

MINUTES OF THE SPECIAL MEETING OF THE ROGERS CITY CITY COUNCIL
HELD IN COUNCIL CHAMBERS ON TUESDAY, JUNE 29, 2010

Mayor Pro-Tem Greene presided and called the meeting to order at 5:30 p.m. and led the Pledge of Allegiance.

ROLL CALL: PRESENT – Council Members Darrin Darga, Gary Nowak, Thomas Sobeck and Mayor Pro-Tem Debra Greene.

ABSENT -- Mayor Beach Hall.

OTHER CITY PERSONNEL PRESENT – City Mgr. Mark Slown, Water Supt. Chuck Kieliszewski, WWTP Supt. Ray Hansen and Clerk/Treasurer Theresa Heinzl.

Mayor Pro-Tem Greene explained that the purpose of the meeting is to act on the following agenda items:

AWARD OF BIDS FOR USDA PROJECTS

Larry Fox, of C2AE, explained that the bids were opened on Thursday, June 24th at 2 p.m. and he told how the bids were separated by project. Although the USDA projects are two, one for water and one for sewer, the bids were advertised and accepted for the Wastewater Treatment Facility Project, with the water project having two separate components: the Elevated Water Storage Tank and the Water and Sewer System Improvements. Bids were opened for the three different projects. The *three* projects will total the *two* budgets. Fox pointed out that each of the project bids came in under the estimates. Council was provided a letter from C2AE with the bid tabulation for each project.

• **WASTEWATER TREATMENT PLANT**

Larry Fox addressed the **Wastewater Treatment Facility Project** first. Seven bids were received for the Wastewater Treatment Facility work. They are as follows: Meridian Contracting of Alpena, MI - \$2,775,000; DeVere Construction, Alpena, MI - \$2,893,000; Grand Traverse Construction, Traverse City, MI - \$2,899,699; Davis Construction, Grand Rapids, MI - \$2,934,000; Pumford Construction, Saginaw, MI - \$3,058,500; Grand River Construction, Hudsonville, MI - \$3,066,000; and Spence Brothers, Traverse City, MI - \$3,187,000. Fox explained that the low bidder was Meridian Contracting at \$2,775,000. C2AE checked references on Meridian and has worked with this contractor on other projects, i.e., maintenance garage in Alpena, the Rogers City Facade Project, Air National Guard Base in Alpena, and a project for the Alpena Water Treatment Plant. Based on qualifications and the low bid submitted in accordance with the documents, C2AE is recommending award of the bid to Meridian Contracting. In response to a question from Council Member Nowak, Fox replied that this project award is as bid with no add ons.

RESOLUTION NO. 2010-77

The following resolution was offered by Council Member Nowak, seconded by Council Member Darga:

BE IT RESOLVED, that the City of Rogers City does hereby award the bid for the **Wastewater Treatment Facility Project** to **Meridian Contracting** of Alpena, Michigan, the low bidder as recommended by C2AE, Inc, in the amount of **\$2,775,000.00**.

ROLL CALL: Ayes – Darga, Nowak, Sobeck, and Greene.

Absent – Hall. The motion carried.

Before moving on to the next project, Fox named the sub-contractors for the Wastewater Treatment Facility Project, which included Weinkauf Plumbing and Heating of Alpena, MI, John's Electric of Alpena, MI, Perceptive Controls, Inc. of Plainwell, MI, and Grand Traverse Construction of Traverse City, MI.

• **ELEVATED WATER STORAGE TANK**

Fox then directed his overview to the four bids received for the **Elevated Water Storage Tank Project**. Bids were received from CB&I of Bolingbrook, IL - \$891,000; Maquire Iron Inc of Sioux Falls, SD - \$949,000; Phoenix Fabricators of Avon, IN - \$1,073,036; and Caldwell Tanks, Inc., Louisville, KY - \$1,047,600. The bids were received from specialty contractors that work with elevated water storage tank projects. Fox stated that C2AE has worked with CB&I on previous projects and they are a very qualified responsible bidder. He recommended the award to CB&I.

RESOLUTION NO. 2010-78

The following resolution was offered by Council Member Sobeck, seconded by Council Member Nowak:

BE IT RESOLVED, that the City of Rogers City does hereby award the bid for the **Elevated Water Storage Tank Project** to **CB&I of Bolingbrook, IL**, the low bidder as recommended by C2AE, Inc., in the amount of **\$891,000.00**.

ROLL CALL: Ayes – Darga, Nowak, Sobeck, and Greene.

Absent – Hall. The motion carried.

Fox named the sub-contractors for this project, which were David Zolnierrek, Inc. of Alpena, MI for site work and concrete, Windemuller of Montague, MI for electrical, and McSandblast & Painting, Inc. of Newaygo, MI for painting. The existing tank demolition was explained by City Mgr. Slown and Larry Fox. Due to the timing of the demolition process and the effects of the present economy, the contractors were concerned with making a commitment at this time. Slown offered some information on the AT&T tower lease, which prompted a brief discussion about accommodating antennae leases as well as the color of the tank.

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- **WATER & SEWER SYSTEM**

The third project addressed by Fox was the combined water and sewer project. Four bids were received for **Water & Sewer System Improvements**: MacArthur Construction, Hillman, MI - \$1,619,660.75; Cordes Excavating, Hillman, MI - \$1,677,792.50; M&M Excavating, Gaylord, MI - \$1,951,436.10; and Lee Wood Contracting, Essexville, MI - \$2,345,975.16. Fox reported that he has checked references on MacArthur Construction and MacArthur has the necessary qualifications. Although C2AE has not worked with this contractor, MacArthur Construction has previously done work for the City. C2AE has no reason not to recommend award of the bid to MacArthur Construction. MacArthur's sub-contractor list includes Werth Group of Alpena for electrical, Bolen Asphalt of East Tawas for HMA paving, and Ryan Bros, Inc. of Gaylord for concrete.

RESOLUTION NO. 2010-79

The following resolution was offered by Council Member Sobeck, seconded by Council Member Darga:

BE IT RESOLVED, that the City of Rogers City does hereby award the bid for the **Water & Sewer System Improvements to MacArthur Construction, Inc. of Hillman, MI**, the low bidder as recommended by C2AE, Inc., in the amount of **\$1,619,660.75**.

ROLL CALL: Ayes – Darga, Nowak, Sobeck, and Greene.

Absent – Hall. The motion carried.

ADOPTION OF BUDGETS – USDA PROJECTS

The budget documents were prepared by Larry Fox of C2AE for Council's review. The USDA Form 424C was used to show the breakdown by line items. It was explained that for USDA funding purposes, a budget form was provided for the Water Distribution System and the Elevated Water Tank, and a second budget form addressed the Sewer System and the Wastewater Treatment Facility. Fox offered an overview of each budget beginning with the Water Facility Improvements. The City has been approved for a \$3,327,200 project; however, the project as bid totaled \$2,486,600, leaving the City the opportunity to deobligate the \$840,600. Two additions were recommended by staff including a new water well at Seagull Point at a cost estimate of \$500,000 and the purchase of water meters at an estimated \$100,000. The City would then deobligate the remaining \$222,600 of the USDA loan. This brought about a discussion about the Seagull Point well and the need to purchase/install meters.

- **WATER FACILITY IMPROVEMENTS BUDGET**

RESOLUTION NO. 2010-80

The following resolution was offered by Council Member Nowak, seconded by Council Member Sobeck:

BE IT RESOLVED, that the City of Rogers City adopts the budget as prepared by C2AE for the **Water Facility Improvements** in the amount of **\$3,104,600**. Said budget includes the addition of a water well and water meters with the remaining amount of **\$222,600** USDA Funds to be deobligated by the City.

ROLL CALL: Ayes – Darga, Nowak, Sobeck, and Greene.

Absent – Hall. The motion carried.

- **SEWER AND WWTP FACILITY IMPROVEMENTS**

Fox explained that the format for the Sewer and WWTP Facility Improvement budget mirrored that of the Water Facility Improvement Budget. The USDA funding totaled \$4,254,200. The WWTP Project also received a \$750,000 ICE Grant. The contractor bids for this project came in under the estimates. A discussion was had about including additional items for the WWTP Facility in the amount of \$600,000, thereby leaving a possible deobligation of \$456,835. Fox explained the affect of the Build America Bonds, which is to be used solely for capital improvements. Slown added that although these bonds will save the City money, there are IRS requirements that must be met, including the possibility of an IRS audit and additional paper work. Council Member Nowak raised the question if Congress can negate the requirements of the Build America Bonds, to which Fox replied that this should be asked of Bond Counsel. City Mgr. Slown agreed to obtain that information for the Council.

RESOLUTION NO. 2010-81

The following resolution was offered by Council Member Sobeck, seconded by Council Member Nowak:

BE IT RESOLVED, that the City of Rogers City adopts the budget as prepared by C2AE for the **Sewer and WWTP Facility Improvements** in the amount of **\$3,797,365**. Said budget includes the addition of \$600,000 additional items with the remaining amount of **\$456,835** USDA Funds to be deobligated by the City.

ROLL CALL: Ayes – Darga, Nowak, Sobeck, and Greene.

Absent – Hall. The motion carried.

AUTHORIZATION TO OPEN CHECKING ACCOUNTS

It was explained that USDA is requiring that two construction accounts be opened to allow for the funding and the payments for each project. This would allow for electronic fund transfers to each account upon presentation of approved payments and provide for easier reporting requirements. Two additional checking accounts are necessary to meet the requirements for the bond repayments.

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- **CONSTRUCTION ACCOUNTS – WATER AND SEWER PROJECTS**

RESOLUTION NO. 2010-82

The following resolution was offered by Council Member Nowak, seconded by Council Member Darga:

BE IT HEREBY RESOLVED, that two checking accounts be opened at Huron National Bank to accommodate the USDA requirements for a construction account for the Water Facility Improvement Project and a construction account for the Sewer and WWTP Facility Improvement Project. Said signatories for the two accounts to be the Clerk/Treasurer and the City Manager.

ROLL CALL: Ayes – Darga, Nowak, Sobeck, and Greene.

Absent – Hall. The motion carried.

- **REPAYMENT OF BOND ACCOUNTS – WATER AND SEWER PROJECTS**

RESOLUTION NO. 2010-83

The following resolution was offered by Council Member Sobeck, seconded by Council Member Nowak:

BE IT HEREBY RESOLVED, that two checking accounts be opened at Huron National Bank to fulfill the requirements for repayment of bonds, one account to be opened for the Water Facility Improvement Project Bond Repayment and a second account for the Sewer and WWTP Facility Improvement Project Bond Repayment. Said signatories for the two accounts to be the Clerk/Treasurer and the City Manager.

ROLL CALL: Ayes – Darga, Nowak, Sobeck, and Greene.

Absent – Hall. The motion carried.

ADJOURNMENT:

There being nothing further on this special meeting agenda, Mayor Pro-Tem Greene declared the meeting adjourned at 6:17 p.m.

DEBRA GREENE, MAYOR PRO-TEM

THERESA A. HEINZEL, CITY CLERK/
TREASURER