

**Board of Public Works-Finance Committee  
Public Services Building  
Large Conference Room  
2650 LaFranier Rd, Traverse City, MI 49686**

**Meeting Agenda**

**Wednesday, October 3, 2018 @ 1:00 p.m.**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PUBLIC COMMENT**

Refer to Rules under Public Comment/Input on the back of Agenda

**APPROVAL OF AGENDA**

**APPROVAL OF THE MEETING MINUTES**

The meeting minutes of September 5, 2018 are approved unless there are any changes ..... 1

**AGENDA ITEMS**

- 1. Summary of Prepaid Claims ..... 4
- 2. Engineer of Record Contract..... 5
- 3. Appeal Panel Hearing Results ..... 9

**PUBLIC COMMENT**

Refer to Rules under Public Comment/Input on the back of Agenda

**NOTICES**

- 1. The next regular BPW Meeting will be held on Thursday, October 11, 2018 at 9:00 a.m. in the upstairs meeting room at GARFIELD TOWNSHIP HALL, 3848 Veterans Drive.
- 2. *The next regular BPW Finance Committee Meeting will be held on Wednesday, November 7, 2018 at 1:00 p.m. in the Large Conference Room in the Public Services Building at 2650 LaFranier Rd.*

**ADJOURNMENT**

Link to website for agenda & packet

[http://www.co.grand-traverse.mi.us/departments/public\\_works/Agenda\\_Packets.htm](http://www.co.grand-traverse.mi.us/departments/public_works/Agenda_Packets.htm)

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### **RULES AND PUBLIC COMMENT / INPUT**

1. All cell phones shall be switched to silent mode or turned off.
2. Any person may make a video, audio or other record of this meeting. Standing equipment, cords, or portable microphones must be located so as not to block audience view.
3. Any person shall be permitted to address a meeting of the Board of Public Works which is required to be open to the public under the provision of the Michigan Open Meetings Act, as amended. (MCLA 15.261, et.seq.) Public Comment shall be carried out in accordance with the following Board Rules and Procedures:
  - A. Any person wishing to address the Board shall state his or her name and address.
  - B. No person shall be allowed to speak more than once on the same matter, excluding time needed to answer Board Member's questions. The Chairperson shall control the amount of time each person shall be allowed to speak, which shall not exceed (3) minutes.
    - i. Chairperson may, at his or her discretion, extend the amount of time any person is allowed to speak.
    - ii. Whenever a group wishes to address the Board, the Chairperson may require that the group designate a spokesperson; the Chairperson shall control the amount of time the spokesperson shall be allowed to speak, which shall not exceed fifteen (15 minutes).

### **AUXILIARY AIDS AND SERVICES**

Grand Traverse County will provide reasonable auxiliary aids and services; such as, signers for the hearing impaired or audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon (48)forty-eight hours-notice to Grand Traverse County. Individuals with disabilities requiring auxiliary aids or services should contact the Grand Traverse County Department of Public Works at (231) 995-6039.

Link to website for agenda & packet

[http://www.co.grand-traverse.mi.us/departments/public\\_works/Agenda\\_Packets.htm](http://www.co.grand-traverse.mi.us/departments/public_works/Agenda_Packets.htm)

**Grand Traverse County Board of Public Works-Finance Committee**  
**Public Services Building**  
**Large Conference Room**  
2650 LaFranier Rd, Traverse City, MI 49686

**Meeting Minutes**  
**September 5, 2018 @ 1:00 p.m.**

**CALL TO ORDER**

The Chair called the meeting of the Grand Traverse County Board of Public Works Finance Committee to order at 1:00 p.m. at the Public Services Building located at 2650 LaFranier Road, Traverse City, Michigan. The Secretary was present.

**ROLL CALL**

**PRESENT:**

Jay Zollinger, Jeff Shaw, Rob Manigold, Chuck Korn, and Beth Friend

**ABSENT:**

N/A

**STAFF:**

John Divozzo and Dianne Thompson

**Also Present:**

Bob Fudge, Marty Colburn, Art Krueger, and Elizabeth Hart.

**PUBLIC COMMENT**

Art Krueger stated that he and Elizabeth were in attendance to discuss the reconciliation for the WWTP costs.

**APPROVAL OF AGENDA**

Added to agenda-WWTP Reconciliation as Item #6.

**MOTION by Jeff Shaw to approve the agenda as revised; second by Chuck Korn.**  
The Motion PASSED unanimously.

**APPROVAL OF MEETING MINUTES**

Bob Fudge stated that the minutes need to be changed to reflect that Rob Manigold was not at the meeting.

**MOTION by Chuck Korn to correct and approve the meeting minutes of August 1, 2018; second by Jeff Shaw.**  
The Motion PASSED unanimously.

**AGENDA ITEMS**

1. Summary of Prepaid Claims

**MOTION by Rob Manigold to approve the Summary of Prepaid Claims and recommend them to the BPW; second by Jeff Shaw.**  
The Motion PASSED unanimously

2. Engineer of Record Contract Renewal

John stated that the BPW asked to bring the Engineer of Record Contract back to the board for formal approval of a contract extension through 2020. John indicated that the board did approve the Asset Management Plan Project, which essentially extends the engineering contract through 2020, but no formal action was taken. Approving a renewal will clean up the record and minimize liability.

**MOTION by Rob Manigold to approve and recommend to the BPW that the Engineer of Record Contract be Renewed through 2020; second by Jeff Shaw.**

The Motion PASSED unanimously.

3. Notice of Appeal for Benefit Charges

John updated the board regarding an appeal of benefit charges that was received by the DPW. He is working with the applicant to try and settle the issue without appeal, but ultimately is the applicant's decision. If the appeal moves forward, the panel will have to be convened within 30 days.

4. Management Staff Reviews and Compensation

John stated that he was asked to bring this issue to the committee and the board again as it was started, but not finished previously. With the passing of Pete Correia, the issue was forgotten. Pete had discussed the issue with the former County Administrator who consented to the Board's authority to move forward with the review and compensation activities.

Jay feels this should be addressed and worked through the personnel committee appointed by the BPW Chairman in January. Nate should be contacted as well.

**MOTION by Chuck Korn to recommend this to the BPW and ask them to issue a directive on this topic; second by Rob Manigold.**

The Motion PASSED unanimously

5. Correspondence Re: Tank Cleanings/No Grease

Enclosed in the packet is a copy of a letter sent to the haulers explaining that grease will not be able to be accepted at the facility from September 24 to October 1. The facility has posted signs and the letter is meant to validate the information and provide an explanation. The tanks will be inspected and cleaned that week.

Elizabeth says that her recommendation is to inspect and clean the tanks on a 3-year schedule.

6. WWTP Reconciliation (Added to the Agenda)

Jacobs submitted a reconciliation invoice of approximately \$250,000 to the City. Of the repair amount, \$100,000 required Commission approval, \$136,000 was purchased under the City's purchasing policy, and the remainder was completed within the O&M budget. The cost share to the township partners will be approximately \$113,000. Elizabeth submitted a list of repairs exceeding \$2,000. Some of these expenses are non-recurring. Information will be provided in the BPW packet.

**PUBLIC COMMENT**

Marty Colburn, City Manager

The State passed new lead and copper rules June of 2018. Marty has contacted the Michigan Municipal League and has suggested a lawsuit. This is an unfunded mandate and requires all leads to be replaced within 20 years starting in 2020. The townships may want to participate.

State Law requires sewer connections if the building is within 200 feet. At the City Commission last night, this distance was increased to 500 feet.

**NOTICES**

1. The next Regular BPW Meeting will be held on Thursday, September 13, 2018 at 9:00 a.m. in the upstairs meeting room at GARFIELD TOWNSHIP HALL, 3848 Veterans Drive.
2. The next regular BPW Finance Committee Meeting will be held on Wednesday, October 3, 2018 at 1:00 p.m. in the Large Conference Room in the Public Services Building at 2650 LaFranier Rd

**ADJOURNMENT 1:42 p.m.**

Date: \_\_\_\_\_

\_\_\_\_\_  
BPW Finance Committee Chair

\_\_\_\_\_  
BPW Finance Committee Secretary  
(Approved as to form and content)

Drafted by: \_\_\_\_\_  
John Divozzo

TO: BPW Finance Committee  
 FROM: Dianne Thompson  
 DATE: October 3, 2018

Disposition Sought: Approval

DPW Claims Summary

			Summary of Prepaid Claims Paid 9/6/2018		Summary of Prepaid Claims Paid 9/13/2018		Summary of Prepaid Claims Paid 9/19/2018		Summary of Prepaid Claims Paid 9/26/2018		TOTAL
			Budget	2018	Budget	2018	Budget	2018	Budget	2018	
Acme Sewer	690	444	\$1,097.08	\$5,407.36	\$494.70	\$827.88	\$7,827.02				
East Bay Sewer	690	445	\$845.20	\$6,357.60	\$450.27	\$605.34	\$8,258.41				
Garfield Sewer	690	446	\$7,148.11	\$15,921.93	\$2,789.27	\$769.43	\$26,628.74				
Garfield Water	690	448	\$2,278.39	\$23,408.97	\$4,020.08	\$11,072.32	\$40,779.76				
Elmwood Sewer	690	449	\$15,900.69	\$2,986.28	\$1,081.29	\$195.08	\$20,163.34				
Peninsula Sewer	690	451	\$1,813.61	\$1,520.70	\$350.49	\$68.81	\$3,753.61				
East Bay Water	690	452	\$13,845.28	\$10,759.33	\$706.26	\$8,201.27	\$33,512.14				
Peninsula Water	690	458	\$1,718.21	\$4,338.72	\$399.63	\$155.60	\$6,612.16				
Elmwood Water	690	459	\$61.18	\$1,523.49	\$95.71	\$741.63	\$2,422.01				
Acme Water	690	460	\$149.07	\$282.01	\$245.78	\$66.70	\$743.56				
Elmwood/Greilickville Water	690	462	\$264.43	\$848.27	\$53.49	\$44.76	\$1,210.95				
Whitewater Sewer	690	465	\$37.80	\$0.00	\$0.00	\$0.00	\$37.80				
<b>Sewer &amp; Water Totals</b>			<b>\$45,159.05</b>	<b>\$73,354.66</b>	<b>\$10,686.97</b>	<b>\$22,748.82</b>	<b>\$151,949.50</b>				
Acme Hoch Road	697	444	\$17.65	\$15.11	\$0.00	\$0.00	\$32.76				
East Bay Hoch Road	697	445	\$35.29	\$30.23	\$0.00	\$0.00	\$65.52				
Garfield Hoch Road	697	446	\$96.16	\$82.35	\$0.00	\$0.00	\$178.51				
Elmwood Hoch Road	697	449	\$12.54	\$10.74	\$0.00	\$0.00	\$23.28				
Blair Hoch Road	697	464	\$1.65	\$1.41	\$0.00	\$0.00	\$3.06				
<b>Hoch Road Totals</b>			<b>\$163.29</b>	<b>\$139.84</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$303.13</b>				
Septage	590	470	\$351.94	\$11,469.25	\$0.00	\$17.81	\$11,839.00				
<b>Septage Totals</b>			<b>\$351.94</b>	<b>\$11,469.25</b>	<b>\$0.00</b>	<b>\$17.81</b>	<b>\$11,839.00</b>				
<b>GRAND TOTALS</b>			<b>\$45,674.28</b>	<b>\$84,963.75</b>	<b>\$10,686.97</b>	<b>\$22,766.63</b>	<b>\$164,091.63</b>				

## ENGINEER OF RECORD SERVICES AGREEMENT

This Agreement for Engineer of Record is entered in to between Gourdie-Fraser Inc., ("GFA") and Grand Traverse County Board of Public Works, ("BPW"). GFA will perform professional services for the BPW as Engineer of Record, subject to the terms and provisions of this Agreement.

1. **Description of Services:** It is contemplated that GFA will, from time to time, be requested by the BPW, through its duly authorized representatives, to perform certain work or furnish certain services to the BPW. The projects contemplated are any such work or services performed by GFA in the scope of its usual business servicing the BPW as Engineer of Record. The engineering services to be provided may include any of the following:
  - Attend BPW board and committee meetings to provide professional advice on engineering matters, when requested.
  - Provide engineering advice on matters and participate in the planning of projects.
  - Contract review and recommendation.
  - Water and Sewer ordinance review, drafting, and updating.
  - Municipal sewer and water system design, as-needed.
  - Preparation of detailed engineering reports and studies, related to all aspects of civil engineering and public works projects.
  - Work with the BPW on grant applications and the required administration, compliance, and closeout procedures required.
  - Provide project management, oversight, and construction inspection services during the construction of projects and provide monthly reports and updates to the BPW.
  - Services may require providing coordination of utility infrastructure improvements with other engineering firms representing the townships and/or City of Traverse City.
  - Provide other services as requested by the Board of Public Works, or its Department of Public Works (DPW) Director.
  - Other duties, as requested.

GFA will perform requested professional services at such time as is agreed upon between GFA and the BPW with an agreed upon defined scope of services and project budget. Such services may include preparation and attendance at public hearings or informational meetings, when so requested by the BPW.

2. **Requested Work:** The BPW and GFA shall both agree on any Work to be performed under this Agreement and shall confirm that work in writing. GFA will report to the BPW, under the direction of the BPW or DPW Director. The BPW shall provide GFA with all available criteria and information regarding the BPW's requirements for requested work including design objectives and performance requirements. The BPW shall furnish copies of any documentation

standards, if any, along with the required information noted in the request for work. The BPW shall not be liable for any charge or expense related to Work performed that is not agreed upon and confirmed in writing.

3. **Time for Rendering Services:** This Agreement shall remain in effect until terminated as provided herein. The time for performing services or providing deliverables will be as agreed to by GFA and the BPW or as adjusted by subsequent Authorizations. For the purposes of this Agreement the term "day" means a calendar day of 24 hours. The time for GFA's performance will be extended to the extent performance was delayed by causes beyond the control of GFA.
4. **Term:** This Contract will continue in full force and effect for a period of three years commencing January 1, 2018 (to December 31, 2020) unless cancelled pursuant to this Paragraph. This agreement may be renewed for up to four (4) additional 3- year terms.

It is agreed that either party may cancel this Contract by giving the other party thirty (30) days written notice of such cancellation, provided, however, that neither party shall, by the termination, cancellation, or expiration of this Contract, be relieved of its respective obligations and liabilities arising from or incident to work performed or services rendered hereunder prior to the time this Contract is terminated. In the event of termination, the BPW shall pay GFA for all services and expenses rendered to the date of the termination.

The BPW may, in its sole discretion, terminate any particular request for work or services, specific work order, or work in progress at any time upon verbal notice to GFA followed by written notice within seven (7) days. The BPW will pay GFA for work that was performed by GFA before the termination of the Work Order.

5. **Contractor's Liability:** GFA shall provide and maintain public and professional liability (\$1,000,000 per claim, \$2,000,000 aggregate), property damage/general liability (\$1,000,000 each occurrence, \$2,000,000 aggregate), errors and omissions, and worker's compensation insurance (\$1,000,000 each accident), and automotive liability (\$1,000,000 combined single limit) insuring, as they may appear, the interests of all parties to this agreement. GFA is responsible for insuring that all precautions are exercised at all times for the protection of all persons and property engaged in work under this Agreement. The BPW may require additional insurance amounts of GFA for any particular project upon the recommendation of the Director. Documentation of the above insurances will be provided to the BPW prior to execution of this Agreement, and annually thereafter for renewals, and will be included as a contract rider. GFA shall comply with all national, State; and local municipal laws, ordinances, and regulations as



may be required.

6. **Standard of Performance:** The standard of care for all professional Consultant and related services performed or furnished by the Consultant under this Agreement will be the care and skill ordinarily used by members of the Consultant's profession under similar circumstances, at the same time in the Northwest Michigan Region.
7. **Payment for Services:** GFA shall prepare invoices for the GFA's services in conjunction with this Agreement. Invoices will be prepared using the GFA's standard format at least monthly. Invoices will include fees for reimbursable expenses to be invoiced at a rate of cost plus fifteen percent. Compensation will be at the hourly rates set forth in the GFA 2014 Rate Sheet and is updated annually). Invoices are due and payable upon receipt. If the BPW fails to make payment within 60 days of the invoice date, the amount due to GFA will increase 1 ½ % per month (18% per annum) or the maximum rate allowed by law. In the event of disputed or contested invoices only the portion being contested shall be withheld from payment; the undisputed portion shall be paid. In the event of termination, GFA shall be paid for all authorized services performed or furnished and all reimbursable expenses incurred up to the effective date of termination.
8. **Ownership of Documents:** Upon payment, GFA will furnish suitable, original drawings and other final work products in the form required to the BPW. These original drawings and other final work products created and paid for by the BPW shall be owned by the BPW. GFA shall have the right to retain copies of any final drawings or work product for future use by GFA. The BPW shall have the right to request copies of any and all reports, logs, field data, field notes, laboratory test data, calculations, estimates, charts, maps, graphics, manuscripts, electronic data, or any other documents prepared for or pertaining to the services performed. Such documents furnished to the BPW are not intended or represented to be suitable for reuse by the BPW or others on extensions of the project or any other project. Any unauthorized reuse of documents will be at the BPW's sole risk and without liability or exposure to GFA.
9. **Successors, assigns, and Beneficiaries:** BPW and GFA each is hereby bound and the partners, successors, executors, administrators, and legal representatives of each are hereby bound to this Agreement. Neither the Client/Owner nor Consultant may assign, sublet, or transfer any rights under or interest in this Agreement without written consent of the other unless such assignment, subletting or transfer is mandated or restricted by law.
10. **Dispute Resolution:** BPW and GFA agree to negotiate all disputes between them in good faith

for a period not to exceed 30 days from the date of notice. Any claims or disputes between the BPW and GFA shall be submitted to non-binding mediation. The BPW and GFA agree to include a similar mediation agreement with all contracts, subcontractors, suppliers and fabricators that provides for mediation as the primary method for dispute resolution between all parties. If non-binding mediation is not successful, then either party shall have the right to seek all other remedies available in equity or law.

11. **Controlling Law:** This Agreement is to be governed by the law of the State of Michigan.

12. **Applicability of Continuing Agreement:** The terms and conditions set forth in this Agreement apply to each future authorization for services unless specifically modified. In the event of conflict between language herein and future authorization language, the authorization language shall take precedence for that authorization. Modifications to this Agreement shall be made in writing. Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken and all remaining provisions shall continue to be valid and binding. Such stricken provisions shall be reformed to replace the stricken provision with one that is enforceable and is as close as possible to expressing the intention of the original.

**Grand Traverse County Board of Public Works**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**Gourdie Fraser, Inc.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_



# MEMO

To: Board of Public Works  
From: John Divozzo  
Date: September 28, 2018

**Subject: Appeal Panel Summary**

An Appeal Panel Hearing was held on Wednesday, September 26, 2018. A Garfield Township sewer/water applicant was challenging the benefit calculations and the benefit table.

The applicant considered the benefit charges to be a "tax grab" and wanted to express his frustration with the costs of connecting to utilities. The applicant was adding storage area and a set of bathrooms to an existing building. There would be no additional employees hired. The company does not use water in its processes.

John Divozzo provided analysis of the fee calculations. Staff calculated fees appropriately and in accordance with the township ordinance. Manufacturing is a category with highly variable usage amongst the different users. Creating one or more additional factors may help with this particular customer, but may affect others.

John suggested that the applicant review the actual floor space required for the manufacturing process and submit this to the DPW. A change may result in lowered fees, but the calculation would be consistent with the ordinance.

Absent this, there is nothing the DPW can do to reduce the fees.

The panel accepted this recommendation and asked staff to follow up with the applicant.

Grand Traverse County Board of Public Works  
SPECIAL MEETING

**Appeals Panel**

Wednesday, September 26, 2018 at 1:00 p.m.

**PUBLIC SERVICES BUILDING**  
**2650 LaFranier Road, Traverse City, MI 49686**

ROLL CALL

PRESENT: Rob Lajko, Steve Largent, and Jay Zollinger

EXCUSED: N/A

STAFF: John Divozzo and Dianne Thompson

Also Present: N/A

PUBLIC COMMENT

None

APPROVAL OF AGENDA

**MOTION** by STEVE LARGENT to approve the agenda; second by Rob Lajko.  
The motion passed unanimously.

APPEAL HEARING

1. Statement of Appeal

The Appellant is appealing the factor for manufacturing in the table of residential equivalents at 0.5 equivalents per 1,000 square feet. The appellant requests elimination or severe reduction in benefits calculated for the addition to the existing building.

Stromberg Carlson assembles parts, imports pieces and ships product for the RV industry. The last two additions have been strictly warehouse space. They had been using storage trailers to store parts before the additions to the building.

2. Staff Interpretation

New connections or changes to properties are reviewed and permit fees established. If fees are due, once they are paid our receipt then goes to the township or Construction Code for issuing the building permit.

Staff has reviewed the data presented by the Appellant and staff's interpretation of the use and square footage of the building located at 2323 Traversefield Drive. Staff's calculation of benefits is consistent with the use and square footage of the building and also with the table of residential benefits approved by Garfield Township. The manufacturing area was calculated at 0.50/1,000 square feet plus Storage/Warehouse at 0.10 per 1,000 square feet per the ordinance table.

### 3. Director's Review

Staff interpreted the ordinance and the table of residential equivalent benefits correctly and actual metered flow is consistent with staff's interpretation / table of residential equivalent benefits in non-peak months. I do not recommend modifying the customer's benefit calculations or the manufacturing category as a result of this appeal and subsequent investigation.

The current table of residential benefits is the only tool available to calculate benefit charges and the classification of manufacturing at 0.5 Benefits per 1,000 square feet is satisfactory across the class. Individual users may actually use more or less depending on the business. We ask for a statement of use from the customer. This has two primary uses; manufacturing and storage. We took that into account.

The ordinance does not allow benefit calculation based on water use, but water use was used as a comparison for reference. We cannot modify a factor or reduce a bill.

The only thing the panel may want to consider is a recommendation to the townships to review the manufacturing category to determine if there are subsets that warrant a different factor; such as assembly manufacturing that does not use water.

### 4. Final Comments

Bob Brammer stated that his sales and employees didn't increase with the building additions so it felt like a tax grab. He was simply adding on storage space to eliminate outside storage in trailers.

### PANEL DISCUSSION

The panel recommends that staff work with the appellant to determine an accurate calculation of the manufacturing vs. storage use areas.

### PUBLIC COMMENT

None

ADJOURNMENT at 1:53p.m.