

**ADA TOWNSHIP SPECIAL BOARD MEETING
MINUTES
JUNE 16, 2011**

Meeting was called to order by Supervisor Haga at 12:05 p.m. Members present: Treasurer Rhoades, Trustee Smith, Trustee Proos, Clerk Burton, and Supervisor Haga. Also present: James White, Attorney at Law, Mika, Meyers, Beckett & Jones, Bond Counsel for the Township, Richard Barch, Stauder, Barch & Associates, Inc., Steve Groenenboom, Moore & Bruggink, Inc., and Tim Holker.

APPROVAL OF AGENDA

Motion by Smith, supported by Rhoades, to approve the Agenda as presented. Yes – 5; No – 0; Motion carried.

PUBLIC COMMENT

None.

UNFINISHED BUSINESS

None.

NEW BUSINESS

RESOLUTION R-061611-1, AWARD SALE OF CAPITAL IMPROVEMENT BONDS, GENERAL OBLIGATION LIMITED TAX, SERIES 2011A

Jim White stated they advertised for the sale of the bonds by the Township with several notifications in the Bond Buyer, which is a publication in New York. There is also a bulletin put out by the Municipal Advisory Council of Michigan on each bond issue, that goes to each member of the Advisory Council, and members of that organization are banks underwriters that normally bid on bonds. Favorable bids were received at 11:00 a.m.

Dick Barch stated 4 bids were received on Series A of the bond issue. It was a very competitive bid. The final results are .60 lower than what was anticipated. The interest on the loan is \$34,000 less than it was estimated to be. There was a local bid from Chemical Bank, a bid from Chicago, a bid from Florida, and a bid from St. Louis.

Motion by Proos, second by Smith, to approve Resolution R-061611-1, Award Sale of Capital Improvement Bonds, General Obligation Limited Tax, Series 2011A to Chemical Bank. Roll call: Yes - Proos, Smith, Rhoades, Burton, and Haga; No – 0; Absent – Sytsma, Westra. Resolution adopted.

Jim White stated the discount permitted is part of the bid specifications, and if a bidder submits a discount, that means they will pay that many dollars less for the bond issue. So it would be the face amount of the bonds, like \$605,000 for the Bronson Street less the dollar amount of the discount. When determination was made on how big the bond issue should be, the dollar amount of the discount was put in as one of the potential expenses. That was already set into the notice of sale. Chemical Bank did not bid the discount, they bid at par. So the discount on the Series A was \$12,100, and what that means is there is now an extra \$12,100 that can slide into the contingency fund for the project.

Dick Barch stated on each of the bonds the Township had an excellent credit rating, AA from Standard & Poors. In Series B there were five bids, from local, Chicago, Wisconsin, and Florida. The final interest rate received was \$107,000 less than what was used to project the cost of this project. So in both cases the bids were lower, \$141,000 less than what was anticipated as an interest cost. He strongly recommended the Board accept the bid of Chemical Bank in both cases.

Jim White stated when the bond resolution was adopted back in May the Series B was for not to exceed \$750,000, but the resolution authorized the Supervisor and Treasurer to make reductions in those amounts if supported by the construction bids. As a result of those construction bids the Series A for Bronson Street was reduced from \$750,000 to \$605,000, and also took into account some cash payment by the Road Commission. The Series B was reduced from \$2.5 million to \$2.325 million, so that is why the dollar amounts are smaller. The Supervisor and Treasurer, based on written recommendation from Richard Barch's firm, made those reductions when the bonds were advertised for sale.

RESOLUTION R-061611-2, AWARD SALE OF CAPITAL IMPROVEMENT BONDS, GENERAL OBLIGATION LIMITED TAX, SERIES 2011B

Jim White, stated this Resolution is for the Series B, Ada Drive.

Motion by Proos, second by Smith, to approve Resolution R-061611-2, Award Sale of Capital Improvement Bonds, General Obligation Limited Tax, Series 2011B to Chemical Bank. Roll call: Yes - Proos, Smith, Rhoades, Burton, and Haga; No – 0; Absent – Sytsma, Westra. Resolution adopted.

RESOLUTION R-061611-3, MAKE CONDITIONAL AWARD OF CONSTRUCTION CONTRACTS FOR ADA DRIVE SANITARY SEWER FORCE MAIN REPLACEMENT PROJECT

Steve Groenenboom stated the first bid was for \$2.5 million, and the next bid was a little bit below the construction estimate of \$1,875,000, so it was a very good bid. One of the reasons for the discrepancy in the bids is ductile iron pipe; the price of metal went up 20%. The second reason for fewer bidders is the construction schedule.

The bond issue is paid back by user fees passed on to sanitary sewer customers, and with the public hearings and informational meetings the township held, it was estimated at about \$2.35 per month. With bids at 4% it worked out exactly to that number. Georgetown Contractors submitted the low bid.

Jim White stated Georgetown would be directed to proceed immediately, even before we have the bond closing, but if for some reason the bond closing falls through and we cannot deliver the bonds, the maximum amount of work they would be entitled to be paid for is \$200,000, to protect the Township.

Motion by Proos, second by Smith, to approve Resolution R-061611-3, Make Conditional Award of Construction Contracts for Ada Drive Sanitary Sewer Force Main Replacement Project to Georgetown Construction in the amount of \$1,703,590 and the conditional facts that were placed in the Resolution. Roll call: Yes - Proos, Smith, Rhoades, Burton, and Haga; No – 0; Absent – Sytsma, Westra. Resolution adopted.

RESOLUTION R-061611-4, MAKE CONDITIONAL AWARD OF CONSTRUCTION CONTRACTS FOR BRONSON STREET IMPROVEMENT AND WATER MAIN PROJECT

Jim White stated the low bidder on this Resolution was Lodestar Construction, Inc., and the amount was \$499,786.50. This Resolution does not have the \$200,000 language because the Bronson Street project won't start until later.

Steve Groenenboom stated we have estimated this job, with water main, to be about \$650,000.

Supervisor Haga noted for prudent purposes the township did not fund the Road Commission portion of the project.

Motion by Proos, second by Smith, to approve Resolution R-061611-4, Make Conditional Award of Construction Contracts for Bronson Street Improvement and Water Main Project to Lodestar Construction in the amount of \$499,786.50. Roll call: Yes - Proos, Smith, Rhoades, Burton, and Haga; No – 0; Absent – Sytsma, Westra. Resolution adopted.

OPPORTUNITY FOR PUBLIC COMMENT

None.

ADJOURNMENT

The meeting was adjourned at 12:40 p.m.

Respectfully submitted,

Susan Burton
Ada Township Clerk

RS/dr