

CITY OF WEST LAFAYETTE, INDIANA  
 BOARD OF PUBLIC WORKS AND SAFETY  
 MINUTES

March 18, 2008  
 11:00 A.M.

City Hall Lower Level Conference Room

Members present were Susan K. Goldman, Bradley W. Marley, and Mayor John R. Dennis, who presided.

I. PRE-CAUCUS

Agenda items were discussed among Board members and Department Heads.

Several students from Purdue CE399, Oral and Written Communication in Civil Engineering, were in attendance. Mayor Dennis provided background on the Board of Works functions and processes.

II. APPROVAL OF MINUTES

A. March 4, 2008, Meeting

Ms. Goldman moved to accept the minutes of the March 4, 2008, Board of Works meeting. Mr. Marley seconded the motion. The motion was adopted.

III. NEW BUSINESS

A. Bid Opening: Lease/Purchase of Nine City Vehicles – Clerk-Treasurer

Clerk-Treasurer Rhodes read the names of the financial institutions which submitted bids for the nine new City vehicles: Six new 2008 Ford Crown Victoria Police Squad Cars [@\$20,322] - \$121,932; one new 2009 Model M2106 single-axle dump truck with air brakes and nine-foot bed with KP-8ZE tool box - \$81,358 for the Street Department; one new 2008 Ford F-250 4 x 4 Regular Cab 137-inch wheelbase SRW XL (F21) - \$18,800 for the Parks Department; and one new 2008 Honda Ridgeline RTX with mudguards - \$21,519 for the Fire Department. She noted that the amounts quoted are six semi-annual payments.

Bidder	Lease Payment	Total Payments	Notes
1 <sup>st</sup> Source Bank	\$ 43,021.99	\$ 258,131.94	
Chase	\$ 43,047.22	\$ 258,283.32	\$243,609 principal
National City Municipal Finance	\$ 43,336.51	\$ 260,019.06	
Key Government Finance, Inc.	\$ 43,014.71	\$ 258,088.26	
Centier Bank	\$ 43,342.76	\$ 260,056.56	
De Lage Landen Public Finance	\$ 42,825.00	\$ 256,950.00	interest rate may float until award with 3-yr SIFMA swap ask index
Fifth Third Bank	\$ 42,844.00	\$ 257,064.00	interest rate floats until closing with 3-yr interest swap rate
SunTrust Equipment Finance & Leasing Corp.	\$ 42,712.23	\$256,273.38	0% prepay penalty; document fees waived
SunTrust Equipment Finance & Leasing Corp.	\$ 42,782.65	\$ 256,695.90	3% prepay penalty; document fees waived
Municipal Services Group, Inc.	\$ 42,969.01	\$ 257,814.06	

Clerk-Treasurer Rhodes requested to take the bids under advisement.

Ms. Goldman moved that the bids for lease/purchase financing be taken under advisement. Mr. Marley seconded the motion. The motion was adopted.

Mr. Marley asked whether interest rates are expressed in APR. Clerk-Treasurer Rhodes responded that it depends of what banks present at the closing. A closing date and a first payment date were provided to the bidders. Mr. Marley asked if the formula was actual 360 or actual 365. Ms. Rhodes said that she doesn't specify that, as she calculates the number herself. Mr. Marley asked if the Indiana Bond Bank were an option. Ms. Rhodes responded that the Indiana Bond Bank now works through National City and Fifth Third.

**B. Quote Opening: 2008 Street Department Paint – Street Department**

Clerk-Treasurer Rhodes read the quotes for 250 gallons white water base acrylic traffic paint [Federal Spec #TT-P-1952D] and 950 gallons yellow water base acrylic paint [Federal Spec #TT-P-1952D].

<u>Quoter</u>	<u>Price/gal</u>	
	white	yellow
JD Kem's	\$ 7.40	\$ 7.69
Sherwin Williams/Dobco	\$ 6.94	\$ 7.19

Public Works Director Downey requested to take the quotes under advisement

Mr. Marley moved that the quotes for street paint be taken under advisement. Ms. Goldman seconded the motion. The motion was adopted.

**C. Amendment No. 1: Western Sanitary Sewer Interceptor-Division II - Professional Engineering Services Agreement - \$170,000 to Greeley and Hansen LLC**

Public Works Director Downey presented the contract, reporting that the original contract is still in effect. He noted that the project is about half completed, and Atlas Excavating is doing an excellent job. His hope is that the project will be completed by mid-April, so that the reclamation of the land can begin, so that Purdue's Cross-Country Track Team can use the area.

Mr. Marley moved that Amendment No. 1 with Greeley and Hansen LLC for the Western Sanitary Sewer Interceptor-Division II be approved. Ms. Goldman seconded the motion.

Mr. Marley asked if this contract were just an addition for Phase [Division] II. Mr. Downey responded that it was, but that if all the money isn't needed for Division II, then it will be used for Divisions III and IV. He stated that when all four Divisions are completed, we will have one of the IDEM requirements will be met.

The motion was adopted.

**D. Contract: Training of WWTU Operators - \$20,105 to Wastewater Solutions, Inc.**

Public Works Director Downey presented the contract with Wastewater Solutions, Inc. for approval, noting that Brad Musick has provided training to WWTU operators since 1995, although with a couple of company name changes. Mr. Downey said continuing

education credits are a requirement for certification renewals. All WWTU operators have at least Class I, the lowest, while some have IV; there are also Certifications A through D.

Ms. Goldman moved that the contract with Wastewater Solutions, Inc. for training of WWTU operators be approved. Mr. Marley seconded the motion.

In response to a question from Ms. Goldman, Mr. Downey noted that that 14 of 26 WWTU employees will receive training; only operators and lab people receive the training. Collection people do not receive training; maintenance people receive training, if they started out as operators. All employees can sit in on the classes, so that they can answer questions from the public. Mr. Downey noted that the WWTU staff is well trained.

The motion was adopted.

E. Escrow Agreement: Western Sanitary Sewer Interceptor-Division II with Atlas Excavating, Inc. and Huntington Investment Company

Clerk-Treasurer Rhodes presented the escrow agreement for the Western Sanitary Sewer Interceptor-Division II Project, noting that the first payment to the escrow account was made December 27, 2007; the Board has not yet ratified this action. City Attorney Burns had recommended that the ratification be noted as effective December 27, 2007.

Mr. Marley moved that the escrow agreement with Atlas Excavating, Inc. and Huntington Investment Company for the Western Sanitary Sewer Interceptor-Division II be approved. Ms. Goldman seconded the motion.

Mr. Marley asked who received the interest earned from the escrow account. Ms. Rhodes said it was the contractor. She explained that 1099s are issued to the contractor by the escrow agent. The escrow accounts are carried on the city ledgers as memo accounts but they are not public funds. City Attorney Burns explained that the escrow is for the protection of the City and required by State law. It is retainage, leverage to keep the contractor responsible in satisfying all the terms of the agreement. He added that escrow is only released when everybody agrees that the project is satisfactorily completed. It is usually 10%. Mr. Marley asked who paid the interest. Ms. Rhodes answered that the bank pays the interest, but the contractor is responsible for paying any escrow trust account fees. There is an option for the contractor to waive an escrow account and allow the City to hold the retainage, usually with smaller contracts. In this case, the SRF requires the escrow account. In projects where there are numerous subcontracts, escrow is as much for the subcontractors' protection as for the City. There have been past instances when escrow accounts were necessary for such a purpose.

The motion was adopted.

F. SRF Payment #70: Atlas Excavating, Inc. for Western Sanitary Sewer Interceptor-Division II Project - \$405,214

Public Works Director Downey presented SRF Disbursement Request #70 to the Board for its approval. He said this a partial payment, and retainage has been withheld. He added that this is figured on what they have laying on the ground, what they've actually installed, and their labor to this point. Mr. Downey said Greeley and Hansen checks the bottom line, to make sure that the contractor has not gone over the contract amount.

Mr. Marley moved that SRF Payment #70 to Atlas Excavating, Inc. for \$405,214 be approved. Ms. Goldman seconded the motion.

Mr. Marley referred to the SRF Disbursement page, and asked about retainage—the box is checked “yes,” and then there’s zero held back in that payment. City Engineer Buck responded that most contracts are written so that, after a project is halfway complete and things are going satisfactorily, the contractor may ask that no further retainage be held. At the end of the project then, only 5% of the project cost is in escrow. In a large enough contract, that’s still enough financial leverage. Phase [Division] II is past that milestone. Mr. Buck further added that in both Division I and Division II preconstruction meetings, Atlas has requested 5% retainage from the start; the City has declined, keeping with the standard 10% retainage to start. That has been an additional incentive for the contractor to progress on the project. Mr. Marley said that he is still trying to balance the disbursements on the project list with the sources of funds. Public Works Director Downey answered that it goes back to the amount of material on the ground, what they’ve put in the ground, and so forth. Mr. Downey offered to have the construction oversight person meet with the Board to review the process that contractors use to provide the estimates. He explained that the project sheet is an estimate of everything including retainage and all that’s been expended; that allows him to ensure that the contract amount is not exceeded. Mr. Marley said he is trying to reconcile the total cost of the project with the total funding sources of the project, and in particular, the total project costs and the SRF bonds issued. Mr. Downey said that the project list is his worksheet, so that he can ensure that the project will be completed within the contract amount, whereas the SRF Disbursement Request is what has actually been expended. Clerk-Treasurer Rhodes recommended that the Board be provided with the project cost schedules that accompanied the SRF bond issuance documents. Mr. Marley agreed that that would be useful. Mr. Downey reported that both projects [Western Sanitary Sewer Interceptor and Digester Renovation] are on target.

The motion was adopted.

G. SRF Payment #10: Bowen Engineering Corp. for Digester Renovation Project – \$206,545

Public Works Director Downey noted that this is a partial payment, an estimate of materials in the ground. The \$206,545 includes the retainage; the amount to the contractor is \$185,889. Ms. Goldman asked if the same situation with Bowen existed, where 5% retainage will be withheld. Mr. Downey answered that 5% retainage will be withheld at a certain point, but that the project is not at the halfway point yet.

Mr. Downey provided photographs which show the lagoon at the Wastewater Plant. Currently, the lagoon holds the sludge, as the digesters are under renovation. Recently, the lagoon froze over, then thawed. The aerators on the lagoon were turned on, resulting in an odor on several consecutive days. When the digesters are finished in October or November, the odor will be eliminated. Mr. Marley asked whether the lagoon was emptied periodically. Mr. Downey responded that the last time it was emptied was in 2007 at a cost of over \$500,000, which was not part of the SRF loan. It only happens every five to 10 years. There are only a few times a year that this material can be land-applied, when the crops are out of the ground. Mr. Marley asked if the sludge ended up on farm fields. Mr. Downey said that it did, as Class B sludge. Class A is dried. IDEM regulations control the land application.

Mr. Marley asked about the SRF Disbursement Request form, where the Total Amount of Previous Disbursements is \$1,031,990 on the SRF sheet, but the WWTU project sheet shows a different amount. The previous sheet matched. He was unable to reconcile the disparity in numbers and asked Mr. Downey to review it. Mr. Downey responded that he would do so.

Ms. Goldman moved that SRF Payment #10 to Bowen Engineering Corp. be approved. Mr. Marley seconded the motion. The motion was adopted.

H. New Hire: Kurt Clark – Sanitation Department

Public Works Director Downey requested the Board approve the hiring of Mr. Kurt Clark. He will be paid from the General Fund. There are seven positions in Sanitation, but only six since December. Mr. Clark will fill that vacancy. Mr. Downey explained that six employees run sanitation trucks daily Monday through Friday. Mr. Clark's rate will be \$1,186.65 biweekly.

Ms. Goldman moved that the hiring of Kurt Clark in the Sanitation Department be approved. Mr. Marley seconded the motion. The motion was adopted.

I. Claims

1. PR Docket \$ 12,037.97
2. PR Docket \$302,529.33
3. AP Docket \$235,135.81
4. AP Docket \$212,441.51
5. AP Docket \$ 2,918.97
6. AP Docket \$397,836.46

Ms. Goldman moved that the claims be approved. Mr. Marley seconded the motion. The motion was adopted.

J. Departmental Information

1. WWTU

a. Contract: Soil Maker

Public Works Director Downey presented a contract to be considered at the March 25 Board of Works meeting. Currently, the City pays \$1,000 per month for Soil Maker Services; the new contract will reflect an increase in the fee and have additional considerations. City Attorney Burns has reviewed this item.

b. Information: Green Meadows Lift Station Project

Mr. Downey reported that the Green Meadows Lift Station Project has started. There will be more boring than open trench, which Mr. Downey believes will make the neighbors happy.

c. Contract: ADS Environmental Services

Public Works Director Downey presented a three-year contract for CSO monitoring for Board action at the March 25 Board of Works meeting. Mr. Burns has reviewed this item.

2. Green Initiatives in West Lafayette

Mayor Dennis mentioned that he had a meeting with Diane Damico of the Go Greener Commission. Ms. Damico expressed interest in the process for purchasing

vehicles, asking that the City be aware of environmental issues. Mayor Dennis said the market still drives a lot of what we can afford and what technology is available. Hybrid vehicles for Police and heavy equipment are not offered yet. Some Police cars use combination fuel options, but that is not necessarily the best option for fuel efficiency. Mayor Dennis said we are aware of what the options are, and we will continue to do the best that we can. Fire Chief Drew said that a hybrid was considered for the Fire Department recent vehicle purchase. It didn't meet the requirements quite as well, but the dealer has not been able to get that type of vehicle, in fact has had one on order since July 2007. Public Works Director Downey said there are only two fuel tanks, one each for 1,000 gallons of regular and diesel. If another fuel is to be available for City vehicles, the City would have to invest in another fuel tank. Mayor Dennis said he wanted everyone to be aware of this.

IV. ADJOURNMENT

There being no further business to come before the Board, Mayor Dennis moved that the meeting be adjourned. Ms. Goldman seconded the motion, and the meeting adjourned, the time being 12:10 p.m.