

MINUTES OF THE SPECIAL CITY OF BURTON COUNCIL MEETING
HELD OCTOBER 24, 1978 at 4303 SOUTH CENTER ROAD, BURTON
GENESEE COUNTY, MICHIGAN

Meeting was called to order at 8:10 P.M. by Dombrowski, Council President.

COUNCIL MEMBERS PRESENT: Dombrowski, Card, Paris, Mann, Dallas, Mikulich, Kita.

OTHERS PRESENT: Mayor Wurtz; Rabine, Director of DFW; Major, Assistant Director of DFW; Martinson, City Clerk.

PURPOSE OF THE MEETING:

Second Public Hearing for W-77-1 Section 3 - Calvert Park, to consider motions.

AUDIENCE PARTICIPATION:

Jim Townsend, 2051 Covert Road, stated that he disagreed with the price of the project. He recommended that Mr. Rabine handle the construction of the project and hire contractors to do the labor part only. Flint has done this for years, he said.

Councilman Dombrowski said that that is a good idea, and if we were a private corporation, we could do this but we have to report to the electorate. Council could be involved in legal action if we did not go out for sealed bids.

Bill Tincoff, 2097 Genesee Road, asked who will oversee the project? Councilman Dombrowski replied that DFW will do the inspection as well as the contract Mr. Tincoff asked the actual cost, and the break down of the costs.

Mr. Rabine said that the actual cost of the construction cost is \$1,426,686.43; contingencies \$95,468.57; engineering, \$83,500.00; inspection and testing, \$72,500.00; legal and financial \$15,000.00; capitalized interest 8% for 6 months, \$81,200.00; minus the City contribution of \$33,355.00. Thus the total cost is \$1,741,000.00 minus \$1,000.00 cash prepayments from the district leaving a balance of \$1,740,000.00.

If we spend less money and the amount is over 5%, this will be refunded to you. If it is less than 5%, it is put into an account to draw interest and then used to pay the last payment on your account.

Mr. Tincoff said that City employees do the inspection and get paid for this? Why? They are already being paid by the City.

Mr. Major explained that our inspectors are paid from special assessment funds. We need projects to retain inspectors. If there are no special projects, these people are not paid out of general funds. They are never paid twice.

Mr. Tincoff asked if this was a firm contract and guaranteed costs right now? Mr. Rabine said no. These costs are based on actual unit factor. You will not pay for something you will not get.

Mr. Tincoff said that this should be a firm bid.

Mr. Hohloch stated that the figures are quite accurate, yet you still need contingencies for the unforeseen. This project is too large to operate without a contingency fund.

Mr. Rabine said that in all contracts there is an escape clause. The lump sum is not fixed. If taken to court we would have to pay for actual costs of materials and labor increases and/or additions.

Warren Nimcheski, 2429 N. Genesee Road, stated that when he circulated the first petition, he was told the cost would be about \$1,500.00 per unit. This increase in price is hard to pay. He asked if it would be cheaper to go with the loop? Mr. Rabine said no. Your cost would be about the same.

Mr. Nimcheski asked if the rates would be lower if we hooked up to the 72" main? Mr. Rabine said that we will tap into that line as soon as we can and try for a lower rate.

Mr. Nimcheski said that residents within a one mile stretch are not included in this project. If they were, would it make a difference in the project cost per individual?

Mr. Rabine replied that the cost would be close.

COUNCIL DISCUSSION:

Councilman Mann replied to Mr. Townsend's statements. He stated that contractor's do not gouge the people. They are very competitive. Sealed bidding is a fair and equitable way of selecting contractors. Re/his statement concerning the political implication re/the Water Loop, Mann said that he takes credit for part of the delay with the County. The Mayor did a good job for the City. We found it difficult to have to pay one-third the cost of the loop without a say in contract terms.

Mayor Wurtz stated that he had full Council support (7-0) for rejecting the County's previous proposed contract. The County and the courts also caused a part of the delay.

HEARING WAS DECLARED CLOSED:

RESOLUTIONS:

1. RESOLUTION #5:

Resolution that the Council desires to proceed with the making of said improvements and the confirming of Special Assessment Roll W-77-1 and said costs of Special Assessed against the lands within the respective districts.

2. BOND RESOLUTION:

Resolution authorizing City Clerk to instruct Bond Attorney to advertise for the sale of Special Assessment Bonds for W-77-1.

NOTICE OF INTENT RESOLUTION:

Resolution instructing City Clerk to publish Notice of Intent to issue Special Assessment Bonds for W-77-1.

Authorized by the City Council on September 18, 1978 - published on September 29, 1978.

3. CONSTRUCTION CONTRACT, AWARDING: RESOLUTION:

Resolution authorizing and approving the Mayor and Clerk to enter into a contract with Steve's Plumbing & Heating Co., Inc. (Div. B) and Storlaruk Corporation (Div. A & C) in the construction amount of \$1,426,686.43, with a project cost of \$1,740,000.00, contingent upon the City Attorney's review and issuance of the Mandatory Bonds and Insurance Documents by the contractor.

4. PHASE III ENGINEERING RESOLUTION:

Resolution authorizing and approving Phase III Engineering for W-77-1.
(Supervision of construction and preparation of As-Build Drawings).

Moved by Card, supported by Kita to approve resolutions one through four above as printed. Roll Call Vote: Mikulich, yes; Mann, yes; Card, yes; Paris, yes; Kita, yes; Dombrowski, yes; Dallas, yes.
Motion carried 7-0.

ADJOURNMENT: Time 8:46 P.M.

Submitted by,

Mollye L. Martinson
Burton City Clerk

MIM/jmc

MINUTES OF THE SPECIAL CITY OF BURTON COUNCIL MEETING
HELD OCTOBER 24, 1978 AT 4303 SOUTH CENTER ROAD, BURTON
GENESEE COUNTY, MICHIGAN

Meeting was called to order at 6:33 P.M. by Dombrowski, Council President.

COUNCIL MEMBERS PRESENT: Mann, Mikulich, Dombrowski, Dallas, Kita, Paris, Card.

OTHERS PRESENT: Mayor Wurtz; Rabine, Director of DPW; Major. Assistant Director of DPW; Martinson, City Clerk.

PURPOSE OF THE MEETING:

Selection of EPA Step II Consultant.

PRESENTATION: Rabine

The City of Burton facility plan was approved several months ago and we have started with the Step II application. We were told that we should process our own application according to Federal regulations, as we are required to select a consultant. An advertisement was placed in the Michigan Contractor and Builder. There were 17 firms who submitted their proposals. Due to the shortage of time, we deleted all but three - CHMP, Kraft Engineering and Snell Environmental Group. The DNR application has to be in Monday, October 30, 1978 to make this sixth month funding cycle.

CHMP - HOHLOCH AND MITCHELL

Mr. Hohloch stated that Burton knows their firm and their work. They provide various services such as landscaping, surveying, communications, etc. They have been in business ten years and have 11 professional engineers among their staff of 85. They have served Burton since 1972, and have completed several projects for Burton. He stated also that they are financially capable of handling this size of a project.

KRAFT ENGINEERING

Mr. Kraft stated that they have been in business for 20 years. They planned the original sewer system for Burton Township and Davison. In their proposals for their work, they have broken down the costs of eligible and ineligible sewers, and have included aerial topography, engineering services and designs, projected man hours and personnel, time schedule, etc. He stated that they have completed the Step II applications for a couple of areas. He further related that they are familiar with our facilities and Burton needs someone with experience to deal with the DNR and EPA.

SNELL ENVIRONMENTAL GROUP

Joe Badra stated that the contents of their proposal are similar to Kraft's. In their package they have presented the technical and the financial aspects. They, too, are familiar with EPA requirements. He presented a summary sheet which is on file with the minutes.

Mr. Rabine stated that he looked for various qualifications of these consultants, and tried to contact all those who had worked with Step I, II and III. These three have similar proposals, general requirements and past experience with these applications. Costs are not relevant as these gentlemen are not competitive bidding. As long as our application is in on time and if a survey needs to be done, DNR will allow us to pick up that survey. We hope to start construction before the season ends.

COUNCIL DISCUSSION:

Councilman Mann asked Kraft and Snell re/the detailed sub-contract work. The forward costs are less than the amount presented to you. Why?

Mr. Badra replied that if you check carefully you will see they are the same.

Mr. Kraft said that if you check theirs, you will find that they are the same also. We had to differentiate between the eligible and the ineligible lines.

Councilman Mann said that a reference is made re/the Federal and State grants, what will Burton's cost be?

Mr. Rabine said that EPA will pay 75% of the eligible costs, DNR - five percent, and the remaining will be shared between Davison and Burton. We will pay 20% of the eligible lines and 100% of the ineligible lines. The eligible and ineligible will be determined if the contract is approved.

Mr. Hohloch stated that the eligible areas are pretty well documented in this plan.

Mr. Badra asked how many feet of sewers are we designing? Mr. Mitchell said it is close to 20 miles.

Councilman Dombrowski asked CHMP if the ineligible is included in their cost?

Mr. Mitchell stated that he checked with DNR re/separating the eligible and ineligible. Their largest portion is directed toward the ineligible.

Mr. Kraft explained their cost amounts.

Councilman Mikulich asked if these prices are subject to change? Councilman Dombrowski explained that these are proposals, not bids.

Mr. Rabine explained that if there is a difference, an adjustment would be made. They would be paid for actual hours put in as amended to the contract. They can recover increased costs. These costs are subject to Federal and State audit.

Mr. Mitchell explained that DNR will determine what is eligible and ineligible.

Councilman Mikulich said that it is difficult to make a comparison cost wise.

Mr. Rabine agreed and stated that we are trying to select a firm to do the design. DNR will review the contract and design before supplying the grant.

Our local share could be about 38%. There is not a large difference in costs. Councilman Mikulich said the design would be the same for eligible and ineligible.

The costs difference is do to service fees, perhaps.

Councilman Mann said that we should not be influenced by costs as these are not bids, only estimates of the project cost. He recommended CHMP, mainly because we are more experienced with each other.

Councilman Kita agreed with Mann.

Councilman Dombrowski said that Snell and Kraft have broken their costs down into eligible and ineligible. CHMP did not. Why?

Mr. Mitchell replied that DNR said that they would do that.

Councilman Paris said that the profit margin for Snell is 15%. What about the others?

Mr. Kraft explained that 15% is held by the State as the limit.

Moved by Mikulich, supported by Kita to go into Executive Session.
Motion carried 7-0.

RECESSED: 7:43 P.M.

RECONVENED: 7:57 P.M.

RESOLUTIONS:

1. Moved by Mann, supported by Kita to approve and authorize the Administration to negotiate a contract with Carlson, Hohloch, Mitchell and Piotrowski, Inc., for professional engineering services for Step II EPA funds for our proposed sanitary sewer program. Motion carried 7-0.
2. Moved by Mann, supported by Paris to set the date of Friday, October 27, 1978 at 4:30 P.M., for a Special Council Meeting to review and approve the proposed construction between the City of Burton and the consulting firm of Carlson, Hohloch, Mitchell and Piotrowski, Inc., for Step II sanitary sewer design and contracts; review and approve the local cost sharing agreements between the City of Burton and Davison Township relative to the design, construction and operation of the Step II sanitary sewer project; and finally, to authorize the certain required assurances and appoint the project personnel required to process Step II grant application.
Motion carried 7-0.

ADJOURNMENT: Time 8:00 P.M.

Submitted by,

Mollye L. Martinson
Burton City Clerk

MMM/jmc