

Jim Trett, Mayor
Greg Sheppard, City Councilor
Eric Page, City Councilor
Tim Luke, City Councilor
Michele Tesdal, City Councilor
Todd Smith, City Councilor
Denny Nielsen, Councilor



City of Detroit, Oregon
City Council Special Session
Minutes

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Kelly Galbraith, City Recorder

January 28, 2022
12:00 p.m.

Via Zoom

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- I. Call to Order** – Mayor Trett called the meeting to order at 12:00 PM.
- II. Council Roll Call** – Present – Denny Nielsen, Greg Sheppard, Eric Page, Michele Tesdal, Mayor Trett. Absent – Todd Smith and Tim Luke. Staff Present – Kelly Galbraith and Michelle Connor.
- III. FEMA Standard Project vs 428 Alternative Project** – Matt Del Moro explained the difference between the FEMA Standard Project vs 428 Alternative Project funding options. Early on the Council selected the FEMA 428 Alternative Project funding so FEMA went through based on the SOW that was developed and started putting costs to each individual item which creates an overall project cost. We are starting to get preliminary estimates from FEMA but we don't have the final fixed cost yet. The next step is we add on mitigation projects that would be changing something from what was there before in attempt to provide additional resiliency to future disasters. After that FEMA will go through the City's insurance policy and remove items the insurance will be covering. The City will have the option to accept the final fixed cost option from FEMA or reject it and it would default back to the Standard Funding procedures. The city would have much more flexibility with the 428 Alternative Project funding. The big thing with the 428 funding is that you have individual cost for each project. If you have excess funds when a project is complete you can apply the funds to other FEMA projects. The 428 Alternative Project would allow the city a lot more flexibility. The risk right now with the 428 Alternative Funding is the environment we're in right now where there are a lot of inflation costs

in construction. The big downfall of the 428 is there is no cost escalation. We will get a fixed estimate from FEMA and that amount is what it is. With the Standard Project funding they view each individual project under a microscope and it's all very specific to the project. FEMA will pay whatever the cost is (whether it's \$90,000 or \$110,000) and there is no ceiling but we are not able to move excess funds around to other projects. Chris Eppley added that we are also competing with other communities on the same timeline for the same contractors and suppliers. This environment is adding to the standard inflationary construction environment that we are seeing all over the country. The 428 Standard Project funding is beyond his risk tolerance in our current environment. He encourages the Council to lean toward the Standard Project funding option. Matt Del Moro says that with the project scoped as defined the city is getting what it needs with the Standard Project funding without the risk of one of the projects coming in over budget. Chris Eppley pointed out that once FEMA comes up with a final project cost the city will only receive 75% of the funds so they have worked hard with FEMA to max out the value associated with the donated project from the Detroit Lake Foundation against the required local match. Chris confirmed the match can apply to either the 428 or a Standard project. Eric Page made a motion that we go ahead with the Staff recommendation from HBH to move from the 428 Alternative Project plan to the Standard Project plan, seconded by Denny Nielsen, all in favor, motion passed unanimously.

Adjourn – Eric Page made a motion to adjourn, seconded by Greg Sheppard, all in favor, motion passed unanimously. The meeting was adjourned at 12:34 PM.

Signed:

Attest:

James R. Trett, Mayor

Kelly Galbraith, City Recorder