number of claims on the insurance, for example, two, that the City would revoke the insurance coverage for the SSSP or require them to pay the deductible.

City Attorney Shepherd stated that there was already a termination provision included in the agreement, so they could revisit the contract after just one claim, if they wanted.

Councilmember DiGruttolo stated that she would be fine with the approach and noted that she agreed that the volunteers should have background checks done, but should not have to pay for that, and would also be a worthy taxpayer expense.

Councilmember Sanschagrín stated that the City should support the SSSP as much as possible, including figuring out additional ways to promote their group, because they provide valuable services to the community.

Councilmember Maddy asked how much the SSSP would have to pay to get their own insurance policy and background checks, so that this would be able to be clean, like the rest of the facility users.

City Administrator Nevinski stated that the background checks cost around eighty dollars each, and they have about twelve volunteers.

City Clerk/HR Director Thone stated that the regular background checks are eighty-five, but they have gone up to about one hundred ten dollars, and the BCA background checks, which are for anyone in the vicinity of children, are about forty dollars each. She explained that typically the City has done the comprehensive background checks, and on top of that, the BCA background checks, so it would be around one hundred fifty dollars for each person.

Councilmember DiGruttolo asked why they would need to do the more extensive background check if they were just volunteering an hour or two at a time. She noted that they were just trying to get fingerprints and have a legal background check to ensure that they were not pedophiles. She stated that she would be comfortable just having the BCA background check.

City Attorney Shepherd stated that the BCA background check was what was needed to ensure they were okay to be around kids. He acknowledged that he did not know the ins and outs of the different types of background checks, so he could not say whether just having the BCA background check would be acceptable or not.

City Clerk/HR Director Thone stated that staff could look into this more closely to see if Councilmember DiGruttolo's idea would be possible.

Councilmember Maddy stated that he pays out of pocket for the BCA background check on an annual basis for some volunteer work he does. He stated that with the increased costs for the insurance policy and the background checks, he suggested that they clean this up by requiring

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the SSSP to have their policy and do background checks, and the City give them a discount on their monthly fees.

Councilmember DiGruttolo stated that it made sense to her and asked if staff could check into this possibility.

City Administrator Nevinski stated that staff would look into that possibility and have a conversation with the SSSP.

Mayor Labadie asked if the SSSP was already getting a significantly discounted rate.

Park and Recreation Director Czech stated that they were already receiving a discounted rate and explained that the six hundred dollar per month rate had been in place since the 2009 agreement, which is one reason they were proposing incremental increases, because the facility costs have gone up pretty significantly.

Mayor Labadie asked if there had been inquiries from other groups interested in renting the facility at the full price, for the same rooms, at the same times, that have been turned away because of the long-term relationship with the SSSP.

Park and Recreation Director Czech stated that there had been some inquiries for the same times/dates, but the SSSP has been very open to adapting and accommodating so things can be shifted around. He gave the example of a recent situation where there was a business that wanted to use the conference room for a meeting, and the SSSP moved their activity. He reiterated that the SSSP was very good about being flexible, and during his time has not seen a loss of revenue because of the SSSP. He noted that the draft agreement had a five-year term, but in the initial discussions, the SSSP were looking for a shorter term and wanted to make sure that the Council was in favor of a shorter term. He stated that one of the questions staff would like some feedback from the Council on was what their long-term vision was for senior programming and noted that it is possible that the SSSP would end up dissolving in a few years as residents age out.

Councilmember Sanschagrín asked how many members were part of the SSSP and how many were residents of Shorewood.

Park and Recreation Director Czech stated that he believed their mailing list has about two hundred households, but was not sure of the residences for those individuals.

Councilmember Gorham asked about the termination clause.

City Attorney Shepherd stated that it was within the second paragraph and read aloud the language included.

Councilmember Gorham stated that this language, in his opinion, was a bit buried.

There was a consensus of the Council to shorten the term of the lease, as requested by SSSP, including the possibility of a year-to-year annual contract term.

Mayor Labadie suggested that they include a clearer heading for the portion of the contract related to termination, so it was no longer buried.

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Councilmember Sanschagrín shared ideas of activities that take place at a community center that members of his family are part of in New Hampshire.

Councilmember DiGruttolo suggested that the SSSP come give the Council a presentation on their organization, what was currently happening, what they wished was happening, and ways the City may be able to help them.

Mayor Labadie stated that it was a great idea and asked staff to get that scheduled at an upcoming meeting.

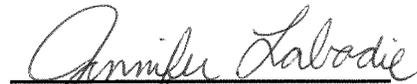
4. ADJOURN

Sanschagrín moved, Gorham seconded, Adjourning the City Council Work Session Meeting of July 14, 2025, at 8:42 P.M. Upon a roll call vote, motion passed 5/0.

ATTEST:



Sandie Thone, City Clerk


Jennifer Labadie, Mayor