

# Southgate City Council Agenda

## Council Chambers

Wednesday May 3, 2017

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### 6:30pm **Work Study Session**

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1. Officials Reports
2. Discussions regarding agenda items.

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### 7:00 pm **Regular Meeting**

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#### *Pledge of Allegiance*

**Roll Call:** Colovos, Farrah, George, Graziani, Rauch, Rollet, Zamecki.

**Minutes:**

1. Work Study Session Minutes dated April 19, 2017.
2. Regular City Council Meeting Minutes dated April 19, 2017.

#### **Scheduled Persons in the Audience:**

#### **Consideration of Bids:**

#### **Scheduled Hearings:**

1. Memo from ACA/Finance Director; Re: Public Hearing –  
Mayor's Proposed Budget Page 2
2. Memo from ACA/Finance Director; Re: Public Hearing –  
Southgate-Wyandotte Drainage District Page 10
3. Memo from ACA/Finance Director; Re: Public Hearing –  
Proposed Water/Sewer Rate Increase Page 14
4. Memo from Administrator; Re: Demolition Order; 16100 Fort St. Page 15

#### **Communications "A" –**

1. Memo from ACA/Finance Director; Re: Southgate-Wyandotte Drainage District Page 25
2. Memo from ACA/Finance Director; Re: Water/Sewer and Capital Rate Increase Page 26
3. Memo from ACA/Finance Director; Re: AT&T Utility Pole Removal Page 27
4. Memo from Administrator; Re: Demolition Order; 16100 Fort St. Page 32
5. Memo from Administrator; Re: Water & Sewer Revenue Bond; Series 2017 Page 33
6. Memo from Administrator; Re: Bid Award; 2017 DWRF Water Main Lining Page 58
7. Memo from Administrator; Re: Resolution to Approve the Purchase  
Agreement between the City of Southgate and DTE Energy to convert  
certain street lights Page 84
8. Memo from Deputy City Assessor; Re: Council Resolution Page 90
9. Memo from Administrator; Re: Construction Services Page 92

#### **Communications "B" – (Receive and File**

#### **Ordinances:**

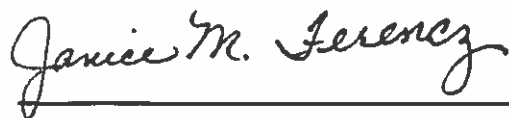
#### **Old Business:**

#### **New Business:**

#### **Unscheduled Persons in the Audience:**

**Claims & Accounts:** Warrant # 1328 \$3,632,551.09

#### **Adjournment:**



**Janice M. Ferencz, City Clerk**

JOSEPH G. KUSPA  
Mayor

JANICE M. FERENCZ  
City Clerk

JAMES E. DALLOS  
Treasurer



## City of Southgate

NORMA J. WURLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

JOHN GRAZIANI  
Council President

KAREN E. GEORGE

MARK FARRAH

BILL COLOVOS


DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

### MEMORANDUM

TO: Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 23, 2017

RE: Public Hearing on the Mayor's 2017/18 Proposed Budget

Pursuant to the City Charter, a Public Hearing must be held to obtain comments from the public on the 2017/18 Proposed Budget.

Pursuant to the provision of the Public Act 5 of 1982, the City must also hold a Public Hearing in order to levy the Millage rate, which has been proposed in the Mayor's 2017/18 Budget and are before you tonight on State form L-4029. All proposed millages are within our Charter of statutory limitations and the City has complete authority to levy this Millage.

Notice was given to the City's official newspaper and a copy of the Proposed Budget has been available at the City Clerk's office for public inspection since March 27, 2017.

Final Council approval is scheduled for May 17, 2017

**2017 Tax Rate Request (This form must be completed and submitted on or before September 30, 2017)**  
**MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS**

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory. Penalty applies.  
Carefully read the instructions on page 2.

County(ies) Where the Local Government Unit Levies Taxes <b>Wayne</b>	2017 Taxable Value of ALL Properties in the Unit as of 5-22-17 <b>669,853,360</b>
Local Government Unit Requesting Millage Levy <b>City of Southgate</b>	For LOCAL School Districts: 2017 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties.

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2017 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2016 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2017 Current Year "Headlee" Millage Reduction Fraction	(7) 2017 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Charter Oper		1958	12.50	10.1366	1.00	10.1366	1.00	10.1366	10.1366		na
298/1917	Refuse		3.00	2.4326	1.00	2.4326	1.00	2.4326	2.4326		na
345/1937	P&F Retire		as need		1.00		1.00	10.5600	10.5600		na
Library Oper		1994	1.00	.9667	1.00	.9667	1.00	.8800	.8800		na
Roads Con/Rec		2015	1.9334	1.9334	1.00	1.9334	1.00	1.9334	1.9334		11/2021
359/1925	Advert		.074	.074	1.00	.074	1.00	.074	.074		na
Judgement	EPA		as need		1.00		1.00	1.3995		1.3995	na

Prepared by <b>David Angileri</b>	Telephone Number <b>734-258-3017</b>	Title of Preparer <b>Asst City Admin/Fin Dir</b>	Date <b>5/17/17</b>
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**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary, to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.121(3).

<input checked="" type="checkbox"/> Clerk <input type="checkbox"/> Secretary	Signature <b>Jan Ferencz</b>	Date <b>5/17/17</b>
<input checked="" type="checkbox"/> Mayor <input type="checkbox"/> President	Signature <b>Joseph Kuspa</b>	Date <b>5/17/17</b>

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

\*\* **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2017 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	

CITY OF SOUTHGATE  
2017 - 2018 FISCAL YEAR BUDGET  
MILLAGE RATE SUMMARY

<u>CITY</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>
Operating	10.1366	10.1366	10.1366	10.1366	10.1366
Rubbish	2.4326	2.4326	2.4326	2.4326	2.4326
Act 345 Police & Fire Retirement	6.973	7.3600	7.4200	8.0260	10.5600
Act 359 of 1925		0.074	0.0740	0.0740	0.0740
Roads	1.9334	1.9334	1.9334	1.9334	1.9334
Library	0.8800	0.8800	0.8800	0.8800	0.8800
TOTAL CITY MILLAGE	22.3556	22.8166	22.8766	23.4826	26.0166
<u>COUNTY</u>					
Operating & Jail	7.5761	7.5761	7.5761	7.5761	7.5761
WC Parks	0.2459	0.2459	0.2459	0.2459	0.2459
Huron/Clinton	0.2154	0.2154	0.2154	0.2154	0.2154
ISD/S. ED.	3.4643	3.4643	3.4643	3.4643	3.4643
Community College	2.4844	2.4844	2.4844	2.4844	2.4844
EPA Levy	1.766	1.5770	1.3742	1.5260	1.3995
W.C.T.A.	0.5980	0.5980	0.5980	0.5980	0.5980
TOTAL COUNTY MILLAGE	16.3501	16.1611	15.9583	16.1101	15.9836
<u>SCHOOL</u>					
Operating	6.0000	6.0000	6.0000	6.0000	6.0000
Debt Retirement	5.1500	5.1500	5.1500	5.1500	5.1500
TOTAL MILLAGE (SOUTHGATE)	44.7057	44.9777	44.8349	45.5927	48.0002

CITY OF SOUTHGATE  
2017 - 2018 FISCAL YEAR BUDGET  
SCHEDULE OF "CITY" MILLAGES

	FISCAL YEAR 16/17		FISCAL YEAR 17/18	
Estimated Taxable Valuation	\$ 659,728,806		\$ 669,853,360	
	<u>MILLAGE</u>	<u>AMOUNT</u>	<u>MILLAGE</u>	<u>AMOUNT</u>
<u>General Fund Revenue</u>				
General Operating	10.1366	6,317,166	10.1366	6,490,397
Rubbish	2.4326	1,516,005	2.4326	1,557,578
Act 345 Retirement	8.0260	4,638,116	10.5600	6,761,498
Act 359 of 1925	0.0740	46,296	0.0740	47,382
Total General Fund	20.6692	\$ 12,517,583	\$ 23.2032	\$ 14,856,854
<u>Other Funds Revenue</u>				
Roads	1.9334	1,204,903	1.9334	1,237,943
Library	0.8800	548,420	0.8800	569,641
Total Other Funds	2.8134	\$ 1,753,323	2.8134	1,807,584
TOTAL MILLAGE	23.4826	\$ 14,270,906	26.0166	\$ 16,664,438
ADMINISTRATIVE FEE		\$ 388,000		\$ 405,000
TOTAL LEVY		<u>\$ 14,658,906</u>		<u>\$ 17,069,438</u>

<u>PROPERTY VALUE HISTORY</u>			
<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Taxable Value</u>
2008-09	850,701,793	39,538,487	890,240,280
2009-10	827,981,480	38,201,984	97.3% 866,183,464
2010-11	751,476,183	38,155,976	91.2% 789,632,159
2011-12	686,972,462	37,282,264	91.7% 724,254,726
2012-13	613,039,002	36,248,177	89.6% 649,287,179
2013-14	603,478,747	42,322,480	99.5% 645,801,227
2014-15	613,134,407	37,870,424	100.8% 651,004,831
2015-16	621,659,938	37,392,525	101.2% 659,052,463
2016-17	622,006,806	37,392,525	100.1% 659,399,331
2017-18	632,984,960	36,868,400	101.6% 669,853,360
SEV			
2008-09	1,024,363,773	39,080,700	1,063,444,473
2009-10	904,883,700	38,244,200	943,127,900
2010-11	789,308,863	38,201,800	827,510,663
2011-12	686,972,462	37,282,264	724,254,726
2012-13	613,039,002	36,248,177	649,287,179
2013-14	610,676,520	42,322,480	652,999,000
2014-15	653,383,190	37,870,424	691,253,614
2015-16	669,217,703	37,392,525	706,610,228
2016-17	694,328,600	37,392,525	731,721,125
2017-18	732,279,100	36,926,100	769,205,200

CITY OF SOUTHGATE  
2017 - 2018 FISCAL YEAR BUDGET  
GENERAL FUND "ESTIMATED REVENUES" (FUND 101)

		FY 15/16 ACTUALS	FY 16/17 12/31/2016	FY 16/17 BUDGET	FY 16/17 ESTIMATE	DEPT REQ FY 17/18	MAYORS RECOMM
403-000	Current Taxes						
403-001	City Operating	6,428,591	5,882,791	6,374,588	6,326,588	6,484,000	6,484,000
403-002	Rubbish	1,539,962	1,411,719	1,529,785	1,529,785	1,556,000	1,556,000
403-003	Police & Fire Pension	4,681,770	4,656,905	5,080,149	5,080,149	6,041,381	6,041,381
403-004	Act 359 of 1925	48,408	44,765	49,000	48,659	47,338	47,338
403-494	DDA Tax Sharing	88,219	-	104,485	104,485	88,307	88,307
403-495	TIFA Tax Sharing	281,955	-	301,175	301,175	283,239	283,239
424-000	Payment in Lieu of Taxes	120,081	31,615	117,100	115,760	116,000	116,000
444-000	Administration Fee	404,599	292,984	388,100	397,593	405,772	405,772
445-000	Penalties & Interest	91,480	6,003	82,100	82,000	82,000	82,000
		<u>13,685,065</u>	<u>12,326,782</u>	<u>14,026,482</u>	<u>13,986,194</u>	<u>15,104,037</u>	<u>15,104,037</u>
451-000	Business Licenses	36,275	32,150	35,500	37,000	36,000	36,000
476-000	Fire Suppression Permits	3,121	475	4,000	3,900	3,900	3,900
477-000	Building Permits	516,004	224,575	450,000	450,000	450,000	450,000
478-000	Other Licenses & Fees	11,555	5,839	13,000	11,402	11,500	11,500
479-000	Rental Fee	22,400	9,800	25,000	22,400	22,400	22,400
481-000	Vacant Property Registrations	10,384	5,520	16,000	10,500	10,000	10,000
		<u>599,739</u>	<u>278,359</u>	<u>543,500</u>	<u>535,202</u>	<u>533,800</u>	<u>533,800</u>
529-000	Fed Grts - CDBG Admin	-					
529-001	Fed Grant Justice	9,183	5,598	15,000	11,000	11,000	11,000
529-002	FEMA			-	-		
529-003	Fed Grant Law Enfore	22,751	7,139	25,000	15,000	15,000	15,000
529-009	Fed Grant Fire Equipment				-	29,195	29,195
529-010	Forest Grant	29,668	14,135		29,668	5,000	5,000
539-000	State Grants	143			-	-	-
540-000	Juror Reimbursement	720	-	600	-	-	-
541-000	District Court Judge Supp	45,724	11,769	45,724	45,724	45,724	45,724
544-000	SMART Grant	54,983	14,332	55,000	55,000	55,000	55,000
545-000	Act 302 Training Grant	7,739	3,783	7,800	7,500	7,500	7,500
573-000	Local Stabilization share	154,713	37,370	104,500	37,370	101,000	101,000
576-000	Sales Constitutional	2,268,206	801,921	2,370,176	2,311,176	2,306,452	2,306,452
576-001	EVIP	596,749	198,917	596,749	596,749	596,749	596,749
578-000	Liquor Licenses	22,693	23,276	22,500	23,276	23,276	23,276
582-000	DCC Police	7,664	5,404	7,600	7,600	7,600	7,600
		<u>3,220,936</u>	<u>1,123,644</u>	<u>3,250,649</u>	<u>3,140,063</u>	<u>3,203,496</u>	<u>3,203,496</u>

CITY OF SOUTHGATE  
2017 - 2018 FISCAL YEAR BUDGET  
GENERAL FUND "ESTIMATED REVENUES" (FUND 101)

		FY 15/16 ACTUALS	FY 16/17 12/31/2016	FY 16/17 BUDGET	FY 16/17 ESTIMATE	DEPT REQ FY 17/18	MAYORS RECOMM
612-000	Youth Sports Programs	67,682	22,866	64,000	63,000	64,000	64,000
612-001	Adult Sports Programs	25,157	6,645	28,000	24,000	26,000	26,000
612-002	Shelter/Pavilion Rental	12,567	2,932	10,000	12,500	13,000	13,000
613-000	Ice Time Rentals	230,546	119,854	262,000	265,000	265,000	265,000
613-001	Figure Skating Programs	92,380	42,527	100,000	92,500	95,000	95,000
613-002	Recreation Ice Programs	23,187	8,573	31,000	24,000	25,000	25,000
614-000	Rent/Vending Revenue	47,797	12,846	53,000	48,000	50,000	50,000
620-000	Service charges	3,361	4,629	6,000	6,000	6,000	6,000
629-000	Accummed Fire Service	-	-	4,300	-	-	-
630-000	Senior Center Van services	5,878	3,105	6,000	6,000	6,000	6,000
632-000	Report Copies	3,344	1,877	5,400	5,000	5,000	5,000
638-000	Police dept services	47,516	17,199	44,000	48,000	48,000	48,000
639-000	Tree Plantings	7,078	-	5,000	-	-	-
640-000	Sidewalk Installations	39,888	-	75,000	-	40,000	40,000
641-000	Weed Cutting	32,502	13,913	41,500	37,000	37,000	37,000
		638,883	256,966	735,200	631,000	680,000	680,000
356-000	Court fines & fees	1,102,428	603,697	1,224,000	1,346,000	1,350,000	1,350,000
356-003	Drug Case Management	291	-	600	-	-	-
356-004	Drunk-Driving Caseload	6,737	-	10,200	7,000	7,000	7,000
356-005	Work Program	35,502	13,737	33,000	38,000	35,000	35,000
356-006	vetrans court	540	340	-	700	-	-
362-000	Penalties	843	-	-	-	-	-
363-000	vetrans court grant	510	30,235	-	60,000	60,000	60,000
		1,146,851	648,009	1,267,800	1,451,700	1,452,000	1,452,000
364-000	Interest on Deposits	4,764	5,208	2,000	7,000	7,000	7,000
368-000	Rents & Royalties	784,620	117,900	660,000	660,000	660,000	660,000
368-001	Rent from School Board	42,109	21,055	42,100	42,109	42,109	42,109
		831,493	144,163	704,100	709,109	709,109	709,109
371-000	Other revenue	3,551	20,674	8,000	21,000	10,000	10,000
373-000	Sale of City Property	277	9,500	6,000	10,000	5,000	5,000
380-000	Processing Fee Deq W/S	41,967	7,320	40,500	40,000	40,000	40,000
396-000	SEMIA Revenue	55,000	-	55,000	55,000	55,000	55,000
		100,795	37,494	109,500	126,000	110,000	110,000
99-202	Trans in from Major str	185,995	124,378	247,500	299,000	242,000	242,000
99-203	Trans in from Local str	405,642	173,607	365,500	365,000	385,000	385,000
99-271	Trans in from Library Fund	35,000	-	35,000	35,000	35,000	35,000
99-494	Trans in from DDA	40,000	-	40,000	40,000	40,000	40,000
99-495	Trans in from TIFA	35,000	-	35,000	35,000	35,000	35,000
99-591	Trans in from Water Fund	553,379	-	553,379	553,379	553,379	553,379
99-745	Trans in from Federal Drug						
		1,255,016	297,985	1,276,379	1,327,379	1,290,379	1,290,379
OTAL GENERAL FUND REVENUE		21,478,778	15,113,402	21,913,610	21,906,647	23,082,821	23,082,821

CITY OF SOUTHGATE  
2017 - 2018 FISCAL YEAR BUDGET  
GENERAL FUND  
EXPENDITURE SUMMARY

<u>DEPT # DEPARTMENT</u>	<u>2015 - 2016</u>		<u>2016-2017</u>		<u>2017-2018</u>	
	<u>PRIOR YEAR</u>	<u>YEAR TO DATE 12/31/2016</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>REQUEST</u>	<u>MAYORS</u>
101 City Council	\$ 34,674	\$ 17,304	\$ 34,915	\$ 34,965	\$ 34,965	\$ 38,733
136 District Court	\$ 983,455	\$ 468,985	\$ 1,027,946	\$ 1,012,818	\$ 1,059,184	\$ 1,059,184
171 Executive	\$ 244,785	\$ 96,136	\$ 214,879	\$ 205,626	\$ 224,742	\$ 225,926
191 Elections	\$ 31,218	\$ 13,754	\$ 87,250	\$ 59,585	\$ 47,960	\$ 47,960
209 Assessor	\$ 160,224	\$ 57,406	\$ 173,400	\$ 172,600	\$ 172,700	\$ 172,700
210 Attorney	\$ 156,133	\$ 84,972	\$ 145,500	\$ 145,500	\$ 145,500	\$ 145,500
215 City Clerk	\$ 155,956	\$ 78,507	\$ 147,877	\$ 157,797	\$ 152,467	\$ 153,005
220 Municipal Emp Civil Serv	\$ 3,527	\$ -	\$ 1,000	\$ -	\$ 3,600	\$ 3,600
221 Police & Fire Civil Serv	\$ 17,320	\$ 2,182	\$ 11,000	\$ 7,000	\$ 17,200	\$ 17,200
223 Finance	\$ 449,908	\$ 188,861	\$ 417,302	\$ 399,462	\$ 409,119	\$ 409,119
253 Treasurer	\$ 221,173	\$ 100,387	\$ 210,537	\$ 212,246	\$ 213,511	\$ 214,274
299 General Government	\$ 3,559,611	\$ 1,292,214	\$ 3,716,076	\$ 3,687,384	\$ 3,731,770	\$ 3,730,970
301 Police	\$ 5,877,044	\$ 2,336,549	\$ 6,651,764	\$ 6,471,623	\$ 7,301,121	\$ 7,251,121
336 Fire	\$ 3,551,683	\$ 1,403,787	\$ 3,740,656	\$ 3,868,319	\$ 4,199,979	\$ 4,198,979
371 Building	\$ 337,783	\$ 154,706	\$ 331,932	\$ 328,541	\$ 341,880	\$ 341,880
400 Planning Commission	\$ 10,378	\$ 5,195	\$ 6,500	\$ 11,000	\$ 11,000	\$ 11,000
426 Police Reserves	\$ 210	\$ 1,685	\$ 4,790	\$ 5,890	\$ 5,890	\$ 5,890
441 DPS	\$ 1,895,278	\$ 815,783	\$ 1,761,185	\$ 1,774,318	\$ 1,871,852	\$ 1,838,772
442 City Garage	\$ 520,350	\$ 210,744	\$ 530,475	\$ 480,072	\$ 535,308	\$ 523,308
528 Sanitation	\$ 1,445,232	\$ 602,755	\$ 1,459,083	\$ 1,453,770	\$ 1,455,631	\$ 1,455,631
672 Senior Citizens Center	\$ 65,449	\$ 35,320	\$ 78,492	\$ 77,841	\$ 78,593	\$ 79,055
751 Recreation	\$ 601,175	\$ 240,963	\$ 574,443	\$ 574,874	\$ 577,341	\$ 576,841
803 Historical Museum	\$ 1,173	\$ 408	\$ 3,000	\$ 1,300	\$ 1,400	\$ 1,300
805 Civic Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
965 Transfers Out	\$ 571,175	\$ 575,975	\$ 575,975	\$ 575,975	\$ 580,575	\$ 580,575
<b>TOTAL GENERAL FUND</b>	<b>\$ 20,894,914</b>	<b>\$ 8,784,578</b>	<b>\$ 21,905,977</b>	<b>\$ 21,718,506</b>	<b>\$ 23,173,288</b>	<b>\$ 23,082,523</b>



## BUDGET 2017/18

	<u>Revenues</u>	<u>Expenditures</u>
202 Major Street	1,687,269	1,276,412
203 Local Street	1,094,615	948,000
204 Municipal Street	1,241,803	1,547,525
211 Southgate/ Waandotte	1,465,392	2,965,392
245 Water & Sewer Improvement	800,000	750,000
246 Court Public Improvement	126,000	344,000
248 CDBG	153,756	153,751
271 Library	624,622	609,560
305 Building Authority	1,072,675	1,072,675
494 DDA	237,349	256,367
495 TIFA	627,032	711,025
584 Golf	272,515	279,025
591 Water and Sewer	7,745,795	8,762,200
677 Workers Comp	120,000	120,000
734 Severance Reserve	240,000	205,000

**JOSEPH G. KUSPA**  
*Mayor*

**JANICE M. FERENCZ**  
*City Clerk*

**JAMES E. DALLOS**  
*Treasurer*



## **City of Southgate**

**NORMA J. WURMLINGER**  
**MUNICIPAL BUILDING**

**- CITY COUNCIL -**

**JOHN GRAZIANI**  
*Council President*

**KAREN E. GEORGE**

**MARK FARRAH**

**BILL COLOVOS**


**DALE W. ZAMECKI**

**PHILLIP J. RAUCH**

**CHRISTOPHER P. ROLLET**

### **MEMORANDUM**

**TO:** Honorable Mayor and City Council

**FROM:** David Angileri, Assistant City Administrator/Finance Director 

**DATE:** April 25, 2017

**RE:** User charge System for Southgate-Wyandotte Drainage District Public Hearing

This Communication provides information regarding the user charge system in place for the operating and maintenance as well as Capital Improvement charges of the Southgate-Wyandotte Drainage District.

In 1975, the City of Southgate agreed to implement a user charge system as a condition of an EPA grant award in the amount of \$40,793,250 to construct improvements to the District. Upon completion of such construction in 1980 the Wayne County Drainage Board utilized excess construction funds (monies approved and levied for original construction) for the purpose of operating and maintaining the system – the approximate amount of excess funds used for this purpose over the past years is eight (8) million dollars.

The Wayne County Drainage Board has approved a final order of apportionment of the costs of the operating, maintaining and replacing facilities of the Southgate-Wyandotte Drainage District, as follows:

City of Southgate	42.708%
City of Wyandotte	50.322%
State of Michigan	1.804%
County of Wayne	5.166%

The Board will be approving an annual budget of O/M costs for fiscal year October 1, 2016 to September 30, 2017 in the amount of \$1,543,455. Therefore, based on our apportionment percentage, the City's annual cost is \$659,179 for this current fiscal year. In addition, modernization and automation of the retention treatment facilities along with the Barberry Relief Sewer are estimated at over \$23M (Southgate's portion equal to about \$9,822,840). The project will be funded by fund balance, additional levy in fiscal year 2016/2017. The additional levy for 2016/2017 is \$806,213. Therefore, I recommend a total 2016/2017 levy of \$1,465,392.

The staff has computed a charge to benefiting property owners within the District based upon size of parcel (acreage) as well as land use (whether residential, commercial or industrial see exhibit A). Approximately 60% of the geographic area of the City is included in the District.

Boundaries are as follows:

North: Brest Avenue  
South: Pennsylvania  
East: Fort Street  
West: Generally comprised by the area  
Commencing with McCann (on South side)  
To Eureka to Reeck to I-75.

There are over 8,000 parcels identified in this district. For your information, the user charge (average) for a typical residential parcel of property, assuming a 40' x 120' or 50' x 120' lot is about \$58.00 or \$70.00 respectively.

Included within the user charge system are institutional owners such as schools and churches, as well as private property owners. These institutions will also be required to pay a user charge.

### EXHIBIT A - USER CHARGE FORMULA

For each parcel of land within the Southgate-Wyandotte Drainage District, the following formula will be applied to determine the annual user charge to be assigned to each parcel so situated.

1. Each Southgate parcel within the Southgate-Wyandotte Drainage District will be assigned to one of the following eight use categories:

1. Residential

- a. R1=0 to .359 acres
- b. R2=. 360 to .750 acres
- c. R3=Over .750 acres

2. Churches
3. Commercial
4. Industrial
5. Schools
6. Municipal Complex
7. Streets & Alleys
8. Undeveloped (any user class)

2. Each of the eight categories has been assigned a runoff co-efficient as follows:

1. A. .503
- b. .314
- c. .258

2. .517
3. .802
4. .635
5. .351
6. .330
7. .612
8. .200

3. Each Southgate parcel in the Southgate-Wyandotte Drainage District will be assigned a figure, which represents the actual acreage of each parcel.

4. The acreage for each parcel will be multiplied by the runoff co-efficient assigned to that parcel's category.
5. The product of the acreage multiplied by the runoff co-efficient shall be the impervious acreage per parcel in the Southgate-Wyandotte Drainage District.
6. Areas in the Southgate-Wyandotte Drainage District with storm water runoff which flows elsewhere than Pump Station No. 5 or the Pine Street Pump Station, will be given a 95% reduction in the total impervious acreage assigned to that parcel.
7. The annual operation and maintenance along with Capital costs assigned to the Southgate-Wyandotte Drainage District by Wayne County.
8. The annual operation and maintenance will multiplied by 42.708% plus the cost of Capital Improvements to determine the total Southgate share of the Southgate-Wyandotte District costs.
9. The total Southgate share of the Southgate-Wyandotte Drainage District costs will be divided by the total impervious acreage in the Southgate portion of the Southgate-Wyandotte Drainage District to yield a unit cost per impervious acre.
10. The impervious acreage for each Southgate parcel in the Southgate-Wyandotte Drainage District will be multiplied by the product of the calculation in #9 hereinabove.
11. The result of the product derived from #10 hereinabove shall be the annual fee charged to each Southgate parcel in the Southgate-Wyandotte Drainage District.

**JOSEPH G. KUSPA**  
*Mayor*

**JANICE M. FERENCZ**  
*City Clerk*

**JAMES E. DALLOS**  
*Treasurer*



**City of Southgate**  
NORMA J. WURLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

**JOHN GRAZIANI**  
*Council President*

**KAREN E. GEORGE**

**MARK FARRAH**

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**DALE W. ZAMECKI**

**PHILLIP J. RAUCH**

**CHRISTOPHER P. ROLLET**

## **MEMORANDUM**

**TO:** Honorable Mayor and City Council

**FROM:** David Angileri, Assistant City Administrator/Finance Director

**DATE:** April 23, 2017

**RE:** Proposed Water/Sewer Rate Increase

Attached is the proposed Water and Sewer rate increase as discussed with you during the budget study sessions. The proposed Water Rate is \$24.39 with \$0.60 increase per 1,000 cubic feet. The proposed Sewer Rate is \$29.93 with no increase per 1,000 cubic feet. The proposed Capital Rate is \$8.00 with \$2.00 increase per 1,000 cubic feet.

At the conclusion of this evening's public hearing the Administration is requesting the City Council adopt a resolution establishing the new Water rate at \$24.39 per 1,000 cubic feet and the new Capital Rate of \$8.00 per 1,000 cubic feet. Should you have any questions please contact me at 734-258-3017.

JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
*City Clerk*

JAMES E. DALLOS  
*Treasurer*



**City of Southgate**  
NORMA J. WURLINGER  
MUNICIPAL BUILDING

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PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

**Memorandum**

**To:** Honorable City Council Members

**From:** John J. Zech, City Administrator *JJZ*

**Re:** Demolition Order; 16100 Fort St.

**Date:** April 25, 2017

---

The administration has asked you to hold another public hearing to consider the recommendation of the Dangerous Buildings Board, which they unanimously adopted at their February 21, 2017 meeting. At that meeting they requested that you concur with their recommendation and order the demolition of the structures at 16100 Fort St. in accordance with Chapter 1460 of the City of Southgate's Codified Ordinances.

Attached please find copies of their recommendation and the minutes of their February 21<sup>st</sup> meeting. In addition, please find copies of the certified letters to Mr. Fred Poe and TCF Bank. We also have provided you with copies of the notices that were placed on the buildings at 16100 Fort. St.

Please contact Bob Casanova or me if you have any questions.



## City of Southgate

DEPARTMENT OF BUILDING AND SAFETY ENGINEERING  
14400 DIX-TOLEDO ROAD, SOUTHGATE MICHIGAN 48195  
PHONE: (734) 258-3027  
FAX: (734) 281-6670  
[www.southgatemi.org](http://www.southgatemi.org)

March 8, 2017

The Honorable City Council  
14400 Dix-Toledo  
Southgate, MI 48195

Dear Council Members

The City of Southgate Building and Housing Code, Section 1460.09 (attached) states, "If an owner, agent or party in interest fails to appear at a hearing or neglects or refuses to comply with the order provided for in Section 1460.08, the Dangerous Buildings Board shall file a report of its findings and a copy of its order with Council and request that the necessary action be taken to demolish or otherwise make safe the building or structure."

The Dangerous Buildings Board is hereby submitting the following findings regarding the commercial business located at 16100 Fort and respectfully request that a Public Hearing be held.

At a meeting held on February 21, 2017, the following motion was approved (minutes attached).

Motion by Robert Hines supported by James Leininger that the Dangerous Buildings Board file a report of its findings with the City Council and request that the necessary action be taken to demolish or otherwise make safe the structure. The owner will be notified with a copy of the minutes of this meeting by Certified Mail. Motion carried.





The Honorable City Council  
March 8, 2017  
Page Two

The Dangerous Buildings Board respectfully requests the City Council to take the necessary action against the owner(s), of the commercial business located at 16100 Fort, in making this a safe structure.

Respectfully submitted

*Don Vaccarelli*

*Robert Hines*  
Robert Hines  
Dangerous Buildings Board

*Jim Leininger*  
Jim Leininger  
Dangerous Buildings Board

Don Vaccarelli  
Dangerous Buildings Board

Pc: TCF Bank  
Fred Poe  
Mayor  
City Administrator  
Director of Public Safety  
Fire Chief  
Police Chief  
Director Public Services  
City Attorney

bmm

Attachments

# DANGEROUS BUILDINGS BOARD

## MINUTES

16100 FORT

February 21, 2017

Present: Robert Hines, Dangerous Buildings Board, Jim Leininger, Dangerous Buildings Board, Don Vaccarelli, Dangerous Buildings Board, John Zech, City Administrator, Robert A Casanova, Building Inspections Director, Ed Zelenak, City Attorney, John C. Byers, 13024 Leroy, Karen George, 12265 Manor, Michael O'Leary, Lola O'Leary, 13036 Leroy and Bernadette Moore, Secretary.

The meeting was called to order at 3:30 p.m. with the Dangerous Buildings Board secondly considering the commercial business located at 16100 Fort.

Roll call was taken: Robert Hines, Jim Leininger and Don Vaccarelli present to constitute a quorum.

Robert Hines stated that Fred Poe was not present.

Robert Casanova stated that final repairs had been made to the used car building; however, Code Enforcement had to notify them about windows that had been broken recently.

John Zech stated that Fred Poe had recently visited him to get clarification on the last Dangerous Building Board meeting.

Robert Hines stated that both buildings are in bad disrepair and there are more and more issues noticeable such as; vandalism, paint chipping, water getting into the block, parking lot weeds, interior tiles falling, etc.

Dangerous Buildings Board  
16100 Fort  
February 21, 2017

Motion by Robert Hines, supported by James Leininger that the Dangerous Buildings Board file a report of its findings with the City Council and request that the necessary action be taken to demolish or otherwise make safe the structure. The owner will be notified with a copy of the minutes of this meeting by Certified Mail. Motion carried.

Meeting adjourned at 4:04 p.m.

Respectfully submitted  
Bernadette M. Moore

# Southgate Police Department

14710 REAUME PARKWAY  
CIVIC CENTER  
SOUTHGATE, MICHIGAN 48195



CERTIFIED MAIL



7008 0150 0000 2047 2783  
7008 0150 0000 2047 2783

U.S. Postal Service <b>CERTIFIED MAIL RECEIPT</b> <small>(Domestic Mail Only. No Insurance Coverage Provided)</small>	
For Delivery Information, Visit our Website: <a href="http://www.usps.com">www.usps.com</a>	
<b>BOA EDUC POLICE Dept</b>	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage:	
Sent to	TCF Bank
Street, Apt. No., or PO Box No.	Robert A. Henry 17440 College Parkway Livonia, MI 48152
City, State, ZIP+4	
Postmark Here	
PS Form 3800, February 2008	

*B. Moore*  
**Southgate Police Department**

14710 REAUME PARKWAY  
CIVIC CENTER  
SOUTHGATE, MICHIGAN 48195



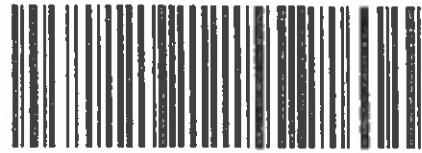
TCF Bank  
Robert A. Henry  
17440 College Parkway  
Livonia, MI 48152

# Southgate Police Department

14710 REAUME PARKWAY  
CIVIC CENTER  
SOUTHGATE, MICHIGAN 48195



CERTIFIED MAIL



7008 0150 0000 2047 2776

7008 0150 0000 2047 2776

U.S. POSTAL SERVICE CERTIFIED MAIL RECEIPT (Domestic Mail Only, No Insurance Coverage Provided)	
Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage	
Postmark Here	
Sent To Fred Poe 2225 South Lovington Troy, MI 48083	
Street, Apt. No. or PO Box No. City, State, Zip	

# Southgate Police Department

14710 REAUME PARKWAY  
CIVIC CENTER  
SOUTHGATE, MICHIGAN 48195



Fred Poe  
2225 South Lovington  
Troy, MI 48083

15100 00191 - 16100 FORT ST.





16100 FORT ST.



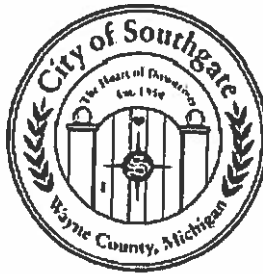
1600 FORT ST.



**JOSEPH G. KUSPA**  
*Mayor*

**JANICE M. FERENCZ**  
*City Clerk*

**JAMES E. DALLOS**  
*Treasurer*



**City of Southgate**  
**NORMA J. WURMLINGER**  
**MUNICIPAL BUILDING**

**- CITY COUNCIL -**

**JOHN GRAZIANI**  
*Council President*

**KAREN E. GEORGE**

**MARK FARRAH**

**BILL COLOVOS**


**DALE W. ZAMECKI**

**PHILLIP J. RAUCH**

**CHRISTOPHER P. ROLLET**

**MEMORANDUM**

**TO:** Honorable Mayor and City Council

**FROM:** David Angileri, Assistant City Administrator/Finance Director 

**DATE:** April 23, 2017

**RE:** Southgate-Wyandotte Drainage District User Charge

Under a separate transmittal, you have previously held the Public Hearing for the Southgate-Wyandotte Drainage District regarding the 2017/2018 special assessments.

It is recommended that City Council adopt a resolution, which approves the 2017/2018 fiscal year apportionment for the City of Southgate.

JOSEPH G. KUSPA  
Mayor

JANICE M. FERENCZ  
City Clerk

JAMES E. DALLOS  
Treasurer



**City of Southgate**

NORMA J. WURLINGER  
MUNICIPAL BUILDING

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PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

**MEMORANDUM**

TO: Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 23, 2017

RE: Water, Sewer and Capital Rate Increase

Under a separate transmittal, you have previously held the Public Hearing for the Water, Sewer and Capital Rate Increase for fiscal year 2017/2018.

It is recommended that City Council adopt a resolution establishing the new Water Rate at \$24.39 per 1,000 cubic feet and Capital Rate at \$8.00 per 1,000 cubic feet for fiscal year 2017/2018.

JOSEPH G. KUSPA  
Mayor

JANICE M. FERENCZ  
City Clerk

JAMES E. DALLOS  
Treasurer



**City of Southgate**  
NORMA J. WURLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

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MARK FARRAH

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DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

## MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director 

DATE: April 24, 2017

RE: Recommendation for AT&T Utility Pole Removal

I have reviewed the above and concur with the City Engineer to award this contract to AT&T in the amount of \$24,052.33.

Adequate funds are available in the Major and Local Street Funds to cover this contract.



April 18, 2017

Mr. John Zech, City Administrator  
City of Southgate  
14400 Dix-Toledo Highway  
Southgate, Michigan 48195

**Re: MDOT TAP Grant Pathway  
AT&T Utility Pole Removal  
City of Southgate  
Hennessey Project No. 13088**

Dear Mr. Zech:


As you are aware, the City of Southgate received a quote from AT&T to remove three existing utility poles located in the proposed driving lanes of the MDOT TAP Grant Pathway Project for a cost of \$24,052.33.

It is our recommendation that the City proceed with this work as part of the MDOT TAP Grant Pathway. However, this work will not be eligible for matching federal funds, and will have to be paid for with ACT 51 funds.

If you have any questions, please do not hesitate to contact me at any time.

Very Truly Yours,

HENNESSEY ENGINEERS, INC



Troy Nuccio, P.E.  
Project Engineer

cc: Bob Tarabula, DPS Director, City of Southgate  
Dave Angileri, Finance Director, City of Southgate  
John J. Hennessey, P.E., Vice-President, Hennessey Engineers, Inc.  
John M. Miller, Construction Manager, Hennessey Engineers, Inc.  
File B.3

R:\Municipalities\10000's Southgate\13000's Southgate\13088 MDOT-TAP Grant Pathway\Correspondence\Utility Pole Removal.docx

CR#: 190772  
PJT#:A00YGR9**APPLICATION and LETTER OF AGREEMENT FOR CUSTOM WORK**

April 14, 2017

**BILL NAME:** CITY OF SOUTHGATE  
**BILLING ADDRESS:** 14400 DIX-TOLEDO HIGHWAY, SOUTHGATE, MI 48195  
**BILLING CONTACT NAME:** JOHN J. ZECH  
**BILLING CONTACT NUMBER:** 734-765-2355  
**SITE CONTACT NAME & NUMBER:** JOHN J. ZECH  
**WORK SITE LOCATION:** 13631 EUREKA ROAD, SOUTHGATE, MI 48195  
**DESCRIPTION OF CUSTOM WORK:** REQUEST TO RELOCATE FACILITIES. THIS WORK  
REQUIRES UP-FRONT PAYMENT & SIGNED CONTRACT.  
QUOTE AUTHORIZED BY JOHN J. ZECH ON 3/21/17.

---

***Estimated Fixed Cost Invoice***

---

<b>Expenses</b>	<b>Amount</b>
ENGINEERING LABOR	\$6,386.05
MATERIAL COST	\$2,178.46
CONSTRUCTION LABOR	\$6,105.51
CONTRACTOR COST	\$9,382.31
<b>Estimated Contract Price</b>	<b>\$24,052.33</b>
<b>Less Credits/Payments</b>	<b>\$500.00</b>
<b>Total Balance Due</b>	<b>\$23,552.33</b>

---

Applicant requests that Michigan Bell Telephone Company d/b/a AT&T MI, (hereafter "Michigan Bell Telephone Company") perform the above-described custom work on Applicant's behalf. Applicant agrees to pay the charge(s) indicated above for such work. The charge(s) will be computed in accordance with Michigan Bell Telephone Company's ordinary accounting practices and will include its estimate for allocated costs for labor, engineering, materials, transportation, motor vehicles, tool and supply expenses, corporate overhead loadings, and sundry billings from sub-contractors and suppliers for work and materials related to the job.

Applicant agrees to make an advance payment of **\$23,552.33** prior to commencement of the work.



CR#: 190772  
PJT#:A00YGR9

#### CANCELLATION

If the Applicant cancels the work prior to completion, Applicant must notify Michigan Bell Telephone Company, in writing of said cancellation.

If Applicant elects to cancel the work prior to completion, Applicant agrees to pay Michigan Bell Telephone Company for the costs it has incurred in starting performance under the contract. If Applicant has made an advance payment, Michigan Bell Telephone Company, will deduct its costs and expenses incurred as of the date of Applicant's notice of cancellation from the amount of the advance payment. Any amount remaining will be refunded to Applicant.

#### PRICE QUOTE

The price is guaranteed for 60 days from April 14, 2017. If the charges are not accepted within 60 days the order will be cancelled and a new order will need to be placed. The second estimate may be higher than the price that was originally quoted.

#### STOP WORK ORDER

In the event that Applicant issues a stop work order, or places the project "on hold", at any point during the progress of the work, said stop work order or request to "hold" work must be issued in writing and must be delivered via certified mail, return receipt requested to **Gene Ferry 220 Wisconsin Ave, Fir 2, Waukesha, WI 53186**. If Applicant issues a stop work order, or a request to "hold" work, the contract price quoted herein will remain valid until sixty (60) days from the date of the stop work or "hold" work order. At the expiration of the sixty (60) days, the contract price quoted herein will expire and a new contract price will be determined and provided, in writing, to Applicant. The new contract price may be higher than the contract price quoted in this custom work order. If, after issuing a stop work, or "hold" work order, Applicant elects to cancel the contract, Applicant must inform Michigan Bell Telephone Company, in writing of the cancellation. Michigan Bell Telephone Company will deduct any costs and expenses incurred in performing the work from Applicant's advance payment, and refund any remaining funds to Applicant.

Under no circumstances will Michigan Bell Telephone Company, be responsible to Applicant for any alleged damages or additional expenses incurred by Applicant as a result of a stop work order or an order to "hold" work on the project.

#### CHANGES IN SCOPE OF WORK OR CHANGES IN FIELD CONDITIONS/CONTRACTOR COSTS

The parties recognize that this is a fixed cost contract. However, if Applicant initiates changes in the scope of the work after Michigan Bell Telephone Company, has provided Applicant with the above referenced price quote, or after Applicant executes this fixed price contract, whichever is earlier, the above price quote is null and void and Applicant must request that a new estimate be provided based on the revised/altered scope of work; this contract will continue to apply until replaced by a new contract associated with the revised/altered scope of work.

In the event that there exists a condition in the field that is different from field conditions that existed at the time Michigan Bell Telephone Company provided the above referenced price quote to Applicant, or after Applicant executes this fixed price contract, whichever is earlier, the above price quote is null and void and Applicant must request that a new estimate be provided based on the changed field conditions; this contract will continue to apply until replaced by a new contract associated with the revised/altered scope of work.



CR#: 190772  
PJT#:A00YGR9

**INDEMNIFICATION AND HOLD HARMLESS**

Applicant, its agents, servants, and employees hereby agree to indemnify and hold harmless Michigan Bell Telephone Company, and its employees, agents and contractors, from and against any and all claims, costs, expenses, judgments or actions for damage to property or injury or death to persons, and/or arising from or relating to the work that is the subject of this agreement, to the extent any such claims are caused by the negligent acts or omissions of the Applicant, its agents, servants, or employees.

**ENTIRE AGREEMENT**

The Applicant agrees that the terms set forth herein constitute the entire agreement and there are no other agreements regarding the project that is the subject of this agreement between the parties.

**MODIFICATION & NOTICE**

Any modification to this agreement must be made in writing and signed by both parties.

Any party to this agreement may provide the other party with notice of any fact or condition by providing such information in writing and serving said writing via certified mail, return receipt requested.

**CR Record #190772**

**Date Quote Expires: 6/13/2017**

**ACCEPTED FOR CUSTOMER:**

**AT&T CWO Manager Contact Information**

Authorized Signature	_____	CWO	_____
Title:	_____	Manager:	<b>Gene Ferry</b>
Company:	_____	Phone	_____
Printed Name:	_____	Number:	<b>888-618-6517</b>
Date:	_____	Fax Number:	_____
		Date:	<b>April 14, 2017</b>

**Please send check made payable to AT&T CWO; along with signed agreement to:**

**AT&T CWO ATTN: Gene Ferry  
220 Wisconsin Avenue, FLR 2  
Waukesha, WI 53186**

JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
*City Clerk*

JAMES E. DALLOS  
*Treasurer*



**City of Southgate**  
NORMA J. WURLINGER  
MUNICIPAL BUILDING

**- CITY COUNCIL -**

JOHN GRAZIANI  
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PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

**Memorandum**

**To:** Honorable City Council Members

**From:** John J. Zech, City Administrator

**Re:** Demolition Order; 16100 Fort St.

**Date:** April 25, 2017

---

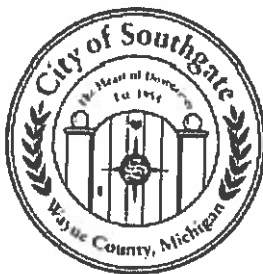
As previously discussed during this evening's public hearing, the owner of the above referenced address has not taken the steps to remedy the buildings in accordance with the order of the Dangerous Building Board. Therefore, the Administration respectfully requests the City Council adopt a resolution concurring with the recommendation of the Dangerous Building Board and order the demolition of the structures in accordance with Chapter 1460 of the City of Southgate Codified Ordinances. Please contact Bob Casanova or me with any questions you may have.



JOSEPH G. KUSPA  
Mayor

JANICE M. FERENCZ  
City Clerk

JAMES E. DALLOS  
Treasurer



**City of Southgate**  
NORMA J. WURLINGER  
MUNICIPAL BUILDING

**- CITY COUNCIL -**

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DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

**Memorandum**

**To:** Honorable City Council Members

**From:** John J. Zech, City Administrator

**Re:** City of Southgate, State of Michigan Water & Sewer Revenue Bond, Series 2017

**Date:** April 25, 2017

---

Attached please find a communication from Deborah Miller on behalf of Peter Ecklund, Jr. of Clark Hill, PLC concerning the above referenced subject.

The administration respectfully requests that you approve the bond resolution drafted by Mr. Ecklund, who will be in attendance at your May 3, 2017 meeting.

If you have any questions about this matter, please contact me.

**Cc:** Mayor Joseph G. Kuspa  
David Angileri  
Robert Tarabula  
John Hennessey  
Ryan Kern

CITY OF SOUTHGATE

At a \_\_\_\_\_ meeting of the City Council of the City of Southgate, Michigan, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, at \_\_\_\_:\_\_\_\_.M., Eastern Daylight Savings Time, at the City Hall in Southgate, Michigan there were:

PRESENT: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: \_\_\_\_\_

The following preambles and resolution were offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**BOND RESOLUTION  
City of Southgate, State of Michigan  
Water and Sewer Revenue Bond, Series 2017**

WHEREAS, there have been prepared and presented to the City Council (the "Council") of the City of Southgate, Michigan (the "City"), a description of a water main lining project in the City of Southgate (the "Water Main Lining Project"), all as more fully described in EXHIBIT A, and the issuance of a bond sold to the Municipal Finance Authority pursuant to the terms of Act No. 94, Public Acts of Michigan, 1933 as amended ("Act 94"); and

WHEREAS, it has been estimated that the period of usefulness of the Water Main Lining Project is not less than 20 years and that the total amount of the project is to be provided by the proceeds from the sale of the bond issued by the City pursuant to Act 94 will not exceed \$4,000,000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTHGATE, MICHIGAN, AS FOLLOWS:

1. Bond Size. A Bond of the City in the aggregate principal amount of not to exceed \$4,000,000 shall, as provided below, be sold to the Michigan Finance Authority (the "Authority") through its Drinking Water Revolving Fund Loan Program.

2. Definitions. In addition to other terms defined in this Resolution, whenever used in this Resolution, except when otherwise indicated by the context, the following terms shall have the following meanings:

a. "Act" means Act No. 94 of the Public Acts of Michigan of 1933, as amended.

b. "State Authority" and "Authority" shall mean the Michigan Finance Authority created under

Executive Reorganization Order E.R.O. No 2010-2  
Act No. 227 of the Public Acts of Michigan of  
1985.

c. "Bond" means the City of Southgate Water and Sewer Revenue Bond, Series 2017 of the issuer in such principal amount as shall be delivered pursuant to the Purchase Contract authorized by this Resolution.

d. "Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bond and the principal and redemption premium, if any, on the Bond as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if the Bond is to be called for redemption prior to maturity, irrevocable notice to call the Bond for redemption shall be given to the paying agent.

e. "Purchase Contract" shall mean a Purchase Contract and Supplemental Agreement.

f. "Project" means the Water Main Lining Project as described in APPENDIX A attached hereto.

g. "Revenues" and "Net Revenues" mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by this Bond Resolution.

h. "System" means City of Southgate Water and Sewer System, including such facilities thereof as are now existing, are acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

3. Bond Details. The Bond hereby authorized shall be designated City of Southgate, State of Michigan, Water and Sewer

Revenue Bond, Series 2017, or in any other manner requested by the Authority and approved by the City, shall be dated as of the date of delivery, shall consist of a single fully-registered bond, and shall be payable in the years and amounts as shown on the Form of Bond attached to this Bond Resolution all in accordance with a certain Purchase Contract, in the general form attached hereto as Appendix A (the "Purchase Contract").

The Bond shall bear interest from the date such principal is disbursed by the State Authority to the City at such rate per annum as shall be agreed to not in excess of two and one half percent (2.5%) per annum, payable on such dates as shall be provided in the final Bond. It is expected that principal will be disbursed in more than one installment and each installment of principal disbursed will bear interest from the date of disbursement as noted by the State Authority on the date of disbursement.

Principal of and interest on the Bond shall be payable, and principal of the Bond will be subject to prepayment prior to maturity, in the manner and at the times provided in the form of Bond set forth in paragraph 18 of this Bond Resolution. The actual debt retirement schedule shall be set forth in the Purchase Contract.

4. Source of Repayment. The Bond is to be issued pursuant to the provisions of the Act in anticipation of, and is primarily payable from, the Net Revenues from the System as further described in paragraphs 20 and 21 below. In addition should the City Administrator or Finance Director so order the Bond may also be secured by a pledge of the City's limited tax full faith and credit.

5. Capitalized Interest. As the City so orders at the time of disbursing the first installment of principal to the City, up to two year's interest payable on the Bond may be capitalized; and be transferred to the Bond Payment Fund established herein.

6. Reduction in Aggregate Amount of Issue. In the event the Purchase Contract shall call for delivery of bonds less than \$4,000,000, the City or City Finance Director shall reduce the principal amount of the Bond and restructure the maturities thereof in accordance with the Purchase Contract.

7. Paying Agent and Bond Registrar. The City Finance Director shall act as the Paying Agent and Bond Registrar.

8. Transfer or Exchange of Bond. The Bond shall be transferable only as set forth in the Bond Form shown in paragraph 18 of this Bond Resolution.

9. Execution and Delivery. The bond shall be executed in the name of the City by the manual or facsimile signatures of the Mayor (or the Council President in the absence of the Mayor) and the City Clerk (if facsimile signatures are used the bond shall be authenticated by the manual signature of an authorized representative of the bond registrar and paying agent; if manual signatures are used no authentication is necessary), and the seal of the City or a facsimile thereof, shall be impressed or imprinted on the bond. When so executed, the Bond shall be delivered to the City or Mayor, who thereafter shall deliver the same to the Authority.

10. Bond and Interest Redemption Fund. The City shall establish a separate fund to be designated "City of Southgate 2017 Bond and Interest Redemption Fund" as described in Section 19c(2) of this resolution. Moneys in the Bond and Interest Redemption Fund shall be used solely to pay principal of and premium, if any, and interest on the Bond.

Moneys in the Bond Payment Fund may be continuously invested and reinvested in any legal investment for City funds, which shall mature, or which shall be subject to redemption by the holder thereof not later than, the dates when moneys in the Bond Payment Fund will be required to pay the principal of and interest on the Bond. Obligations purchased as an investment of moneys of the Bond Payment Fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

11. Project Fund. Except for amounts required by this resolution to be deposited in the Bond Payment Fund, the proceeds from the sale of the Bond shall be deposited in a separate fund to be designated "City of Southgate Water and Sewer Revenue 2017 Project Fund" (the "Project Fund").

Moneys at any time in the Project Fund shall be used solely to pay costs of the Project or to reimburse the City for any costs of the Project paid before the Bond is delivered, except that upon payment (or provision for payment) in full of the costs of the Project any excess moneys remaining in the Project Fund shall be transferred to the Bond Payment Fund (if a Bond is outstanding) or applied as required by law.

Moneys in the Project Fund may be continuously invested and reinvested in any legal investment for City funds, which shall mature, or which shall be subject to redemption by the holder thereof not later than, the estimated dates when moneys in the Project Fund will be required to pay costs of the Project. Obligations purchased as an investment of moneys in the Project Fund shall be deemed at all times to be a part of the Project Fund, and the interest accruing thereon and any

profit realized from such investment shall be credited to such fund.

12. Mutilated, Lost, Stolen, or Destroyed Bonds. Subject to Act No. 354, Public Acts of Michigan, 1972, as amended and any other applicable laws, in the event any bond is mutilated, lost, stolen or destroyed, the Mayor and the City Clerk may, on behalf of the City, execute and deliver, or order the Bond Registrar to authenticate and deliver, a new bond having a number not then outstanding, of like date, maturity, interest rate and denomination as that mutilated, lost, stolen, or destroyed.

In the case of a mutilated bond, a replacement bond shall not be delivered unless and until such mutilated bond is surrendered to the Bond Registrar. In the case of a lost, stolen, or destroyed bond, a replacement bond shall not be delivered unless and until the City and the Bond Registrar shall have received the following: (i) a bond of indemnity as required by Act 354; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the bond lost, stolen or destroyed and the circumstances under which it was lost, stolen, or destroyed; (iii) the agreement of the owner of the Bond (or his or her attorney) to fully indemnify the City and the Bond Registrar against loss due to the lost, stolen, or destroyed bond and the issuance of any replacement bond in connection therewith; and (iv) the agreement of the owner of the Bond (or his or her attorney) to pay all expenses of the City and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the City.

13. Arbitrage and Tax Covenants. Notwithstanding any other provision of this Resolution, the City covenants that it will not at any time or times:

(a) Permit any proceeds of the Bond or any other funds of the City or under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or

other returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Bond to be includible in gross income for federal income tax purposes, cause the interest on the Bond to be includible in computing any alternative minimum tax (other than the alternative minimum tax applicable to interest on all tax-exempt obligations generally) or cause the proceeds of the Bond to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Bond and the interest thereon from State of Michigan income taxation.

14. Defeasance or Redemption of Bond. If at any time,

- (a) the whole amount of the principal of and interest on any outstanding bond shall be paid, or
- (b) (i) sufficient moneys, or Government Obligations (as defined in this section) not callable prior to maturity, the principal of and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of and premium, if any, and interest on any outstanding bond as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of paying the principal of and premium, if any, and interest on such bond as and when due, and (ii) in the case of redemption prior to maturity, any outstanding bond shall have been duly called for redemption (or irrevocable instructions to call such bond for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the City shall be released from all further obligations under this resolution, and any moneys or other assets then held or pledged pursuant to this resolution for the purpose of paying the principal of and interest on the Bond (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this resolution, paid over to the City and considered excess proceeds of the Bond. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within thirty (30) days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be given to the registered holders hereof not more than sixty (60) days nor less than forty-five (45) days

prior to the redemption setting forth the date or dates, if any, designated for the redemption of the Bond, a description of the moneys or Government Obligations so held by it, and that the City has been released from its obligations under this resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of and premium, if any, and interest on the Bond at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by an Authorized Officer, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

15. Filing with Municipal Finance Division. The City Administrator, if necessary, is authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for approval of the sale of the Bond;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

16. Resolution. The provisions of this Resolution shall constitute a contract between the City and the State Authority as the bondholder. After the issuance of the Bond the Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interests of the bondholder, nor shall the City adopt any law, ordinance or resolution in any way adversely affecting the rights of the holders of the Bond so long as the Bond or interest thereon remains unpaid.

17. Purchase Contract. The Mayor is hereby authorized to execute and deliver the Purchase Contract and the Mayor and City Clerk are hereby authorized to execute and deliver the Issuer's Certificate, with such changes as may be necessary or desirable, permitted by the Act and otherwise by law, and not materially



adverse to the City so long as the interest rate on the Bond is not in excess of 2.5% per annum.

The Mayor, the City Clerk, the City Finance Director and the City Administrator, and each of them individually, are hereby authorized to sign the Supplemental Agreement and any and all other documents and certificates necessary for the sale and delivery of the Bond.

18. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
CITY OF SOUTHGATE  
WATER AND SEWER REVENUE BOND, SERIES 2017

No. R-1

<u>RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUANCE</u>
<u>      </u> %	<u>                    </u>	<u>                    </u>

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REGISTERED OWNER:     MICHIGAN FINANCE AUTHORITY

PRINCIPAL AMOUNT:                                          (\$        )

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FOR VALUE RECEIVED, the City of Southgate, County of Wayne, State of Michigan (the "Issuer" or "City "), hereby acknowledges itself indebted and promises to pay to the Michigan Finance Authority (the "Authority") the principal sum of                      Dollars (\$        ) or so much thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, on the dates and in the principal installments indicated on the Payment Schedule attached as EXHIBIT 1 hereto, unless prepaid prior thereto as hereinafter provided, with interest on said principal thereon until paid from the date each such installment of principal is disbursed by the Authority to the City at the rate of                      percent (       %) per annum, first payable on                     ,                      and semiannually thereafter and principal is payable on the first day of                      commencing                     ,                      (as identified in the Purchase Contract) and annually thereafter. For the prompt payment of principal and interest on this bond, the City will use the revenues from the operation of the City's water system to make the payments due on the Bond.

Notwithstanding any other provision of this Bond, so long as the Michigan Finance Authority (the "State Authority" or "Authority") is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business

days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least forty (40) days prior to the date on which such redemption is to be made.

#### ADDITIONAL INTEREST

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

The Bond may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

During the time funds are being drawn down by the Issuer under this Bond, MFA will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the MFA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued

interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

This Bond is a single registered self-liquidating bond issued by the City under and pursuant to and in full conformity with the Constitution and statutes of the State of Michigan (especially Act No. 94, Public Acts of Michigan, 1933, as amended) and a bond resolution adopted by the City Council of the City on Wednesday May 3, 2017 (the "Bond Resolution") for the purpose of paying for the construction of the Project.

**[ADDITIONAL LANGUAGE TO BE INSERTED]**

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in connection with the issuance of the Bond, existed, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Michigan, and that the total indebtedness of the City, including this Bond, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Southgate, County of Wayne, Michigan, by its City Council has caused this Bond to be executed in its name with the signatures of its Mayor and its City Clerk, has caused its seal to be affixed hereto, all as of the Date of Issuance.

CITY OF SOUTHGATE

[SEAL]

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

And: \_\_\_\_\_  
City Clerk

## EXHIBIT 1

DEQ Project No.  
DEQ Approved Amt: \$

### PAYMENT SCHEDULE

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Issuer is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due
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\_\_\_\_\_, \_\_\_\_\_

Interest on the Bond shall accrue on that portion of principal disbursed by the Authority to the Issuer which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of \_\_\_\_% per annum, payable \_\_\_\_\_ 1, \_\_\_\_\_, and semi-annually thereafter.

The Issuer agrees that it will deposit with The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

19. Funds and Security

(a) Definition of Bonds. For purposes of this section "Bonds" shall mean any and all revenue bonds issued by the City and outstanding at any time which are secured by and payable from revenues of the System.

(b) Security. The principal of, premium, if any, and interest on all Bonds shall be payable from the Net Revenues derived from the City's System. To secure the payment of the principal of, premium, if any, and interest on the Bonds issued under this Resolution and on any Additional Bonds of equal standing issued as provided below, there is hereby created in favor of the holders of the Bond a lien (made a statutory lien by the Act) upon said revenues which lien shall be equal to and on a parity with the lien securing any additional bonds which may be hereafter issued in accordance with the restrictions contained in this Resolution. The Revenues so pledged shall be and remain subject to the lien until the payment in full of the principal of, premium, if any, and interest on the Bonds or until provision for such payment has been made by the deposit with the paying agent of either (i) cash in an amount which shall be sufficient, or (ii) non-callable direct obligations of the United States of America or obligations fully guaranteed by the United States of America, the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the paying agent for such purpose, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on the Bonds to and at maturity or any earlier specified redemption date or dates.

(c) Funds and Accounts; Flow of Funds. All funds belonging to the System shall be transferred as herein indicated and all Revenues of the System shall be set aside as collected and credited to a fund to be designated WATER AND SEWER SYSTEM RECEIVING FUND (the "Receiving Fund"). All Revenues in any accounts of the System shall be deposited in the Receiving Fund and credited to the funds and accounts as provided in this section. The Revenues credited to the Receiving Fund are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority hereinafter specified:

(1) OPERATION AND MAINTENANCE FUND:

Out of Revenues credited to the Receiving Fund there shall be first set aside in, or credited to, a fund designated OPERATION AND MAINTENANCE FUND (the "Operation and Maintenance Fund"), monthly a sum of sufficient to provide for the payment of the next month's expenses of administration and operation of the System and such current expenses for the maintenance

thereof as may be necessary to preserve the same in good repair and working order.

A budget, showing in detail the estimated costs of administration, operation and maintenance of the System for the next ensuing operating year, shall be prepared and approved by the City at least 30 days prior to the commencement of each ensuing operating year. No payments shall be made to the City from moneys credited to the Operation and Maintenance Fund except for services directly rendered to the System by the City or its personnel.

(2) 2017 BOND AND INTEREST REDEMPTION FUND:

There shall be established and maintained a separate depository fund designated THE 2017 BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Bond.

Out of Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund, there shall be set aside each month in the Redemption Fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the Bond, less any amount in the Redemption Fund representing accrued interest on the Bond or investment income amounts on deposit in the Redemption Fund. If there is any deficiency in the amount previously set aside, that deficiency shall be added to the next succeeding monthly requirements. The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, including investment income thereon, is necessary to pay principal and interest due on the Bonds on the next succeeding proposed date.

(3) REPLACEMENT FUND:

There shall next be established and maintained a fund, separate depository account, designated REPLACEMENT FUND (the "Replacement Fund"), the money credited thereto to be used solely for the purpose of making repairs and replacements to the System. All moneys or securities currently deposited in the Replacement Fund shall continue to be deposited therein. Out of the Revenues and moneys of the System remaining in the Receiving Fund each month after provision has been made for the deposit of moneys in the Operation and Maintenance Fund and the Redemption Fund, there may be deposited in the Replacement Fund such additional funds as the City Council may deem advisable. If at any time

it shall be necessary to use moneys in the Replacement Fund for the purpose for which the Replacement Fund was established, the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Resolution to be used for the Operation and Maintenance Fund or the Redemption Fund (including the Bond Reserve Account).

(4) IMPROVEMENT FUND:

Out of the remaining Revenues in the Receiving Fund, after meeting the requirements of the Operation and Maintenance Fund, the Redemption fund (including the Bond Reserve Account), the Replacement Fund and the Building Authority Lease Payment Fund, there may be next set aside in or credited to a fund to be designated IMPROVEMENT FUND (the "Improvement Fund"), which Improvement Fund may have several subaccounts therein, such sums monthly as the City may deem advisable to be used for additions, improvements, enlargements or extensions to the System including the planning thereof.

(5) SURPLUS MONEYS:

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section may, at the discretion of the City, be used for any of the following purposes:

(i) Transferred to the Replacement fund, the Improvement Fund or both.

(ii) Any other use permitted by law.

(d) Priority of Funds. In the event that moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Redemption Fund, any moneys or securities in other funds of the System, except the proceeds of sale of the Bond, shall be credited or transferred, first, to the operation and Maintenance Fund, and second to the Redemption Fund.

20. Events of Default And Remedies

(a) Events of Default. Any of the following events occurring shall constitute an "Event of Default":

(1) Default in the due and punctual payment of principal of, premium, if any, or interest on the Bond whether at maturity or upon redemption.

(2) Default in the performance or observance of any other duty, obligation or condition on the part of



the City provided in this Resolution, or the Act, or any other provision of law or in the Bond, and the continuance of such default for a period and after the notice specified below in this section. No default specified in (2) above shall constitute an Event of Default unless notice thereof shall have been given by the holders of not less than 20% of the principal amount of outstanding Bond to the City, and the City shall have failed to correct the default or cause the default to be corrected within the 30-day period beginning on the date of receipt by the City of such notice of default.

(b) **Additional Interest.** In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

(c) **Other Remedies.** Upon the occurrence and continuance of an Event of Default, the holders of not less than 20% of the principal amount of outstanding Bonds may enforce their rights by any one or more of the following remedies.

(1) By bringing an action at law or suit in equity upon the Bonds or under this Resolution.

(2) By pursuing any other available remedy to enforce payment of the Bonds or performance by the City of its duties and obligations under this Resolution and the Act or to prevent violations of those duties and obligations.

No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given or available to the Bondholders or existing by law.

The holders of not less than 20% of the principal amount of outstanding Bonds may (i) give written notice of a default to the City, (ii) exercise any remedies under this Resolution or any provision of law, (iii) direct the method and place of conducting all proceedings to be taken in connection with the exercise of any remedy; provided, however, that there shall be no such waiver, rescission or termination unless all arrears of principal and of interest on the Bond, together with interest thereon (to the extent permitted by law) at the applicable rate of interest borne by the Bond shall have been paid or provided for, and (iv) intervene in any judicial proceeding to which the City is a party which may have substantial bearing on the interest of the Bondholders, subject to the approval of a court exercising jurisdiction.

Bondholders shall have the right to bring individual action only to enforce payment of the principal of and interest on the Bond of the respective holders thereof at the respective due dates thereof.

**21. Miscellaneous Covenants.** The City hereby covenants and agrees with the holders of the Bonds, from time to time, that (a) it will punctually perform all duties with reference to the Project and the Bond required by the Constitution and laws of the State of Michigan and by this Resolution; (b) it will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan, the City's Charter and this Resolution; (c) it will keep proper books of record and account separate from all other records and accounts of the City, in which shall be made full and correct entries of all transactions relating to the System. The City shall have as annual audit of the books of record and account of the System for the preceding operating year made each year by an independent certified public accountant, and a copy of the audit shall be mailed to the manager of each syndicate or account originally purchasing any issue of the Bonds. The auditor shall comment on the manner in which the City is complying with the requirements of the Ordinance with respect to setting aside and investing moneys and meeting the requirements for acquiring and maintaining insurance. The audit shall be completed and so made available not later than four (4) months after the close of each operating year; (d) it will maintain and carry, for the benefit

of the holders of the Bond, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by municipalities engaged in the operation of Water and Sewer System, including self-insurance. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of redeeming or purchasing Bonds; (e) it will not sell, lease or dispose of the System, or any substantial part, until all of the Bonds have been paid in full, both as to principal and interest or provision made thereof as herein provided. The City will operate the System as economically as possible, will make all repairs and replacements necessary to keep the System in good repair and working order, and will not do or suffer to be done any act which would affect the System in such a way as to have a material adverse effect on the security for the Bonds; (f) it will not grant any franchise or other rights to any person, firm or corporation to operate a System that will compete with the System and the City will not operate a system that will compete with the System; and (g) it will cause the Project to be acquired and constructed promptly and in accordance with the plans and specifications therefor.

22. Limitation on Indebtedness. The City covenants and agrees that it will not incur any indebtedness or liabilities of any kind payable from any of the revenues pledged as primary security under Paragraph 19 except for the following:

- (a) The Bond;
- (b) Additional Bonds issued pursuant to this Resolution.

23. Additional Bonds. While the Bond is outstanding, no additional bonds payable from or in any manner secured by the revenues under the Ordinance may be issued which shall have a prior or equal standing with the Bonds, except as provided herein. Additional Bonds may be issued by the City only for one or more of the following purposes:

(a) Refunding and retiring any outstanding Bonds, if such Bonds may then be refunded or retired.

(b) Advance refunding any outstanding Bonds, regardless of whether such Bonds may then be refunded or retired.

(c) Financing subsequent repairs, extensions, enlargements and improvements to the system including deposits which may be required to be made to the Bond and Interest Redemption fund. Bonds for such purposes shall not be issued pursuant to this subparagraph (d) unless the average actual or augmented net revenues of the system for a period of any twelve consecutive months during the immediately preceding eighteen

months of the actual or augmented net revenues for the last preceding twelve month operating year, if said period has been audited, shall be equal to at least one hundred percent (100%) of the average amount of principal and interest thereafter maturing in any operating year on the then outstanding bonds and on the Additional Bonds then being issued. If the system rates, fees or charges shall be increased at or prior to the time of authorizing the Additional Bonds, the net revenues for a period of any twelve consecutive months during the immediately preceding eighteen months shall be augmented by an amount reflecting the effect of the increase had the system's billing during such operating years been at the increased rates. In addition, the actual net revenues for a period of any twelve consecutive months during the immediately preceding eighteen months may be augmented by an amount reflecting the effect of the increased rates. In addition, the actual net revenues for a period of any twelve consecutive months during the immediately preceding eighteen months may be augmented by the estimated increase in net revenues to accrue as a result of the acquisition of the repairs, extensions, enlargements and improvements to said system to be paid for in whole or in part from the proceeds of the Additional Bonds to be issued and resulting from those customers of the system serviced by said repairs, extensions, enlargements and improvements to said system to be paid for in whole or in part from the proceeds of the Additional Bonds to be issued and resulting from those customers of the system serviced by said repairs, extensions, enlargements and improvements constructed to the system. In addition, the actual net revenues may be augmented by an amount equal to the investment income representing interest on investments estimated to be received each operating year from the addition to the Bond and Interest Redemption Fund to be funded from the proceeds of the Additional Bonds being issued or by any additional security given pursuant to Act 94, provided said Bond and Interest Redemption Fund shall be then funded at its maximum amount. Determination by the City Council as to the existence of conditions permitting the issuance of Additional Bonds shall be conclusive. No Additional Bonds of equal standing as to the net revenues of the system shall be issued pursuant to the authorization contained in this subparagraph if the City shall then be in default in making its required Bond and Interest Redemption Fund.

24. Investments. Moneys in the Bond Payment Fund and the Project Fund may be continuously invested and reinvested in the United States government obligations, obligations the principal of and interest on which are unconditionally guaranteed by the United States government, or in interest-bearing time deposits selected by the City Finance Director which are permissible investments for surplus funds under Act No. 20 of the Public Acts of 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than (a) in the case of the Bond Payment Fund, the dates moneys in such fund will be required to pay the principal of and

interest on the Bond, and (b) in the case of the Project Fund, the estimated dates when moneys in such fund will be required to pay costs of the Water and Sewer Revenue 2017 Project. Obligations purchased as an investment of moneys in the Bond Payment Fund or the Project Fund, as the case may be, shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

25. Depositories. All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Resolution, except that the moneys in the Bond Payment Fund shall only be deposited in such banks where the principal of and interest on the Bond are payable. The City Finance Director shall select the depository or depositories to be used from those banks authorized in this Section.

26. Qualified Tax-Exempt Obligation. The Bond is designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code unless at the time of the sale it is determined that the Bond is ineligible for such designation.

27. Conflicting Resolutions. All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

28. Effective Date. This Resolution shall become effective immediately upon its adoption and shall be recorded in the minutes of the City as soon as practicable after adoption.

A roll call vote on the foregoing resolution was then taken, and was as follows:

YES:

\_\_\_\_\_  
\_\_\_\_\_

ABSTAIN:

\_\_\_\_\_

The resolution was declared adopted.

**CITY CLERK'S CERTIFICATE**

The undersigned, being the Clerk of the City of Southgate, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the City at a \_\_\_\_\_ meeting held on \_\_\_\_\_, 2017, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the City Council in my office; (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended); and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

\_\_\_\_\_  
**JANICE FERENCZ, CITY CLERK**

**EXHIBIT A**

CITY OF SOUTHGATE                      Drinking Water Revolving Fund  
County of Wayne, State of Michigan  
Project No:    (*Project Number*)

# PURCHASE CONTRACT

The Michigan Finance Authority (the "Authority"), a public body corporate, separate and distinct from the State of Michigan, hereby offers to enter into this Purchase Contract with the Issuer named below (the "Issuer") which, upon the acceptance of this offer by the Issuer and ratification by the Authority, will be binding upon the Authority and the Issuer. This offer is made subject to acceptance on or before .

Upon the terms and conditions and upon the basis of the representations, warranties, and agreements set forth herein, including those set forth on Schedule I hereto, the Authority hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Authority, bonds (the "Bonds") in the principal amount and with the maturities and interest rate as shown on Schedule I and with redemption provisions acceptable to the Authority. The purchase price for the Bonds shall be 100%. The Authority's obligation to disburse Bond proceeds shall be contingent upon funding of the State Water Pollution Control Revolving Fund created by 1988 PA 316 and 1988 PA 317. The method of payment of Bond proceeds to the Issuer shall be as set forth in the Supplemental Agreement among the Issuer, the Authority, and the State of Michigan acting through the Department of Environmental Quality.

The Issuer represents and warrants to, and agrees with, the Authority that the Issuer has, and on the Closing Date (specified below) will have, full legal right, power and authority (i) to enter into this Purchase Contract, and (ii) to sell and deliver the Bonds to the Authority as provided herein and in the resolution or ordinance authorizing the Bonds and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in this Purchase Contract including those set forth in Schedule I.

On June \_\_, 2017, the local pre closing date, the Issuer shall make available for inspection by the Authority at the offices of the Department of Attorney General, Finance Division, Lansing, Michigan, the Bonds, together with such other documents, certificates and closing opinions as the Authority shall require (the "Closing Documents").

On June 23, 2017, (the "Closing Date"), the Authority shall accept delivery of the Bonds and the Closing Documents and pay the purchase price for the Bonds.

MICHIGAN FINANCE  
AUTHORITY

BY \_\_\_\_\_  
Authorized Officer

Accepted and Agreed to this  
\_\_\_\_\_ day of \_\_\_\_\_

CITY OF SOUTHGATE  
County of Wayne, State of Michigan ("Issuer")

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

Title: \_\_\_\_\_



## SCHEDULE I

Name of Issuer: City of Southgate  
DEQ Project No.  
DEQ Approved Amt: \$

### PAYMENT SCHEDULE

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Issuer is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due  
Date

Amount of Principal  
Installment Due

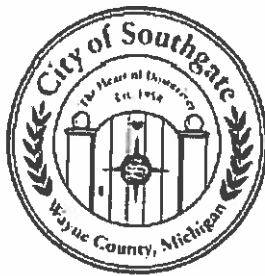
Interest on the Bond shall accrue on that portion of principal disbursed by the Authority to the Issuer which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of \_\_\_\_% per annum, payable \_\_\_\_\_ 1, \_\_\_\_\_, and semi-annually thereafter.

The Issuer agrees that it will deposit with The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
*City Clerk*

JAMES E. DALLOS  
*Treasurer*



**City of Southgate**  
NORMA J. WURLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

JOHN GRAZIANI  
*Council President*

KAREN E. GEORGE

MARK FARRAH

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

**Memorandum**

**To:** Honorable City Council Members

**From:** John J. Zech, City Administrator

**Re:** Bid Award concerning the 2017 DWRP Water Main Lining Program

**Date:** April 25, 2017

---

Attached please find a letter and resolution from Ryan Kern of Hennessey Engineers, Inc. regarding the above referenced subject. The purpose of this memo is to advise you that the Administration concurs with the recommendation of Hennessey Engineers, Inc. that the City Council award the bid in the amount of \$3,199,965.50 to Fer-Pal Construction, Inc. of Taylor, Michigan for the 2017 Drinking Water Revolving Fund (DWRP) Water Main Lining Program.

If you have any questions about this matter, please contact me.

**Cc:** Mayor Joseph G. Kuspa  
David Angileri  
Robert Tarabula



April 25, 2017

Mr. John Zech, City Administrator  
City of Southgate  
14400 Dix-Toledo Highway  
Southgate, Michigan 48195

**Re: 2017 DWRP Water Main Lining Program  
Recommendation of Tentative Contract Award  
City of Southgate  
Hennessey Project No. 13090**

Dear Mr. Zech:

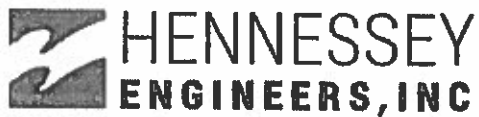
As you are aware, the City of Southgate opened bids on Tuesday, April 11, 2017 for the above referenced project and received bids from three (3) of the seven (7) contractors that picked up contract documents. Attached is a copy of the bid tabulation. In summary, bids received were as follows:

- |                                   |                |
|-----------------------------------|----------------|
| • Inland Waters Pollution Control | \$2,736,948.00 |
| • Fer-Pal Construction            | \$3,199,962.50 |
| • Pamar Enterprises               | \$3,836,512.00 |

This project involves the installation of cured-in-place liners along four (4) water mains within the City that are prone to water main breaks and located under the influence of pavements. The locations are as follows:

- Northline Road from McCann Avenue from Dix-Toledo Highway
- Dix-Toledo Highway (west side) from Northline Road to Superior Avenue
- Eureka Road (north side) from Trenton Road to Fort Street
- Helen Avenue from Leroy Avenue to Pennsylvania Road

In reviewing the bids received and the reference information requested from the prospective contractors, the low bidder, Inland Waters Pollution Control does not meet the water main lining requirements set forth in the contract documents. Per the contract documents, section 33-01-14, Water Utilities - Water Main Relining, Subsection 1.06.C – Quality Assurance (attached hereto), the prospective contractor *“must demonstrate that it (not the manufacturer or its employees) has successfully completed the installation of a minimum of 50,000 linear feet of the proposed CIPP material for the purpose of rehabilitating potable water mains within the last 5 years. In addition the Contractor must have completed a minimum of 5 potable water main rehabilitation projects for communities within the State of Michigan under permits regulated by the Michigan Department of Environmental Quality or other member states of the Great Lakes – Upper Mississippi River Board of State and Provincial Public Health Advisory Committee (Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, New York Ohio, Pennsylvania, Wisconsin).”*



Mr. John Zech  
2017 DWRP Water Main Lining Program  
Recommendation of Tentative Contract Award

April 25, 2017  
Page 2

Based upon the reference information received, Inland Waters Pollution Control has only installed approximately 15,000 linear feet of cured-in-place pipe in the United States within pressure pipes, the majority of these being pressure pipes within industrial complexes and not of potable water mains. In addition, they have not completed any potable water mains within the State of Michigan and only two (2) projects within a neighboring state. The second low bid, Fer-Pal Construction, has completed nearly 260,000 linear feet of cured-in-place pipe liners within potable water mains in the United States; 103,000 linear feet of their total in the State of Michigan.

It is our opinion for the best interest of the City of Southgate, that the second low bid, Fer-Pal Construction, be considered for this project for the following reasons:

- Inland Waters does not meet the minimum requirements of previously and successfully completing cured-in-place pipe linings in the United States; therefore, their bid should be considered non-responsible.
- The lining product that Inland Waters proposes, RS Technik, is widely used in Europe; however, has been sparsely used in the United States. It appears that it has not been used by any other contractor in the United States and the majority of the work completed on pressure pipes within industrial complexes and very few applications for municipal water main use.
- Of the few projects Inland Waters has completed, they have not completed any projects in the United States since 2014. Fer-Pal Construction has completed numerous projects recently including two (2) projects in the City of Southgate.
- The largest project completed by Inland Waters appears to be approximately 3,500 linear feet of cured-in-place pipe. The proposed project for the City of Southgate is approximately 13,500 linear feet.

In addition, our office has spoken with the Michigan Department of Environmental Quality (MDEQ) in regards to the DWRP loan being applied for and they have stated if the low bid does not meet the requirements of the City's specifications, they would accept considering the bid as not responsible and would allow the City to award this project to the second low bidder.

Therefore, based upon references received, requirements to be met per the contract documents and past experience, it is our recommendation for the City Council to consider at their May 3, 2017 meeting to tentatively award the 2017 DWRP Water Main Lining Program to the second low bid, Fer-Pal Construction, Inc. of Taylor, Michigan in the amount of \$3,391,960.00. This amount includes a six (6) percent contingency per the requirements of the DWRP program. Award of this project would become final upon the closing of the DWRP loan on June 23, 2017. It is anticipated construction would begin in July 2017.



**Mr. John Zech**  
**2017 DWRP Water Main Lining Program**  
**Recommendation of Tentative Contract Award**

**April 25, 2017**  
**Page 3**

If you have any questions, please do not hesitate to contact me at any time.

Very Truly Yours,

HENNESSEY ENGINEERS, INC

A handwritten signature in black ink, appearing to read 'R. Ryan Kern', with a long horizontal stroke extending to the right.

R. Ryan Kern, P.E.  
Project Manager

cc: David Angileri, Finance Director/ACA, City of Southgate  
Robert Tarabula, Director of Public Services, City of Southgate  
John J. Hennessey, P.E., Vice-President, Hennessey Engineers, Inc.  
John Miller, Construction Administrator, Hennessey Engineers, Inc.  
Carl Evangelista, Fer-Pal Construction, Inc.

File B.4

**A RESOLUTION TO TENTATIVELY AWARD  
A CONSTRUCTION CONTRACT  
FOR DRINKING WATER SYSTEM IMPROVEMENTS  
2017 DWRF WATER MAIN LINING PROGRAM**

**WHEREAS**, the City of Southgate wishes to construct improvements to its existing drinking water collection system; and

**WHEREAS**, the drinking water system rehabilitation project, consisting of cured-in-place pipe lining installations submitted to the Michigan Department of Environmental Quality on July 1, 2016 and formally adopted will be funded through Michigan's Drinking Water Revolving Fund Loan Program; and

**WHEREAS**, the City of Southgate has sought and received construction bids for the proposed improvements and has received three bids from prospective contractors and has reviewed the references and qualifications of all contractors and deemed the most qualified bid received was in the amount of \$3,199,962.50 from Fer-Pal Construction, Inc. of Taylor, Michigan ; and

**WHEREAS**, the project engineer, Hennessey Engineers, Inc. of Southgate, Michigan has recommended awarding the contract to Fer-Pal Construction, Inc.

**NOW THEREFORE BE IT RESOLVED**, that the City of Southgate tentatively awards the contract for construction of the proposed drinking water system rehabilitation project, consisting of cured-in-place pipe lining installations to Fer-Pal Construction, Inc. of Southgate, Michigan, including a six (6) percent contingency for a total of \$3,391,960.00, contingent upon successful financial arrangements with the Drinking Water Revolving Fund Loan Program.

Yeas:

Nays:

Abstain:

Absent:

I certify that the above Resolution was adopted by the City Council of the City of Southgate on Wednesday, May 3, 2017.

BY: Janice M. Ferencz, Clerk  
Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

CITY OF SOUTHGATE - 2017 DWRF WATER MAIN LINING PROGRAM PROJECT NO. 13090				Inland Waters Pollution Control 4086 Michigan Avenue Detroit, Michigan 48210		Fer-Pal Construction USA, LLC 26187 Northline Road Taylor, Michigan 48180		Pamar Enterprises, Inc. 58021 Gratiot Road New Haven, Michigan 48048	
Line Number	Description	Estimated Amount	Unit	Unit Price in Figures	Line Total	Unit Price in Figures	Line Total	Unit Price in Figures	Line Total
1	Mobilization	1	LSUM	\$120,360.00	\$120,360.00	\$70,000.00	\$70,000.00	\$726,500.00	\$726,500.00
2	Remove Pavement	2,500	SYD	\$48.00	\$120,000.00	\$16.25	\$40,625.00	\$3.00	\$7,500.00
3	Remove Sidewalk	1,000	SFT	\$2.50	\$2,500.00	\$1.85	\$1,850.00	\$0.30	\$300.00
4	Temporary Water Main By-Pass & Connections - North Line Road	1	LSUM	\$118,400.00	\$118,400.00	\$75,166.00	\$75,166.00	\$45,314.00	\$45,314.00
5	Temporary Water Main By-Pass & Connections - Dix-Toledo Highway	1	LSUM	\$118,400.00	\$118,400.00	\$75,166.00	\$75,166.00	\$39,410.00	\$39,410.00
6	Temporary Water Main By-Pass & Connections - Eureka Road	1	LSUM	\$118,400.00	\$118,400.00	\$75,166.00	\$75,166.00	\$46,529.00	\$46,529.00
7	Avenue/Pennsylvania Road	1	LSUM	\$118,400.00	\$118,400.00	\$75,166.00	\$75,166.00	\$35,170.00	\$35,170.00
8	Pre and Post Construction CCTV Inspection - North Line Road	1	LSUM	\$4,440.00	\$4,440.00	\$49,047.50	\$49,047.50	\$113,535.00	\$113,535.00
9	Pre and Post Construction CCTV Inspection - Dix-Toledo Highway	1	LSUM	\$4,440.00	\$4,440.00	\$49,047.50	\$49,047.50	\$96,425.00	\$96,425.00
10	Pre and Post Construction CCTV Inspection - Eureka Road	1	LSUM	\$4,440.00	\$4,440.00	\$49,047.50	\$49,047.50	\$100,500.00	\$100,500.00
11	Avenue	1	LSUM	\$4,440.00	\$4,440.00	\$36,816.00	\$36,816.00	\$81,606.00	\$81,606.00
12	CIPP 8" Water Main Lining	10,150	LFT	\$94.00	\$954,100.00	\$121.00	\$1,228,150.00	\$135.00	\$1,370,250.00
13	CIPP 12" Water Main Lining	3,350	LFT	\$112.00	\$375,200.00	\$125.00	\$418,750.00	\$155.00	\$519,250.00
14	3" Class S4 D.I. Water Main	700	LFT	\$315.00	\$220,500.00	\$171.50	\$120,050.00	\$135.00	\$94,500.00
15	12" Class S4 D.I. Water Main	150	LFT	\$332.00	\$49,800.00	\$185.00	\$27,750.00	\$155.00	\$23,250.00
16	Remove and Replace 8" Gate Valve and Well	24	EACH	\$3,555.00	\$85,320.00	\$9,450.00	\$226,800.00	\$11,165.00	\$267,960.00
17	Remove and Replace 12" Gate Valve and Well	8	EACH	\$3,555.00	\$28,440.00	\$10,800.00	\$86,400.00	\$12,329.00	\$98,632.00
18	Remove and Replace Fire Hydrant	19	EACH	\$5,565.00	\$105,735.00	\$9,315.00	\$176,985.00	\$13,180.00	\$250,420.00
19	8" Water Main Connection	22	EACH	\$1,095.00	\$24,090.00	\$3,990.00	\$87,780.00	\$3,650.00	\$80,300.00
20	12" Water Main Connection	5	EACH	\$1,095.00	\$5,475.00	\$4,600.00	\$23,000.00	\$5,534.00	\$27,670.00
21	Wayne County Pavement Replacement	1,900	SYD	\$77.00	\$146,300.00	\$74.00	\$140,600.00	\$88.00	\$167,200.00
22	8" Concrete Pavement - City R.O.W.	150	SYD	\$72.00	\$10,800.00	\$68.00	\$10,200.00	\$110.00	\$16,500.00
23	6" Concrete Driveway Approach	250	SYD	\$72.00	\$18,000.00	\$68.00	\$17,000.00	\$82.00	\$20,500.00
24	6" Concrete Driveway Approach	100	SYD	\$69.00	\$6,900.00	\$68.00	\$6,800.00	\$75.00	\$7,500.00
25	4" Concrete Sidewalk	700	SFT	\$6.60	\$4,620.00	\$5.75	\$4,025.00	\$6.00	\$4,200.00
26	7" Concrete Sidewalk Ramp	300	SFT	\$15.00	\$4,500.00	\$13.00	\$3,900.00	\$11.00	\$3,300.00
27	Traffic Control - North Line Road	1	LSUM	\$16,350.00	\$16,350.00	\$14,175.00	\$14,175.00	\$12,549.00	\$12,549.00
28	Traffic Control - Dix-Toledo Highway	1	LSUM	\$13,050.00	\$13,050.00	\$14,175.00	\$14,175.00	\$11,635.00	\$11,635.00
29	Traffic Control - Eureka Road	1	LSUM	\$13,300.00	\$13,300.00	\$16,375.00	\$16,375.00	\$11,980.00	\$11,980.00
30	Traffic Control - Helen Avenue/Pennsylvania Road	1	LSUM	\$9,750.00	\$9,750.00	\$7,350.00	\$7,350.00	\$9,537.00	\$9,537.00
31	Restoration	1	LSUM	\$7,120.00	\$7,120.00	\$70,800.00	\$70,800.00	\$46,590.00	\$46,590.00
	TOTAL				\$2,736,940.00		\$3,195,962.50		\$3,836,512.00

## WATER UTILITIES

### WATER MAIN RELINING

#### INFORMATION SUBMITTALS

**B. Design:**

1. Capacity of the Temporary Water Supply System.
2. CIPP Liner:

The structural lining system will be designed using the ASTM F1216 Standard, "Standard Practice for Rehabilitation of Existing Pipelines and Conduits by the Inversion and Curing of a Resin-Impregnated Tube". The design considerations that will be used for this project will be for a fully deteriorated pipe, Section X1.1.2 that can be found in the Appendices Section of ASTM F1216. The liner system will be designed to withstand a minimum of 150 psi and be capable of operating as a stand alone system.

#### 1.05 CLOSEOUT

**A. Operation & Maintenance:** Submit maintenance data.

**B. Acceptance Testing:**

1. Acceptance Report containing the following data:
  - a. Project Number,
  - b. Operator's name,
  - c. Date(s),
  - d. Location of lining section (Pit # to Pit # or Gatewell # to Gatewell #),
  - e. Length of section being lined,
  - f. Time of Cleaning (start and finish),
  - g. Pre-Lining CCTV inspection (date),
  - h. Number of service connections on section being lined,
  - i. Batch numbers of resin used,
  - j. Time of impregnation (start and finish),
  - k. Time of installation of impregnated tubing (start and finish),
  - l. Time of curing (start and finish),
  - m. Pressure gauge readings (during curing),
  - n. Water temperature (during curing),
  - o. Pressure testing before reinstatement of service connections (date and results),
  - p. Reinstatement of service connections (date and time),
  - q. Excavation of blocked service connections (date and time),
  - r. Post Lining CCTV inspection (date),
  - s. Third party testing results,
  - t. Report in case of an anomaly during any stage of the process,
  - u. Date the section was accepted by the Owner's Representative,
  - v. Date the section was put back in service.

#### 1.06 QUALITY ASSURANCE

**A. Regulatory:**

1. All final materials shall be NSF-61 approved.
2. All potable water pipeline shall be accepted and noted in the Commissioning of Water Distribution Systems.

**B.** The Contractor must also demonstrate that it possesses all the necessary equipment to perform the "wet out" in a controlled and suitable environment for the lining system intended to be used for the project. If the "wet out" procedure is carried out on the job site, the Contractor must have the appropriate equipment in a self contained refrigerated truck. The Contractor must possess all the necessary equipment for the curing process, such as the boiler truck and the appropriate accessories for the proper curing of the structural liner.



## WATER UTILITIES

### WATER MAIN RELINING

- C. The Contractor must demonstrate that it (not the manufacturer or its employees) has successfully completed the installation of a minimum of 50,000 lft of the proposed CIPP material for the purpose of rehabilitating potable water mains within the last 5 years. In addition the Contractor must have completed a minimum of 5 potable water main rehabilitation projects for communities within the State of Michigan under permits regulated by the Michigan Department of Environmental Quality or other member states of the Great Lakes – Upper Mississippi River Board of State and Provincial Public Health Advisory Committee (Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, New York Ohio, Pennsylvania, Wisconsin). Documentation shall be submitted with the bid to verify such requirements are met. Those bids submitted without documentation shall be considered as non-responsive.

#### 1.07 SITE CONDITIONS

A. Environmental:

1. Waste flushing waste water shall be filtered and separated as noted herein.

B. Existing Conditions:

1. Existing water main was constructed in N/A.
2. Existing water main is probably 8-Inch, which may have variable internal diameters

#### PART 2 - PRODUCTS

##### 2.01 MATERIALS

All material shall be NSF 61 certified.

A. CIPP Lining:

1. The material used for the structural lining system will consist of a woven fiberglass and polyester mesh tube, impregnated with a thermosetting epoxy resin. In addition to the above, an outer polymer membrane is required as a containment system. The thermosetting epoxy resin must be delivered to the site in their appropriate containers that clearly show that the product has NSF 61 approval. The Contractor shall supply the documentary evidence of approval by the above organization prior to the start of the project. The CIPP product proposed must not require specialized materials such as but not limited to end seals, flanged nuts or other such items which are not considered standard mechanical joint water works hardware and readily available from local suppliers. All lining systems which require specialized materials to prevent migration of water between the lining and the host pipe and/or prevent service corporations / fittings from pulling out of the lining (in the instance that the host pipe fail), shall not be considered acceptable.
2. Additionally, materials are further described in ASTM F1743; Fabric Tube; Calibration Hose; Resin.

B. Service Plugs:

1. Plugs shall be sized for the respective water service taps;
2. Supplier shall be Seatech Inc.
  - a. "Watts Water Technology End Plug" Temperature 180 deg.F.

C. Ductile Iron Repair Sleeve: shall be NSF approved;

1. All repair sleeves Must be Made in the USA.

##### 2.02 QUALITY CONTROL

A. Testing:

1. Pipe samples shall be taken from the lined water mains to check the structural lining performance. A minimum of two pipe samples for the first 1,000 L.F. thence; two samples per 3,000 L.F. lined pipe shall be removed for inspection purposes. The timing and location of the samples will be at the Engineer's discretion.

**IPR Project References – RS Technik Projects**

Project / Description	Owner / Contact	Contract Amount	Date
<b><u>Hot Springs- Fairwood Force Main RS Rehabilitation</u></b> CIPP Lining of 1900' linear feet of 20" pressure pipe	City of Hot Springs, AR 780 Adams Street Hot Springs, AR 71901 Phone: 501-651-7730	\$495,500.00	<u>Completed</u>
<b><u>Pointe Mouillee</u></b> CIPP Lining 200 linear feet of 30" of pressure pipe	US Corp of Engineer -Detroit, MI 477 Michigan Ave, Detroit, MI 48226 (313) 226-6413	\$79,080.00	<u>Completed</u>
<b><u>South Clinton Avenue Water Supply Conduit Modernization, Conduits 2&amp;3 Phase</u></b> CIPP lining of 36" (1,267') Cast Iron Pipe, 36" (1,075') Ductile Iron Pipe, 37" (60') Lockbar Steel Pipe, and 42" (1,102') Ductile Iron Pipe	City of Rochester Bureau of Water 10 Felix Street Rochester, NY 14608 Pat O'Connor (585) 428-7881	\$1,674,036.00	<u>Completed</u>
<b><u>Cleaning &amp; Lining - Potable Water</u></b> CIPP cleaning and lining of 410 linear feet of cast iron potable water line 16" in diameter	City of Minneapolis, Minnesota 330 2nd Ave South, Room 552 Minneapolis, MN 55401 Heidi Solheid (612) 673-2727	\$424,933.00	<u>Start</u> 8/12/2013 <u>Completion</u> 10/21/2013
<b><u>Old Charlotte Rd SW Water Line</u></b> Rehabilitation of 781 linear feet of 8" diameter potable water line including bypass and internal connections	City of Concord 850 Warren C. Coleman Blvd Concord, NC 28026 Rich Blat 704-920-5403	\$140,000.00	<u>Start</u> 9/10/2013 <u>Completion</u> 9/28/2013
<b><u>DWU- Elm Fort WTP Drain Line Rehabilitation</u></b> CIPP lining of 2,075 linear feet of 18" diameter potable water line	City of Dallas Water Utilities 1500 Marilla Street Room 4A North Dallas, TX 75201 Engineer: Jacobs Engineering David Grayvogt 210-488-6448	\$548,000.00	<u>Start</u> 3/4/2013 <u>Completion</u> 3/29/2013
<b><u>Firemain Rehabilitation - Phase 1</u></b> <b><u>CIPP lining of 1405' of 24" diameter with RS Technik</u></b>	Owner: Camp Pendleton General Contractor: Hal Hays Construction, Inc. 1835 Chicago Ave, Suite C Riverside, CA 92507 Dan Hirsh 951-788-0703	\$252,000.00	<u>Start</u> 2/11/2013 <u>Completion</u> 5/7/2013



**IPR Project References – RS Technik Projects**

<b><u>Caper Road Cured In Place Pipe (CIPP) Construction</u></b> Roughly 1,500' of 14" diameter of pressure main lining	Florida State College of Jacksonville 4501 Capper Rd, Jacksonville, FL 32218 Kenny Crawford 904-665-8427	\$161,750.00	<u>Start</u> 9/17/2012 <u>Completion</u> 10/5/2012
<b><u>Granada Force Main Repair Project</u></b> CIPP lining of 1,450 linear feet of 14" diameter force main	Sewer Authority Mid Coastsides 1000 Cabrillo Highway N Half Moon Bay, CA 94019 Tony Pullin, PM 650-863-2664 Engineer: SRT Consultants 792 Bay Street San Francisco, Ca. 94109 Tim Monahan, PE 415-776-5800	\$361,750.00	<u>Start</u> 9/25/2012 <u>Completion</u> 10/26/2012
<b><u>Pipeline Rehabilitation</u></b> CIPP lining of 250 linear feet of 12" diameter sanitary sewer	Eastman Chemical Company P.O. Box 7444 Longview, TX 75607 John Bull, PE 903-237-5409	Private Contract	<u>Completed</u> July 2012
<b><u>Cured In Place Pipe Rehabilitation on a Multi-Year Contract – Bid Number BL020-09</u></b> Lining of five different segments on a work order bases. Segments include: <ul style="list-style-type: none"> <li>• 21" – 290 Linear Feet</li> <li>• 18" – 153 Linear Feet</li> <li>• 18" – 129 Linear Feet</li> <li>• 18" – 115 Linear Feet</li> <li>• 24" – 123 Linear Feet</li> </ul>	Gwinnett County Department of Water Resources, Stormwater Division 684 Winder highway, Lawrenceville, GA 30045	\$210,819.00	<u>Start</u> 12/15/2011 <u>Completed</u>
<b><u>Blanding BLVD 12" Reclaimed Water Main Cured-In-Place Pipe Project</u></b> CIPP lining of 164 linear feet of 12" diameter water main using RS Technik products	Clay County Utility Authority 3176 Old Jennings Rd Middleburg, FL 32068 Jeremy Johnston Attn: 904-213-2477	\$36,145.53	<u>Start</u> 5/20/2012 <u>Completion</u> 5/24/2012
<b><u>2012 Annual Water Rehabilitation Contract</u></b> Cured in Place Process (CIPP) of 620' of 12" Raw water pressure pipe which consist of 90psi along Pot House RD within B plant.	Dow Chemical 2301 N. Brazosport BLVD, #B1 Freeport TX Attn: Joanne Carroll 918-527-8975	Private Contract	<u>Start</u> 4/30/2012 <u>Completion</u> 5/14/2012





## Reference List: RS BlueLine®

Project and Customer Information	Product	Diameter(s)	Installed Thickness	Installed Length	Working Pressure	Completion Date
WLV Triestingtal u. Subahngemeinden, Niederösterreich Austria, Contact Ing. Gerhard Zach, Tel: +436642038701	RS BlueLine Pull-In	10" (250mm)	7 mm	700 LF	145 psi	May 2010
Abbanoa Waterworks Calgari, Sardinia Italy, Contact: Mrs. Susanne Leddig-Bahls, IQS Engineering AG, Tel +491713689484 Email: s.leddig@iqs-engineering.com	RS BlueLine Pull-In	4" (100mm)	5 mm	260 LF	145 psi	Dec 2009
Hydropower station Corvara in Badia, Italy, Contact Herr Heinz Kostner, Tel. +393920543662	RS BlueLine Inversion	20" (500mm)	7 mm	1,775 LF	120 psi	Sept 2010
Waterworks Chernigiv, Ukraine, Contact: Mr. Dymtro Rushchak, Tel: +380503175185 Email: dymtro.rushak@wmc.com.ua	RS BlueLine Inversion	8"-24" (200-600 mm)	5-9 mm	20,000 LF	90 psi	2010-2011
Waterworks Salzburg, Austria, Contact Robert Hochstaffl Tel. +436649680290 Email: hr@rssr.cc	RS BlueLine Pull-In	8" (200mm)	7 mm	395 LF	45 psi	Feb 2011
DowWerk, Tarragona, Spain, Contact: Mr. Javier Carnicer, Tel: +3466039382, Email: jcarnicer@dow.com	RS BlueLine Inversion	10" (250mm)	5 mm	6,000 LF	260 psi	Nov 2011
Dow Chemical, Freeport, TX, Contact: Marco Titze, Tel. 832-382-4344 E-mail: me.tecose@gmail.com	RS BlueLine Pull-In	12" (300mm)	9 mm	984 LF	90 psi	Nov 2011
Waterworks EVN Austria, Contact Robert Hochstaffl Tel. +436649680290, Email: hr@rssr.cc	RS BlueLine Inversion	16" (400mm)	7 mm	4,600 LF	145 psi	Aug 2011
Tagil Steel Plant, Yekaterinenburg, Russia Contact: Mr. Sergey Duev, Tel: +7(912)655-73-77 Email: davkos@bk.ru	RS BlueLine Inversion	55" (1400mm)	9 mm	590 LF	60 psi	Nov 2011
Kamensk, Yekaterinenburg, Russia, Contact: Mr. Sergey Duey, Tel: +7(912) 665-73-77, Email: davkos@bk.ru	RS BlueLine Pull-In	16" (400mm)	9 mm	660 LF	145 psi	Nov 2011
Mainova Water Works, Frankfurt, Germany, Mr. Andreas Weidt, Tel: +491704545822 Email: andreas.weidt@dus.de	RS BlueLine Pull-In	24" (600mm)	7 mm	130 LF	120 psi	Jun 2011

## Reference List: RS BlueLine®

Project and Customer Information	Product	Diameter(s)	Installed Thickness	Installed Length	Working Pressure	Completion Date
Waterworks ad Homburg, Germany, Mr. Andreas Weidt, Tel: +491704545822 Email: andreas.weidt@dus.de	RS BlueLine Pull-In	20" (500mm)	5 mm	430 LF	90 psi	Jul 2011
Zweckverband Hainichen Mittweida, Germany, Contact: Mr. Andreas Weidt, Tel: +491704545822 Email: andreas.weidt@dus.de	RS BlueLine Pull-In	4" (100 mm)	5 mm	656 LF	90 psi	Sep 2011
Kraloky Steel Plant Usti nad Labem, Czech Republic, Contact: Mrs. Monika Esterkova, Tel: +420602180947, Email: m.esterkova@k2aquecon.cz	RS BlueLine Inversion	20" (500 mm)	7 mm	1,475 LF	116 psi	May 2012
Arpe Wassertechnik AG, Buchten, Switzerland, Contact: Mr. Gary Trost, Tel: +41796462423 Email: gerhard.trost@arpe.ch	RS BlueLine Pull-In	6" (150 mm)	7 mm	265 LF	232 psi	May 2012
Clay County Utility Authority, Middleburg, Florida, Contact: Mr. Jeremy Johnston, Tel: 904-213-2477, Email: jjohnston@clayutility.org	RS BlueLine Pull-In	12" (300 mm)	9 mm	164 LF	100 psi	May 2012
Krakftwerk Pforzheim, Germany, Contact: Jens Wahr, Tel: +49 170 4545 657	RS BlueLine Inversion	24" (600 mm)	11 mm	260 LF	145 psi	Jun 2012
JEA, Jacksonville, Florida, Contact: Mr. Kenny Crawford, Tel: 904-665-8427, Email: CrawWK@jea.com	RS BlueLine Pull-In	14" (355 mm)	7 mm	1,400 LF	50 psi	Jul 2012
BWB, Berlin, Germany, Contact: Jens Wahr, Tel: +49 170 4545 657, Email: jens.wahr.dus.de	RS BlueLine Inversion	32" (800 mm)	13 mm	262 LF	145 psi	Aug 2012
Stadt Krakau, Poland, Contact: Christoph Pietryja, Tel: +48 32 326 11 91	RS BlueLine Inversion	24"-32" (600-800 mm)	5 mm	12,000 LF	90 psi	Sept-Dec 2012
Sewer Auth Mid Coastside, Half Moon Bay, CA, Granada Force Main Repair, Tim Monahan, PE, Tel: 415-776-5800	RS BlueLine Inversion	14" (355 mm)	7 mm	1,450 LF	60 psi	Oct 2012
Ravenna, Italy, Contact: Karl-Heinz Robatscher, Email: khr@rotech.jz.it	RS BlueLine Inversion	20" (500 mm)	9 mm	330 LF	145 psi	Nov 2012
Fire main, Herdecke, Germany, Contact: Jens Wahr, Tel: +49 170 4545 657, Email: jens.wahr.dus.de	RS BlueLine Pull-In	6"-8" (150-200 mm)	7 mm	535 LF	230 psi	Feb 2013
Sprinkler system, Mals, Italy, Contact: Karl-Heinz Robatscher Email: khr@rotech.bx.it	RS BlueLine Inversion	12" (300 mm)	7 mm	3,280 LF	145 psi	Mar 2013
	RS BlueLine Inversion	20" (500 mm)	9 mm	330 LF	145 psi	Mar 2013
City of Moers, Germany, Contact: Jens Wahr, Tel: +49 170 4545 657 Email: jens.wahr.dus.de	RS BlueLine Inversion	16"-20" (400-500 mm)	7-9 mm	196 LF	87 psi	Apr 2013

## Reference List: RS BlueLine®

Project and Customer Information	Product	Diameter(s)	Installed Thickness	Installed Length	Working Pressure	Completion Date
Oberwart, Austria, Contact: Roland Poiger, Tel: +43 3352 380 55 136, Email: r.poiger@oberwart.bgld.gv.at	RS BlueLine Pull-In	8" (200 mm)	5 mm	985 LF	116 psi	May 2013
Dow Chemical - Laporte, TX Contact: Marco Tiltze, Tel. 832-382-4344, E-mail: me.tecose@gmail.com	RS BlueLine Pull-In	12" (300 mm)	7 mm	450 LF	150 psi	Jun 2013
City of Dallas Water, TX, Elm Fork WTP Drain Line Rehab, Jacobs Engineering, David Grayvogel Tel. 210-488-6448	RS BlueLine Inversion	18" (450 mm)	7 mm	1,800 LF	10 psi	May 2013
City of Minneapolis, MN Cleaning and CIPP Lining of 16" cast iron drain, Contact: Marco Tiltze, Tel. 832-382-4344, E-mail: me.tecose@gmail.com	RS BlueLine Inversion	16" (400 mm)	9 mm	415 LF	60 psi	Oct 2013
Potable water main, Niederdorf, Switzerland, Contact: Alex Roesli, Tel: +41 61 466 20 00 Email: alex.roesli@arpe.ch	RS BlueLine Pull-In	8" (200 mm)	7 mm	230 LF	130 psi	Aug 2013
Potable water main, Porrentruy, Switzerland, Contact: Alex Roesli, Tel: +41 61 466 20 00 Email: alex.roesli@arpe.ch	RS BlueLine Pull-In	10" (250 mm)	7 mm	115 LF	174 psi	Aug 2013
Gelsenwasser, Essen, Germany, Contact: Jens Wahr, Tel: +49 170 4545 657, Email: jens.wahr.dus.de	RS BlueLine Inversion	24" (600 mm)	11-13 mm	738 LF	145 psi	Sept 2013
City of Laval, Quebec, Canada Contact: Cedric Bergeron, Tel. 514-777-5573	RS BlueLine Inversion	10" (250 mm)	5 mm	1,489 LF	70 psi	Dec 2013
SABESP Companhia de Saneamento Básico do Estado de São Paulo, Brazil, Contact: Alejandro Botero, Email: alejandro.botero@o-tek.com.co	RS BlueLine Inversion	32" (800 mm)	11 mm	8,387 LF	100 psi	Oct 2012- 2013
City of Chateaugay, Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	6" (150 mm)	3 mm	2,011 LF	60 psi	June 2014
City of St-Hilaire, Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	6" (150 mm)	3 mm	492 LF	65 psi	July 2014
City of Vaudreuil, Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	12" (300 mm)	5 mm	1,108 LF	65 psi	July 2014
City of Laval, Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	6" (150 mm)	3 mm	4,243 LF	55 psi	May 2014

## Reference List: RS BlueLine®

Project and Customer Information	Product	Diameter(s)	Installed Thickness	Installed Length	Working Pressure	Completion Date
City of Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	12" (300 mm)	5 mm	760 LF	65 psi	Aug-Oct 2014
	RS BlueLine Inversion	18" (450mm)	7mm	774 LF	65 psi	Aug-Oct 2014
City of Sainte Marie, Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	6" (150mm)	3-5 mm	7,983 LF	65 psi	Aug-Oct 2013
	RS BlueLine Inversion	8" (200mm)	5mm	754 LF	65 psi	Aug-Oct 2013
City of Rochester, NY; South Clinton Ave. Water Supply Conduit Modernization, Conduits 2&3 (Ph 2), Contact: Pat O'Connor, Tel: 585-428-7881, E-Mail: OConnorp@CityofRochester.gov	RS BlueLine Inversion	36" (900 mm)	15 mm	2,355 LF	89 psi	Aug 2013- June 2014
	RS BlueLine Inversion	42" (1050 mm)	15/17 mm	1,105 LF	89 psi	Aug-Oct 2013
Washington Suburban Sanitary Commission (WSSC); New Hampshire Avenue South Water Main Rehabilitation Lining; Contact: Tesfai Giorgis, Tel: 301-206-4267, E-mail: tesfai.giorgis@wsscwater.com	RS BlueLine Inversion	12" (300mm)	7 mm	5,850 LF	90 psi	Sept-Dec 2014
Dollard des Ormeaux (DDO), Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	6" (155 mm)	3 mm	5,802 LF	60 psi	May-Aug 2015
	RS BlueLine Inversion	10" (255 mm)	5 mm	2,191 LF	60 psi	May-Aug 2015
	RS BlueLine Inversion	12" (305 mm)	5 mm	1,788 LF	60 psi	May-Aug 2015
Port of Montreal, Quebec, Canada; Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	12" (310 mm)	5 mm	1,492 LF	65 psi	Aug-Sept 2015
Chateauguay, Quebec, Canada; Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	12" (300 mm)	5 mm	541 LF	70 psi	Sept 2015
Cap Santé, Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	6" (150 mm)	3 mm	1,279 LF	65 psi	Oct 2015
Kruger, Quebec, Canada, Contact: Cedric Bergeron, Tel. 514-777-5573 E-mail: c.bergeron@rehabduo.com	RS BlueLine Inversion	10" (250 mm)	7.5 mm	328 LF	170 psi	Oct 2015

RS Technik Agua GmbH 2012 - RS Lining Systems LLC 2015

As of: Nov 2015



USA PROJECTS - FER-PAL CONSTRUCTION USA LLC  
Aqua Pipe Water Main Rehabilitation

REFERENCE LIST & SUMMARY OF CIPP LINING WITHIN THE LAST 5 YEARS IN NORTH AMERICA

	TOTAL CIPP LINING (LF)	TOTAL VALUE OF WORKS
USA	259,709	\$ 53,620,817.58
CANADA	1,079,108	\$ 352,213,590.00
TOTAL(S)	1,338,817	\$ 405,834,407.58





USA PROJECTS - FER-PAL CONSTRUCTION USA LLC  
Aqua Pipe Water Main Rehabilitation

FERPAL USA, LLC

Michigan

Year	City	Project	Start Date	Finish Date	General Contractor or Sub Contractor	Project Manager	Client	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2016	Southfield	Rock Creek & Webster Lining	28-Mar	30-Jun	Sub Contractor	Carl Evangelista	Larry Sires 248 752 3739 City of Southfield Water	9,500	12" 8"	9,462	Sub Contractor	\$ 161,087.00	\$1,797,854	\$1,908,308
2016	Bedford	Beech Oak CIPP Water Main Lining	31-Jul	31-Aug	Sub Contractor	Carl Evangelista	Sean Bergman 734 231 6346 John Thompson Liquorice 734 955 2508	3,000	8"	2,581	n/a	n/a	\$120,700	\$317,758
2016	Fernside	Lennox CIPP Lining	22-Aug	15-Sep	Sub Contractor	Carl Evangelista	Sean Bergman 734 231 6346	n/a	8"	1,814	Sub Contractor	\$ 4,000.00	\$234,000	\$236,236
2016	Garden City	Branch B.O.W.	26-Oct	26-Nov	Sub Contractor	Carl Evangelista	Larry Sires 248 752 3739 City of Southfield Water	n/a	6"	243	n/a	n/a	\$63,700	\$59,960
2015	Southfield	Southfield Rd	27-Apr	30-Jun	Sub Contractor	Mike Townsend	Larry Sires 248 752 3739 City of Southfield Water	3,250	12"	3,250	Sub Contractor	\$ 45,723.00	\$773,280	\$817,003
2015	Ash Two	RAILWAY CROSSING Monroe St	26-Oct	2-Nov	Sub Contractor	Carl Evangelista	Jim Hollingsworth	n/a	8"	275	n/a	n/a	\$74,750	\$74,750
2015	Garden City	Warren at Milledge	26-Oct	7-Nov	Sub Contractor	Carl Evangelista	Ryan Kerns	n/a	12"	190	City	\$ 15,680.56	\$55,000	\$70,681
2015	Lansing	RAILWAY CROSSING Martin Luther King Blvd	14-Sep	15-Oct	General Contractor	Carl Evangelista	Derek Amos-LBWL	n/a	6"	323	Contractor	\$ 35,112.00	\$114,607	\$150,480
2014	Allen Park	Ecorse Road	22-Sep	26-Nov	Sub Contractor	Carl Evangelista	Rod Toliver 248 556 0520 2248	3,000	8"	3,530	n/a	n/a	\$474,428	\$459,084
2014	Southgate	Dr. Toledo Avenue Lining Project	22-Sep	11-Nov	General Contractor	Mike Townsend	Mark Gawarecki 734 568 1600	3,000	8"	3,361	Contractor	\$52,158	\$787,525	\$707,750
2014	Allen Park	Oreana CIPP Water Main Lining	15-Jun	30-Jul	Sub Contractor	Carl Evangelista	Rick Long 313 928 0550	2,000	8"	1,100	n/a	n/a	\$163,000	\$157,000
2014	Birmingham	Derby Road Water Main Lining	5-Jul	12-Jul	Sub Contractor	Carl Evangelista	Victor Stuek 248 530 1850 Bruce Wood 734 733 4466 Huron Township DPW	n/a	12"	673	n/a	n/a	\$59,000	\$63,000
2014	Huron Township	Huron River Drive Lining	3-May	21-Jun	Sub Contractor	Carl Evangelista	Township DPW	n/a	8"	225	n/a	n/a	\$93,000	\$89,000



USA PROJECTS - FER-PAL CONSTRUCTION USA LLC  
Aqua Pipe Water Main Rehabilitation

Michigan

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Unlign Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2014	Livonia	Vareo Street Line	22-Jun	2-Aug	2-Aug	Carl Evangelista	LiquiForce John Thompson 734.955.1508	1,200	6"	1,245	n/a	n/a	\$250,000	\$245,000
2014	Pittsfield	Carpenter Road Water Main Rehabilitation Greenfield Road Southfield Road Mt Verno n Road	31-Mar	1-Jun	1-Jun	Mike Townsend	Chris Ellerbaas 734.214.2566	400	8"	1,600	n/a	n/a	\$61,000	\$57,000
2014	Southfield	Water Main Lining	7-Apr	28-Jun	28-Jun	Carl Evangelista	Larry Siles 248.752.3739	6,400	8"	6,500	n/a	\$59,000	\$1,100,000	\$1,100,000
2013	Bloomfield Township	Telegraph Road Lining	1-Apr	13-Apr	13-Apr	Carl Evangelista	Olivia Olszyn-Budry 248.594.2807 Bloomfield Twp	n/a	8"	200	n/a	n/a	\$61,500	\$61,500
2013	Huron Township	Huron River Drive Lining	1-Sep	1-Oct	1-Oct	Mike Townsend	Bruce Wood 734.753.4468 Huron Township OHW	4,400	8"	4,230	Contractor and Owner	\$1,085	\$731,573	\$733,658
2013	Southfield	Greenfield Road and Civic Center Road	1-Apr	1-Jun	1-Jun	Mike Townsend	Larry Siles 248.752.3739 City of Southfield Water	7,000	12"	6,979	n/a	n/a	\$780,450	\$780,770
2013	Southgate	Dir Toledo Avenue at Superior Avenue Lining Project	1-Oct	1-Nov	1-Nov	Carl Evangelista	Admin Hennessy Eng John Miller Const 734.753.0476	700	8"	612	Contractor and Owner	\$97,842	\$166,121	\$158,967
2013	Warren	RIVER CROSSING Lining on Ryan Road at the Red Run Drain	1-Mar	1-May	1-May	Carl Evangelista	Donna Dorofski 586.759.9300 City of Warren	n/a	12"	338	Owner	\$10,086	\$144,950	\$155,036
2013	Waterford Township	Water Main Lining Project DWRF #7377-01	1-Jul	1-Jun	1-Jun	Carl Evangelista	Kevin Goetz Conz 248.681.2800	10,222	12"	11,295	Contractor	In Progress	\$2,073,771	\$2,485,075
2012	Southfield	10 Mile Road Water Main	1-Oct	1-Nov	1-Nov	Lou Magano Blaine Preston	Larry Siles 248.752.3739	4,000	8"	6,734	n/a	n/a	\$195,000	\$809,370
2011	Farmington Hills	Grand River Avenue	1-Jun	1-Aug	1-Aug	Lou Magano Blaine Preston	Tammy Gushard 248.671.2558	9,000	8"	4,400	Contractor and Owner	\$46,932	\$964,980	\$764,292
2010	Allen Park	Kobis Street Water Main	1-May	1-May	1-May	Lou Magano Blaine Preston	Rick Lang 313.928.0550	n/a	12"	85	n/a	n/a	\$21,530	\$21,530
2010	Pittsfield	Watermain Rehabilitation DWRF Project No. 7269-01 Weathampden Street Eastment	1-Apr	1-Sep	1-Sep	Lou Magano Blaine Preston	Chris Ellerbaas 734.214.2566	20,000	12"	10,600	n/a	n/a	\$2,037,450	\$1,887,709
2010	Southfield	Water Main CPP Project No. 09-00079	1-Sep	1-Oct	1-Oct	Lou Magano Blaine Preston	Larry Siles 248.752.3739	3,000	12"	3,430	Contractor	\$26,670	\$583,912	\$583,912

**USA PROJECTS - FER-PAL CONSTRUCTION USA LLC**  
**Aqua Pipe Water Main Rehabilitation**



Michigan

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2009	Clinton Township	North Grant Avenue Water Main Lining Project No. CLOB-10	1-Aug	1-Oct	3-Oct	Lou Magurno Blaine Preston	Mike Janicki 586.791.1766	6,000	12"	4,364	n/a	n/a	\$787,249	\$731,256
2009	Southgate	Superior Road Water Main Rehabilitation Project No. TAY2102-03T	1-May	1-Jun	1-Jun	Lou Magurno Blaine Preston	David Wiedenbach 734.152.3079	3,000	8"	1,976	n/a	n/a	\$279,758	\$277,679
2009	Taylor	Water Main Rehabilitation Project No. TAY2102-03T	1-Jul	1-Oct	1-Oct	Lou Magurno Blaine Preston	Craig Lyon 734.374.1306	15,000	8"	7,382	n/a	n/a	\$906,981	\$860,449
2008	Allen Park	Kim Street / Jane Street Water Main Rehabilitation Project No. TAY2102-03T	1-Sep	1-Nov	1-Nov	Lou Magurno Blaine Preston	Rick Lang 313.978.0550	1,600	8"	690	n/a	n/a	\$149,205	\$149,205
2008	Muskegon	Quaterline Road / Apple Ave Water Main Rehabilitation Project No. TAY2102-03T	1-Apr	1-Jun	1-Jun	Lou Magurno Blaine Preston	Randy Perrett 231.782.3100	7,000	10"	3,837	Contractor and Owner	\$40,708	\$614,987	\$655,694
2008	Southfield	Wallace, Fraser and Mack Water Main Rehabilitation Project No. DT1451FD	1-Apr	1-Jul	1-Jul	Lou Magurno Blaine Preston	248.786.4804	12,000	8"	5,900	Owner	\$23,882	\$842,573	\$807,466
2008	Southfield	Inkster Road Water Main Rehabilitation Project No. DT1451FD	1-Oct	1-Nov	1-Nov	Lou Magurno Blaine Preston	248.786.4804	2,500	12"	2,300	n/a	n/a	\$313,151	\$301,000
2008	Southgate	Eureka Road Water Main Rehabilitation Project No. TAY2102-03T	1-Nov	1-Nov	1-Nov	Lou Magurno Blaine Preston	David Wiedenbach 734.152.3079	n/a	8"	260	n/a	n/a	\$41,850	\$41,850
2008	Taylor	Genis Avenue Water Main Rehabilitation Project No. TAY2102-03T	1-Aug	1-Nov	1-Nov	Lou Magurno Blaine Preston	Craig Lyon 734.374.1306	5,000	8"	2,400	Owner	\$37,674	\$322,767	\$355,527
2007	Waterford	Dorelson Park / Edgely Drive / Old Orchard Water Main Rehabilitation Project No. TAY2102-03T	1-Apr	1-Sep	1-Sep	Lou Magurno Blaine Preston	Terry Biederman 248.612.7451	7,000	6"	3,495	Contractor	\$8,816	\$452,880	\$442,657
<b>MICHIGAN CIPP TOTALS (LF)</b>										<b>103,647</b>	<b>TOTAL CONTRACT VALUES \$19,637,121</b>			



# USA PROJECTS - FER-PAL CONSTRUCTION USA LLC Aqua Pipe Water Main Rehabilitation

Ohio

Year	City	Project	Start Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2013	Columbus	Little Avenue Water Main Rehabilitation	1-May	1-Aug	Lou Magurno	Tim Hoffman 614 645 7677	24,000	6"	12,640	Owner and contractor	\$41,193	\$2,306,497	\$2,317,685
2012	Columbus	Sphan Avenue Water Main Rehabilitation	1-May	1-Jun	Mike Townsend	Robert Arnold 614 645 7677	3,000	6"	2,627	n/a	n/a	\$415,029	\$555,496
OHIO CIPP TOTALS (LF)										15,267		TOTAL CONTRACT VALUES	\$2,703,581

Minnesota

Year	City	Project	Start Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2015	Burnsville	Poosle Water Rehabilitation	17-Aug	14-Oct	Lou Magurno	Jennifer Shumann 952 912 2613	500	10"	644	n/a	n/a	\$286,885	\$308,817
2016	Minneapolis	2016 CIPP Rehabilitation	21-Aug	30-Sep	Lou Magurno	Robert Ervin 612 763 5600	By Others	6"	4,013	n/a	n/a	\$457,600	\$411,943
2016	Roseville	Hennepi Water Main Lining	1-Aug	15-Sep	Lou Magurno	Jennifer Shumann 952 912 2613	2,500	6"	2,161	n/a	n/a	\$542,808	\$512,397
2016	St. Paul	SPRWS - 2016 CIPP Lining	9-May	31-Aug	Lou Magurno	Rich Hebard 266 6768	By Others	6"	10,348	Owner	\$118,003	\$989,400	\$843,318
2015	Eden	Reconstruction of Existing Water Main - Morningstar Subd	28-Sep	15-Nov	Lou Magurno	Chad Miller 952 826 0318	By Others	6"	5,250			\$948,157	\$948,177
2014	Hawes	Trunk Water Main Pipe Rehabilitation	15-May	16-Jul	Chris Schumann	Nick Egger 651 480 2370	2,100	6"	600	n/a	n/a	\$850,000	\$830,000
2014	Minneapolis	Reconstruction of Existing Water Main	14-Aug	1-Oct	Mike Townsend	Robert Ervin 612 763 5600	n/a	6"	5,298	n/a	n/a	\$878,397	\$852,170
2013	Minneapolis	2013 Water Main CIPP	1-Sep	1-Oct	Lou Magurno	Robert Ervin 612 763 5600	n/a	6"	3,540	Owner	\$87,468	\$392,940	\$489,408
2012	Crytzel	2012 Trunk Water Main Pipe Rehabilitation Project No 10-19	1-Jan	1-Sep	Lou Magurno	Toby Mue 952 912 2616	7,000	6"	3,665	n/a	n/a	\$641,781	\$574,464



**USA PROJECTS - FER-PAL CONSTRUCTION USA LLC**  
**Aqua Pipe Water Main Rehabilitation**

**Minnesota**

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2012	Minneapolis	2012 Water Main CIPP 2011 Trunk Water Main Pipe Rehabilitation Project No. 10-19	1-Sep	1-Oct	1-Oct	Lou Magurno Blaine Preston	Robert Ervin 612.763.5600	n/a	8"	6,016	n/a	n/a	\$681,018	\$654,945
2011	Golden Valley		1-Jun	1-Sep	1-Sep	Lou Magurno Blaine Preston	Mitch Hoelt 763.593.3961	11,000	12"	5,376	Owner	\$60,513	\$1,174,755	\$1,190,816
2011	Minneapolis	2011 Water Main CIPP 2010 Trunk Water Main Pipe Rehabilitation Project No. 10-19	1-Sep	1-Oct	1-Oct	Lou Magurno Blaine Preston	Robert Ervin 612.763.5600	n/a	8"	2,376	n/a	n/a	\$314,147	\$314,147
2010	Golden Valley		1-Sep	1-Nov	1-Nov	Lou Magurno Blaine Preston	Mitch Hoelt 763.593.3961	3,200	8"	1,200	Owner	n/a	\$705,833	\$544,092

**Minnesota**

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2010	Minneapolis	E River Terrace / Franklin to Cecilia Reconstruction of Existing Water Main	1-Oct	1-Nov	1-Nov	Lou Magurno Blaine Preston	Robert Ervin 612.763.5600	n/a	5"	2,500	N/A	n/a	\$265,668	\$272,847
<b>MINNESOTA CIPP TOTALS (LF)</b>													<b>TOTAL CONTRACT VALUES</b>	<b>\$8,688,551</b>



# USA PROJECTS - FER-PAL CONSTRUCTION USA LLC

## Aqua Pipe Water Main Rehabilitation

Illinois

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Unlneal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2016	Evanson	Sheridan Rd	4-Feb	29-Feb	29-Feb	Lou Magurno	Kristen Robe 867 448 8158	n/a	18"	1,693	Sub Contractor	\$11,810	\$537,000	\$457,916
2016	Danville	Vermilion Rd	31-May	31-Aug	31-Aug	Lou Magurno	Jonathan Kern 217 442 3063	4,000	8"	2,942	Contractor	\$14,000	\$546,900	\$502,900
2016	Elmwood Park	80th Ave CIPP	4-Apr	22-Apr	22-Apr	Lou Magurno	Dylon Galey 823 0600	n/a	8"	545	n/a	n/a	\$73,750	\$74,025
2016	Evanson	South Ave Water Main Lining	23-May	12-Aug	12-Aug	Lou Magurno	Bob Gwasda 610 1585	n/a	6"	1,545	General Contractor	\$18,484	\$312,920	\$270,456
2016	John	Richards Street Water Main CIPP	6-Sep	31-Oct	31-Oct	Lou Magurno	Ryan Liang 815 724 4212	3,000	12"	2,602	General Contractor	\$9,902	\$472,500	\$448,388
2016	Jobet	Shelby St CIPP		9-Dec	9-Dec	Lou Magurno	Ryan Liang 815 724 4216	n/a	6"	450	n/a	n/a	\$90,000	\$90,000
2016	La Grange	Veneca Water Main Lining	16-May	30-Jun	30-Jun	Melina Regan	Tim Collins 630 333 7981	n/a	6"	796	n/a	n/a	\$128,775	\$125,324
2016	Lombard	Roosevelt Rd Water Main CIPP	27-Jun	1-Dec	1-Dec	Lou Magurno	Matt Champagne	1E 000	12"	6,678	Contractor	\$43,143	\$4,071,931	\$3,380,753
2016	Mokena	194th 155th 156th Crossings	15-Mar	22-Apr	22-Apr	Lou Magurno	Tom Lind 708 429 0660	c/a	8"	288	n/a	n/a	\$130,000	\$130,000
2016	Palos Park	Auxabaw Dr CIPP	31-Oct	11-Nov	11-Nov	Lou Magurno	Tom Lind 708 429 0660	n/a	8"	67	n/a	n/a	\$37,000	\$37,000
2016	River Forrest	Thatcher Ave CIPP	2-May	30-Jun	30-Jun	Lou Magurno	Sean O'Dell 708 478 2090	2,500	8"	1,197	n/a	n/a	\$451,952	\$449,999



# USA PROJECTS - FER-PAL CONSTRUCTION USA LLC

## Aqua Pipe Water Main Rehabilitation

Illinois

Year	City	Project	Start Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2016	River Grove	Metro Rail CIPP Lining	1-Aug	5-Aug	Lou Magurno	Bucky 708 906 5655	n/a	6"	112	n/a	n/a	\$42,000	\$42,000
2016	Romeoville	Backyard Trunk Water Main Rehabilitation	11-Apr	30-Jun	Lou Magurno	Carl Groth 630 946 3550	6,000	6"	3,374	Contractor	\$21,459	\$832,124	\$849,731
2016	Streator	Dakota St CIPP	9-Sep	16-Sep	Lou Magurno	Dave Clifton 815 672 4557	na	12"	300	n/a	n/a	\$79,500	\$79,500
2015	Streator	RIVER CROSSING Vermilion River Crossing	1-Jun	15-Jun	Lou Magurno	Richard Hermann 630 739 8425	n/a	8"	700	Owner	\$39,486	\$235,350	\$274,836
2015	Lisle	CIPP Rehabilitation of Water Mains	23-Jun	15-Sep	Lou Magurno	Sean O'Dell 708 478 2090	3,700	8" 10"	3,744	n/a	n/a	\$545,966	\$562,383
2015	Elgin	McLean Blvd CIPP	4-May	5-Jun	Lou Magurno	Eric Weiss 847 931 6159	3,700	17"	1,700	n/a	n/a	\$763,100	\$256,753
2015	Highwood	Highwood Ave Water main CIPP	15-Jun	10-Jul	Lou Magurno	Sean O'Dell 708 478 2090	2,400	6"	2,400	n/a	n/a	\$331,200	\$294,838
2015	Glenview	Wagner Rd CIPP	10-Sep	10-Nov	Lou Magurno	Tim Coffins 630 333 7987	2,570	17"	2,970	n/a	n/a	\$399,865	TBD
2015	Graydale	RAILWAY CROSSING Main St	1-Jun	8-Jun	Lou Magurno	Sean O'Dell 708 478 2090	n/a	8"	240	n/a	n/a	\$63,600	\$53,915
2015	Romeoville	Veterans Pkwy 4 RAILWAY CROSSING'S Otter Creek, James St, 12th Ave and Union St	1-Jun	15-Jun	Lou Magurno	Carl Groth 630 946 3550	n/a	12"	500	n/a	n/a	\$89,900	\$89,900
2015	Streator		26-Oct	30-Oct	Lou Magurno	Steve Wagnan 217 773 3255	n/a	6"	505	n/a	n/a	\$97,896	\$97,896
2015	E. St. Louis	Lynch Ave and Ridge Ave	26-Oct	2-Nov	Lou Magurno	Ron Smith 618 239 3243	n/a	6"	670	n/a	n/a	\$127,850	\$127,850
2015	O'Fallon Park	Mayfield Sup'd Water Main CIPP	20-Jul	30-Oct	Carl Evangelista	John Ingram 708 403 6350	20,000	6"	10,960	n/a	n/a	\$1,441,530	\$1,428,081
2015	Bloomington	RAILWAY CROSSING Country Club Dr	16-Oct	23-Oct	Lou Magurno	Rick Noble 630 350 3417	n/a	12"	225	n/a	n/a	\$53,822	\$53,822
2014	Buffalo Grove	Water Main CIPP Various Locations	15-Sep	15-Nov	Lou Magurno	Darren Monaco 847 459 2523	5,000	6"	5,230	n/a	n/a	\$974,000	\$863,297



**USA PROJECTS - FER-PAL CONSTRUCTION USA LLC**  
**Aqua Pipe Water Main Rehabilitation**

Illinois

Year	City	Project	Start Date	Finish Date	Finish Date	Contractor	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2014	Riverside	2 RIVER CROSSING'S Flaming River CIPP	1-Oct	31-Oct	31-Oct	General Contractor	Lou Magurno	Orion Galey 823 0500	n/a	6" / 12"	610	n/a	n/a	\$215,000	\$190,310
2014	Elmhurst	Virgins Lane CIPP	15-Jul	20-Aug	20-Aug	General Contractor	Jason Perez	David Lynde 630 739 8828	2,000	6"	2,015	Contractor	\$16,243	\$448,060	\$464,303
2014	Evansville	Washington Street Lining	15-Jul	30-Aug	30-Aug	General Contractor	Jason Perez	Kristen Rehg 847 448 8198	1,200	6"	600	n/a	n/a	\$150,400	\$148,800
2014	LaGrange	Costa Avenue Water Main CIPP	30-Jun	30-Aug	30-Aug	General Contractor	Jason Perez	Ray Koenig 815 444 3325	800	6"	700	n/a	n/a	\$261,802	\$216,583
2014	Park Forest	Saugamon Street Water Main CIPP	4-May	21-Jun	21-Jun	General Contractor	Jason Perez	Ray Koenig 815 444 3325	1,150	6"	1,200	n/a	n/a	\$187,000	\$270,000
2013	Glen Ellyn	Oak St Improvements	1-Jun	1-Jul	1-Jul	Sub Contractor	Lou Magurno	Sean O'Dell 708 478 2090	3,000	6"	1,400	n/a	n/a	\$124,808	\$274,809
2013	Joliet	Chicago St water main CIPP	1-Oct	1-Oct	1-Oct	Sub Contractor	Lou Magurno	Ryan Liang 815 774 1212	1,200	8"	1,300	n/a	n/a	\$158,900	\$156,456
2013	Oak Park	HIGHWAY CROSSING Water main rehabilitation	1-Nov	15-Apr	15-Apr	General Contractor	Lou Magurno	Bill MacDonna 708 358 5718	n/a	12"	360	n/a	n/a	\$249,090	\$340,000
2013	Streator	RAILWAY CROSSING Bridge St water main rehabilitation	1-Aug	1-Aug	1-Aug	General Contractor	Lou Magurno	Steve Wegman 217 373 3255	n/a	12"	131	n/a	n/a	\$55,000	\$55,000
2013	MT Pleasant	Burning Bush Drive	1-Jun	1-Jul	1-Jul	General Contractor	Lou Magurno	Richard Hermann 630 739 8825	n/a	22"	871	n/a	n/a	\$167,849	\$168,968
2012	Rockton	Bludansen Boulevard	1-Aug	1-Sep	1-Sep	General Contractor	Lou Magurno	Richard Hermann 630 739 8825	n/a	10"	1,318	Contractor	\$26,650	\$265,139	\$210,575
2011	Des Plaines	McCormick Road	1-Sep	1-Oct	1-Oct	General Contractor	Lou Magurno	Jeff Eske 630 739 8837	n/a	8"	1,000	n/a	n/a	\$114,720	\$114,720
<b>ILLINOIS CIPP TOTALS (LF)</b>														<b>64,456</b>	<b>\$13,832,165</b>





USA PROJECTS - FER-PAL CONSTRUCTION USA LLC  
Aqua Pipe Water Main Rehabilitation

Indiana

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by Contractor	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2016	Huntsburg	Structural Rehab of Water Main - 2015	25-Apr	31-Jun	11-Jun	Carl Evangelista	Gary Meyer Hobbs	2,500	6"	2,367	Contractor	\$31,781	\$684,455	\$650,786

INDIANA CIPP TOTALS (LF) 2,367

TOTAL CONTRACT VALUES \$650,786

Kentucky

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by Contractor	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2016	Lexington	CIPP Lining Mechanical 5th St	13-Jul	10-Aug	10-Aug	Carl Evangelista	Code Machine	1,000	10" 12"	1,214	n/a	n/	\$189,518	\$190,590

KENTUCKY CIPP TOTALS (LF) 1,214

TOTAL CONTRACT VALUES \$190,590

New York

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by Contractor	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2016	Rochester	2016 Structural Lining Program	31-May	30-Sep	30-Sep	Lou Martinez	Dave Mustata 585-222-5573	n/a	8"	8,479	General Contractor	\$106,368	\$912,213	\$779,687

NEW YORK CIPP TOTALS (LF) 8,479

TOTAL CONTRACT VALUES \$779,687



# USA PROJECTS - FER-PAL CONSTRUCTION USA LLC Aqua Pipe Water Main Rehabilitation

North Dakota

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2016	Riv	Water & Sewer Improvements	20-Jun	31-Aug	31-Aug	Lou Magurno	Jim Rantz 320.979.1180	By others	6"	7,014	n/a	n/a	\$992,830	\$973,985

NORTH DAKOTA CIPP TOTALS (LF) 7,014

TOTAL CONTRACT VALUES \$973,985

Wisconsin

Year	City	Project	Start Date	Finish Date	Finish Date	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2016	Waunakee	Menominee River CIPP	28-Mar	30-Apr	30-Apr	Lou Magurno	James Wojcikowski 414.479.8945	n/a	12"	397	Contractor	\$84,805	\$419,434	\$412,372
2015	Madison	CIPP Rehabilitation of Water Mains	27-Apr	10-Jul	10-Jul	Lou Magurno	Adam Wiederholt 608.766.9121	8,000	6" 8"	8,550	Owner	\$138,124	\$1,040,163	\$1,178,155
2015	Waunakee	CIPP Rehabilitation of Water Mains	29-Jun	30-Sep	30-Sep	Lou Magurno	James Wojcikowski 414.479.8945	5,200	6"	2,080	Contractor	\$15,120	\$973,725	\$938,160
2014	Madison	CIPP Rehabilitation of Water Mains	9-Sep	15-Oct	15-Oct	Carl Englewick	Adam Wiederholt 608.766.9121	3,700	6"	3,712	n/a	n/a	\$463,550	\$450,987
2014	Marshfield	Trunk Water Main Pipe Rehabilitation	21-Jul	15-Sep	15-Sep	Jacob Martin Chris Schuman	Kurt Winge 612.255.8747	In Progress	17"	4,300	Contractor	\$20,000.00	\$1,090,646	\$1,110,646
2014	Menasha	RAILWAY CROSSING 27th CIPP	15-May	30-May	30-May	Lou Magurno	Karl Rohrbach 414.286.8148	n/a	16"	300	n/a	n/a	\$110,000	\$110,000
2013	Madison	CIPP Rehabilitation of Water Mains	1-Sep	1-Nov	1-Nov	Lou Magurno Blaine Preston	Adam Wiederholt 608.766.9121	6,000	6" and 8"	3,250	n/a	n/a	\$462,250	\$461,752
2012	Madison	Major Avenue Water Main	1-Sep	1-Oct	1-Oct	Lou Magurno Blaine Preston	Adam Wiederholt 608.766.9121	5,000	8"	2,700	n/a	n/a	\$321,700	\$331,780
2012	Wausau / Marshfield	Sunset Drive / S Palmetto Boulevard	1-Aug	1-Oct	1-Oct	Lou Magurno Blaine Preston	Toby Mase	6,000	6"	2,980	n/a	n/a	\$873,374	\$706,599

Wisconsin

Revised Date: February 6, 2017



**USA PROJECTS - FER-PAL CONSTRUCTION USA LLC**  
**Aqua Pipe Water Main Rehabilitation**

Year	City	Project	Start Date	Finish Date	Finish Date	General Contractor	Project Manager	Client Contact	Temporary By Pass Lineal Feet	Water Main Size	Structural Lining Feet	Change Order Requested by	Change Order Amount	Contract Value at Bid Award	Final Contract Value
2012	Wauwatosa	Wisconsin Avenue Droder Road Water Main	1-Aug	1-Oct	1-Oct	General Contractor	Lou Magurno Blaine Preston	James Wojcikowicz 414 479 8965	1,200	12"	1,200	n/a	n/a	\$264,530	\$264,530
2011	Madison		1-Sep	1-Oct	1-Oct	General Contractor	Lou Magurno Blaine Preston	Adam Wodnicki 608 266 9121	2,800	8"	1,270	n/a	n/a	\$188,090	\$197,380
<b>WISCONSIN CIPP TOTALS (LF)</b>											<b>26,842</b>			<b>\$188,090</b>	<b>\$6,164,351</b>

JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
*City Clerk*

JAMES E. DALLOS  
*Treasurer*



## City of Southgate

NORMA J. WURMLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

JOHN GRAZIANI  
*Council President*

KAREN E. GEORGE

MARK FARRAH

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

### Memorandum

**To:** Honorable City Council Members

**From:** John J. Zech, City Administrator

**Date:** April 27, 2017

**Re:** Resolution to Approve the Purchase Agreement between the City of Southgate and DTE Energy to convert certain street lights

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Over a period of time the City of Southgate has converted street light lamps to LED (light-emitting diode) luminaires, which deliver the same amount of illumination as older lamps with much less electricity consumption and a longer lasting bulb life.

For the City Council's consideration is the conversion of the existing street lights along Dix-Toledo, between Brest and Pennsylvania Road; and along Pennsylvania Road, between Allen and Fort Streets. DTE will replace 200 lights at a cost to the City of \$88,600.00. In addition, DTE will rebate \$10,700.00 to the City once the project is complete.

The City will save approximately \$20,000.00 per year in streetlight energy costs, and realize a payback in Southgate's investment in 3.9 years at the current power rates.

The Administration recommends the City Council's favorable consideration of the Purchase Agreement between DTE Energy and the City of Southgate, in the amount of \$88,600.00, and authorization for the Mayor and City Clerk to execute all necessary documents.

I look forward to your questions and comments.

## Exhibit A to Master Agreement

### Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of April 25, 2016] between The Detroit Edison Company ("Company") and [City of Southgate ] ("Customer").

This Agreement is a "Purchase Agreement" as referenced in the Master Agreement for Municipal Street Lighting dated [February 24, 2014] (the "Master Agreement") between Company and Customer. All of the terms of the Master Agreement are incorporated herein by reference. In the event of an inconsistency between this Agreement and the Master Agreement, the terms of this Agreement shall control.

Customer requests the Company to furnish, install, operate and maintain street lighting equipment as set forth below:

1. DTE Work Order Number:	[47491543] If this is a conversion or replacement, indicate the Work Order Number for current installed equipment: [##### or N/A]	
2. Location where Equipment will be installed:	[Dix Hwy between Brest Ave and Pennsylvania, Pennsylvania between Allen Rd and Fort St.], as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	[200]	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	[22-400HPS to 135w LED, 161-250HPS to 135w LED and 17-250HPS-U to 135w LED.	
5. Estimated Total Annual Lamp Charges	\$36,004.00	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$88,600.00
	Credit for 3 years of lamp charges:	\$0.00
	<b>CIAC Amount (cost minus revenue)</b>	<b>\$88,600.00</b>
7. Payment of CIAC Amount:	Due promptly upon execution of this Agreement	
8. Term of Agreement	5 years. Upon expiration of the initial term, this Agreement shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) days prior written notice to the other party.	
9. Does the requested Customer lighting design meet IESNA recommended practices?	(Check One) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices  _____	
10. Customer Address for Notices:	[14400 Dix- Toldeo] [Southgate, MI 48195] [John Zech]	

11. Special Order Material Terms:

All or a portion of the Equipment consists of special order material: (check one) ☐ YES ☒ NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. Customer acknowledges that all or a portion of the Equipment is special order materials ("SOM") and not Company's standard stock. Customer will purchase and stock replacement SOM and spare parts. When replacement equipment or spare parts are installed from Customer's inventory, the Company will credit Customer in the amount of the then current material cost of Company standard street lighting equipment.

B. Customer will maintain an initial inventory of at least 0 posts and 0 luminaires and any other materials agreed to by Company and Customer, and will replenish the stock as the same are drawn from inventory. Costs of initial inventory are included in this Agreement. The Customer agrees to work with the Company to adjust inventory levels from time to time to correspond to actual replacement material needs. If Customer fails to maintain the required inventory, Company, after 30 days' notice to Customer, may (but is not required to) order replacement SOM and Customer will reimburse Company for such costs. Customer's acknowledges that failure to maintain required inventory could result in extended outages due to SOM lead times.

C. The inventory will be stored at \_\_\_\_\_. Access to the Customers inventory site must be provided between the hours of 9:00 am to 4:00 pm, Monday through Friday with the exceptions of federal Holidays. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to the Company:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

The Customer will notify the Company of any changes in the Authorized Customer Representative. The Customer must comply with SOM manufacturer's recommended inventory storage guidelines and practices. Damaged SOM will not be installed by the Company.

D. In the event that SOM is damaged by a third party, the Company may (but is not required to) pursue a damage claim against such third party for collection of all labor and stock replacement value associated with the damage claim. Company will promptly notify Customer as to whether Company will pursue such claim.

E. In the event that SOM becomes obsolete or no longer manufactured, the Customer will be allowed to select new alternate SOM that is compatible with the Company's existing infrastructure.

F. Should the Customer experience excessive LED equipment failures, not supported by LED manufacturer warranties, the Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at the Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of the Customer.

12. Experimental Emerging Lighting Technology ("EELT") Terms:

All or a portion of the Equipment consists of EELT: (check one) ☒ YES ☐ NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. The annual billing lamp charges for the EELT equipment has been calculated by the Company are based upon the estimated energy and maintenance cost expected with the Customer's specific pilot project EELT equipment. .

B. Upon the approval of any future MPSC Option I tariff for EELT street lighting equipment, the approved rate schedules will automatically apply for service continuation to the Customer under Option 1 Municipal Street Lighting Rate, as approved by the MPSC. The terms of this paragraph B replace in its entirety Section 7 of the Master Agreement with respect to any EELT equipment purchased under this Agreement.

\*\*\*\*\*

Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:

The Detroit Edison Company

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Customer:

[City of Southgate]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Attachment 1 to Purchase Agreement**

**Map of Location**

[To be attached]



Current Invoiced Rate														Future Invoiced Rate				
Current Watt	Type	Quantity OH	Annual Rate OH lum	Quantity UG	Annual Rate UG per lum	Current Invoice Totals	New Watt	Type	Quantity OH	Annual Rate OH per lum	Quantity UG	Annual Rate UG per lum	Future Invoiced Total					
100	MV	15	\$173.67		\$376.71	\$0.00	65	LED		\$146.52		\$302.04	\$0.00					
175	MV	15	\$224.90		\$432.98	\$0.00	65	LED		\$146.52		\$302.04	\$0.00					
250	MV	15	\$253.21		\$477.36	\$0.00	135	LED		\$166.85		\$321.77	\$0.00					
400	MV	15	\$337.08		\$568.32	\$0.00	135	LED		\$166.85		\$321.77	\$0.00					
1000	MV	15	\$601.08		\$798.24	\$0.00	280	LED		\$210.47		\$364.08	\$0.00					
70	HPS	15	\$189.76		\$343.12	\$0.00	65	LED		\$146.52		\$302.04	\$0.00					
100	HPS	15	\$199.61		\$352.68	\$0.00	65	LED		\$146.52		\$302.04	\$0.00					
150	HPS	15	\$218.21		\$384.65	\$0.00	135	LED		\$166.85		\$321.77	\$0.00					
250	HPS	161	\$254.58	17	\$449.34	\$48,626.16	135	LED	161	\$166.85	17	\$321.77	\$32,332.94					
400	HPS	15	\$332.02		\$548.04	\$0.00	280	LED		\$210.47		\$364.08	\$0.00					
1000	HPS	15	\$614.64		\$712.32	\$0.00	280	LED		\$210.47		\$364.08	\$0.00					
400	MV	15	\$337.08		\$568.32	\$0.00	280	LED		\$210.47		\$364.08	\$0.00					
400	HPS	21	\$332.02		\$548.04	\$7,304.44	135	LED	22	\$166.85		\$321.77	\$3,670.70					
150	HPS	15	\$218.21		\$384.65	\$0.00	65	LED		\$146.52		\$302.04	\$0.00					

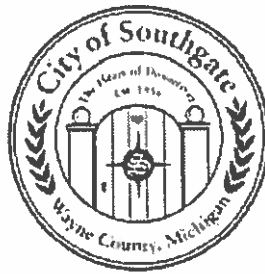
Currently		Proposed Conversion	
Total Current Lums	200	Total Future Lums	200
Total Invoice with Current Rates	\$55,930.60	Total Future Invoice with Current Rates	\$36,003.64
		Annual Savings	\$19,926.96
Note: EO Rebate will be issued directly to customer. DTE will assist the customer with the EO application process.		Cost to Convert (CTC)	\$88,600.00
		DTE labor contribution	\$0.00
		EO Rebate (EO)	\$10,700.00
		CTC less EO less DTE Contribution	\$77,900.00
		Payback Is CIAC Amount less EO rebate (yrs) divide by Annual Savings	3.91

CIAC Amount due to DTE	\$88,600.00
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JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
*City Clerk*

JAMES E. DALLOS  
*Treasurer*



**City of Southgate**

NORMA J. WURMLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

JOHN GRAZIANI  
*Council President*

KAREN E. GEORGE

MARK FARRAH

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

**MEMORANDUM**

TO: John Zech, City Administrator

FROM: Esther Graves, Deputy City Assessor *EW*

DATE: April 27, 2017

RE: Council Resolution

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Per the State of Michigan's AMAR (Audit of Minimum Assessing Requirements) Review for the State Tax Commission, the City of Southgate is required to have a resolution adopting the Policy regarding public inspection of records.

I've attached the policy, in writing. Please submit it to the next Council Meeting for resolution.

Thank you.

cc: David Angileri, Finance Director

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**JOSEPH G. KUSPA**  
*Mayor*

**JANICE M. FERENCZ**  
*City Clerk*

**JAMES E. DALLOS**  
*Treasurer*



**City of Southgate**  
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**CHRISTOPHER P. ROLLET**

**City of Southgate**  
**Policy and Procedure**  
**For Inspection and Copying of Assessment Records**

All Assessment Records for the City of Southgate are located at Southgate City Hall at 14400 Dix-Toledo Road, Southgate, MI 48195. City Hall is open Monday through Friday from 8:30 A.M. until 4:30 P.M. The Assessor's Office hours are Monday, Wednesday and Friday from 8:30 A.M. until 4:30 P.M. and Tuesday and Thursday from 8:30 A.M. until 2:00 P.M. When staff is not on site, the building department will make copies of assessment records at the cost of \$1/page. This fee is exempt if the homeowner is the one who is requesting copies. Additionally, most records are available free of charge online via the City of Southgate's website: [www.southgatemi.org](http://www.southgatemi.org)

JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
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JAMES E. DALLOS  
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## City of Southgate

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### Memorandum

**To:** Honorable City Council Members

**From:** John J. Zech, City Administrator

**Date:** April 28, 2017

**Re:** Construction Services

---

Attached please find a copy of a letter from Ryan Kern of Hennessey Engineers, Inc. regarding Construction Services in conjunction with the Drinking Water Revolving Fund (DWRP) Water Main Lining Program. This fee of \$165,685.00 is 5.2% of the cost of the program, which is reasonable for improvement of this type. This is an eligible cost and would be paid through the Series 2017 Bond Sale.

Therefore, the Administration recommends the City Council approve a contract with Hennessey Engineers, Inc. for an amount not to exceed \$165,685.00 for Construction Services for the DWRP Water Main Lining Program.

If you have any questions, please contact me.

**Cc:** Mayor Joseph G. Kuspa  
David Angileri  
Robert Tarabula



April 27, 2017

Mr. John Zech, City Administrator  
City of Southgate  
14400 Dix-Toledo Highway  
Southgate, Michigan 48195

**Re: 2017 Drinking Water Revolving Fund (DWRP) Water Main Lining Program  
Proposal for Construction Services  
City of Southgate  
Hennessey Project No. 13090**

Dear Mr. Zech:

As you are aware, the City of Southgate opened bids on Tuesday, April 11, 2017 for the above referenced project. A recommendation of award letter was prepared and submitted to your attention on April 25, 2017 and it is anticipated the contract will be awarded by City Council at their May 3, 2017 regularly scheduled meeting.

It is anticipated that construction will begin in July 2017 and be substantially completed by the end of year with final completion and restoration in the Spring of 2018. The following is a summary of the construction fees proposed and to be presented to the City Council for approval.

• Construction Inspection(150 days @ \$488.00 per day)	\$ 73,200.00
• Construction Administration (2%)	\$ 54,740.00
• Construction Staking and Layout (1%)	\$ 24,045.00
• Construction QA/QC Testing (0.5%)	\$ 13,700.00
<b>TOTAL</b>	<b>\$ 165,685.00</b>

Therefore, we recommend the City of Southgate proceed with the construction of the above mentioned project and approve the construction inspection, construction administration, construction staking and layout and construction QA/QC testing service fees associated with this project at a not to exceed cost of \$165,685.00.

If you have any questions or comments, please feel free to call me at any time.



Mr. John Zech  
2017 Drinking Water Revolving Fund (SRF)  
Water Main Lining Program  
Proposal for Construction Services

April 27, 2017  
Page 2

Very Truly Yours,

HENNESSEY ENGINEERS, INC

A handwritten signature in black ink, appearing to read 'R. Ryan Kern'.

R. Ryan Kern, P.E.  
Project Manager

cc: David Angileri, Finance Director, City of Southgate  
Robert Tarabula, Director of Public Services, City of Hamtramck  
John J. Hennessey, P.E., Vice-President, Hennessey Engineers, Inc.  
Mark Gaworecki, Project Manager, Hennessey Engineers, Inc.

File B.4