

CITY OF BURTON
SPECIAL BUILDING AUTHORITY MEETING MINUTES
JANUARY 7, 2002, 5:00 P.M., COUNCIL CHAMBERS

Chairperson Karen Carr called the Special Building Authority Meeting to order at 5:02 P.M.

MEMBERS PRESENT: Becker, Carr, Stimac and Webster.

MEMBERS ABSENT: None.

OTHERS PRESENT: D. Lowthian, Assessor and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: Discussion and Possible Action Concerning the following items:

1. Contract of Lease
2. Authority authorizing the bonds for City Hall/DPW Expansion.
3. Acceptance of Bids.

PRESENTATION:

Mr. Becker explained that a meeting was held with the architect to review the tentative plans. The City Council made a determination in the budget process to move forward with the expansion. A limit was set to not exceed \$2 Million. We obtained engineers and architects and proceeded forwarding drawing up specifications. The architect reviewed the plans with us and bids were taken and opened on December 20, 2001. This is what we will take action on this evening. The Building Authority is the bonding authority to sell bonds to finance the project. In turn, the City and the Authority enter into a lease agreement for those expanded additions. The City commits to paying lease payments over the period of the bonds, approximately 20 years, equal to those annual bond and interest payments. At the time those payments are paid off in full, the Building Authority deeds back the expansion project to the City. That is the process that will take place. At this point, we are in receipt of bids and they were divided into three segments. 1) Burton City Hall expansion; 2) DPW expansion and 3) Site Improvements which were exclusively for the City Hall location. After we take action tonight, we hope to have an item on the City Council agenda for them to approve the lease contract between the City Council and the Building Authority. If that occurs tonight, we will then have our Bond Counsel and Financial Consultants go forward with the bond sale. Hopefully we will be able to sell bonds within 30 days. If we have successful bids on the bonds, we will be at a point where we can finance the project and break ground.

Mr. Becker said there are some concise recaps from Dennis Lowthian who is the project coordinator. The memo dated January 3rd describes the low bids that were received by the City of Burton for both DPW and City Hall. They give you a recap of the costs involved in the bond issue and you will see that the total is \$1.8 Million, which is well below the \$2 Million figure. The other memo from Mr. Lowthian is the architect's recommendation relative to the bids and a letter from Rowe, Inc. also describing their recommendations for the site improvements. We were very encouraged by the number of bids, 16 bids on the building construction and about half dozen on the site improvements. Both of the low bidders were less than the estimate provided by the architect and engineer.

Mr. Becker briefly explained the agenda items to the Board and noted that another meeting needs to be set to sell the bonds. The suggested date is February 6, 2002 at 4:00 P.M.

AUDIENCE PARTICIPATION:

Pauline Dargel, 6119 Hugh, inquired about the type of door opener for the handicap entrance. She said she was speaking for the disabled and she understood that later this evening she could ask questions of the architect. The parking issue has been addressed.

SPECIAL BUILDING AUTHORITY MEETING MINUTES
JANUARY 7, 2002/5:00 P.M.
PAGE -2-

Mr. Lowthian said he is uncertain about the type of door openers but would ask the architect as to what is required. He said whatever the requirements are, they would be in compliance.

COMMITTEE DISCUSSION:

Mr. Becker commented that on agenda item #3, there was one other bidder that was initially lower, but made several mathematical errors in their computation and they asked to be rejected. The error was quite severe so the architect did recommend rejecting the initial low bidder.

COMMITTEE ACTION:

Stimac moved and Webster seconded the following motion:

1. Approve and authorize "Limited Tax Full Faith and Credit General Obligation Contract of Lease" with the City of Burton for construction of building expansion projects for Burton City Hall and Department of Public Works. Motion carried 4-0.

Stimac moved and Becker seconded the following motion:

2. Approve and authorize "the issuance of Burton Building Authority Bonds, Series 2002" and the filing of the notice of intent to issue an obligation with the State of Michigan for the construction of building expansion projects for Burton City Hall and Department of Public Works. Motion carried 4-0.

Webster moved and Stimac seconded the following motion:

3. Approve and authorize the acceptance of the low bid from ERA Companies, 2705 W. Court St., Flint, MI, in the amount of \$1,174,685.00, for the City Hall Expansion (Project A). This acceptance is contingent upon the following: the review and approval of all documents by the City Attorney, the sale of bonds to finance the project and final City Council approval. Motion carried 4-0.

Stimac moved and Becker seconded the following motion:

4. Approve and authorize the acceptance of the low bid from Will H. Hall & Son, 1415 N. Dort Hwy, Flint, MI, in the amount of \$172,900.00, for the DPW Expansion (Project B). This acceptance is contingent upon the following: the review and approval of all documents by the City Attorney, the sale of bonds to finance the project and final City Council approval. Motion carried 4-0.

Becker moved and Stimac seconded the following motion:

5. Approve and authorize the acceptance of the low bid from L.A. Construction, 4067 Commerce Dr., Mt. Morris, MI, in the amount of \$158,960.00, for the City Hall Site Improvements. This acceptance is contingent upon the following: the review and approval of all documents by the City Attorney, the sale of bonds to finance the project and final City Council approval. Motion carried 4-0.

Meeting Adjourned at 5:20 P.M.

Cheryl M. Ladd, CMC
Deputy City Clerk

