

SERVICE COMMITTEE
SEPTEMBER 6, 2011

The September 6th, 2011 Service Committee Meeting was called to order in Council Chambers at 5:30 p.m. by Mr. Gary Veith, Chairman. Members present were Mr. Veith, Mr. Hank Latham and Mr. Dale Rowe.

Others present included: Scott D. Washburn, Mayor; David Westbrook, Water Plant Supervisor; Linda Hall, Poggemeyer Design Group; Greg Telecky, Poggemeyer Design Group; Scot Swinehart; Don Spiegel; and Linda K. Stansbery, Administrative Assistant.

The following bills were presented:

	<u>STREET</u>	<u>WATER</u>	<u>WWTP</u>	<u>SANITATION</u>
1st AYD Corp.	\$102.26			
A-1 Printing				\$175.90
AEP		\$947.41		
Alloway		\$1,284.50		
Apple Scientific		\$49.80		
Automated Petroleum	\$607.53	\$355.34	\$105.22	\$571.02
Automated Petroleum	\$270.78	\$360.56	\$65.42	\$86.37
Best Equipment				\$2,862.79
Bonded Chemicals		\$24,993.39		
Brown Supply Co.		\$425.00		
Buckey Pumps, Inc.			\$4,352.00	
Carl Harris		\$403.32		
County Enviromental			\$4,981.51	\$17,916.51
Crop Production				\$40.62
Custom Filter Supply, Inc.		\$345.92		
L & T Danner Enterprise			\$900.00	
Dixon Engineering, Inc.		\$2,000.00		
ERA		\$53.14		
Fastenal Company	\$277.43			\$83.05
Flag City Truck				\$295.26
Friends		\$66.23		
Ginosko Laboratories, Inc.			\$440.00	
Gottfried Electric	\$86.30		\$210.00	
Green Guard		\$33.01		
HD Waterworks		254.41		
JCI, Inc.		\$420.00		
Kerr's Auto Service				\$49.50
Kleem, Inc.	\$335.66			
Neptune Equipment Co.		\$82.65		
New Haven Supply Co.		\$6.83	\$551.35	
Pelton Enviromental			\$2,035.82	
Pfeifer Hardware	\$24.80	\$61.73	\$41.45	\$56.09
Rall's Automotive		\$1,029.96		
R & R Truck Sales	\$1,057.33			
Rarey Roth, Inc.		\$870.00		
Smartbill		\$492.70	\$492.70	\$492.71
Siemens			<u>\$131.00</u>	
Southeastern Equipment	\$87.34			
Streacker Tractor Sales				\$395.29
Truck Sales & Service				-24.01
Upper Auto Parts	\$138.83	\$167.44		\$34.76
UPS	\$12.16			
VISA		62.85		
Wilson Tire Company	750.84			\$246.50
TOTALS	\$3,751.26	\$34,766.19	\$14,306.47	\$23,282.36
	<u>GENERAL</u>	<u>POLICE/FIRE</u>	<u>CAPT. IMP</u>	<u>PARK</u>
Automated Petroleum		\$165.56		\$380.83
Automated Petroleum		\$142.04		\$380.83
Fastenal Company				\$380.83
Gottfried Electric		\$385.00		\$380.83
Hach	\$5,440.00			\$380.83
HUG MFG Corp.	\$1,550.00			\$380.83

Kokosing Materials	\$3,994.92			
Pfeifer Hardware	\$26.99	\$47.65		\$61.73
S & S Porta Johns				\$75.00
Upper Auto Parts		188.33		69.39
VISA		109.75		134.94
Wilson Tire Company		30		
TOTALS	\$11,011.91	\$1,068.33	0	\$2,626.04
GRAND TOTAL	\$14,763.17	\$35,834.52	\$14,306.47	\$25,908.40
			\$88,969.35	

A motion was made by Mr. Dale Rowe, seconded by Mr. Hank Latham, for the approval and payment of bills totaling \$88,969.35. Upon Voice Vote, all members voted Yes. The Chairman declared the motion carried.

The minutes of the August 15th, 2011 Service Committee meeting, having been mailed to each member, were approved as received.

At this time, Mr. Greg Telecky and Mrs. Linda Hall of Poggemeyer Design Group addressed the Service Committee regarding the following possible financing options for the replacement of waterlines in the Northeast quadrant of the city:

NE Quadrant Waterline Replacement Potential Financing Options

Scope: Replacement of existing water system with 8" main on Front, 2nd, 3rd, 4th, & 5th Streets, and Parkview between Walker and Church Street, and installation of new water main on Skyline Drive between Church Street and Center Drive; elevated tank improvements (interior cleaning and exterior blasting and repainting interior & exterior).

Estimated Total Project Costs:

Construction: \$2,227,313 (including 10% contingency)
 Design/Testing/Inspection: \$ 293,614
 Total: \$2,520,927

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OPWC Grant/Loan and OWDA – Loan

OPWC: \$ 500,000 Grant
 OPWC: \$ 500,000 Loan (0% @ 30 yrs): **Annual debt retirement: \$16,666.67**

OWDA: \$1,520,927 Loan
 (30 years at ±3.77%, which is the current OWDA market rate minus .5% discount for having an OWDA loan previously).
Annual debt retirement: \$85,515.74
Total Debt Retirement; \$102,182.41

- **Notes:** * = OPWC offers credit enhancement on any non-OPWC loans, so the City should apply for credit enhancement, as follows:
 \$ 1,520,927 OWDA loan (2 years of interest): approximately \$57,338.95 + \$56,276.68 = \$113,615.63 (considered a credit enhancement grant). **Added to the \$500,000 in OPWC grant funds, total "grant" would be \$613,615.63 or 24.34%**
- If approved, the credit enhancement would be either reimbursed to the City, if already paid OR would be paid to the funding agency directly by OPWC on behalf of the City.

OPWC: Round 26 – Applications due 10/7/11

- Ask for \$500,000 (max. per OPWC District 16) in grant funds & \$500,000 in loan funds. Would have to break projects into 2 projects, with tank work included in one of waterline projects.

OWDA: Application due after construction bids are taken.

- Funding is available, with applications due any month following construction bidding of project.
- City would qualify at current market rate at time of project application, with discount of .5% for having previous OWDA loans.
- Loans can be up to 30 years and draw downs are simple, plus reporting is minimal.
- Repayments are semi-annual on the first day of January and 1st day of July.

**NE Quadrant Waterline Replacement
Potential Financing Options**

Scope: Replacement of existing water system with 8” main on Front, 2nd, 3rd, 4th, & 5th Streets, and Parkview between Walker and Church Street, and installation of new water main on Skyline Drive between Church Street and Center Drive; elevated tank improvements (interior cleaning and exterior blasting and repainting interior & exterior).

Estimated Total Project Costs:

Construction:	\$2,227,313 (including 10% contingency)
Design/Testing/Inspection:	<u>\$ 293,614</u>
Total:	<u>\$2,520,927</u>

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OPWC Grant/Loan and OWDA – Loan

OPWC: \$ 500,000 Grant (19.83%) *

OWDA: \$ 2,020,927 Loan (80.17%)
(30 years at ±3.77%, which is the current OWDA market rate minus .5% discount for having an OWDA loan previously).
Annual debt retirement: \$113,628.77

- **Notes:** * = OPWC offers credit enhancement on any non-OPWC loans, so the City should apply for credit enhancement, as follows:
\$ 2,020,927 OWDA loan (2 years of interest): approximately \$76,188.95 + \$74,777.47 = \$150,967 (considered a credit enhancement grant). **Added to the \$500,000 in OPWC grant funds, total “grant” would be \$650,967 or 25.74%**
- If approved, the credit enhancement would be either reimbursed to the City, if already paid OR would be paid to the funding agency directly by OPWC on behalf of the City.

OPWC: Round 26 – Applications due 10/7/11

- Ask for \$500,000 (max. per OPWC District 16) in grant funds

OWDA:

- Funding is available, with applications due any month following construction bidding of project.
- City would qualify at current market rate at time of project application, with discount of .5% for having previous OWDA loans.
- Loans can be up to 30 years and drawdowns are simple, plus reporting is minimal.
- Repayments are semi-annual on the first day of January and 1st day of July.
- Loans are not applied for until construction bids are taken, so the loan would be for firm bid numbers, not estimates, thus, there could be cost savings.

The Poggemeyer Design Group representatives noted that these figures are estimates only and would change according to actual figures. A motion was made by Mr. Hank Latham, seconded by Mr. Gary Veith, to recommend to City Council to prepare a resolution authorizing the Mayor to apply for OPWC an OWDA funding as presented by Poggemeyer Design Group. Upon Voice Vote, all members voted Yes. The Chairman declared the motion carried.

Discussion was held concerning a request for the painting of parking lines on West Walker Street. This matter was forwarded to the Chief David Olds for his review.

Discussion was held concerning several maintenance items. These items included vehicles at the city barn and sink holes on Henderson Avenue. These items will be forwarded to Mr. Allen Boes, Street Supervisor.

Mr. Dave Westbrook, Water Plant Supervisor, presented an agreement from Corpro for cathodic protection for the water tower on Indian Mill Drive. Costs were quoted at \$1985. A motion was made by Mr. Gary Veith, seconded by Mr. Dale Rowe, authorizing the Mayor to enter into this agreement. Upon Voice Vote, all members voted Yes. The Chairman declared the motion carried.

Mr. Dave Westbrook updated the Service Committee on the progress at the Water Plant. Mr. Westbrook noted that projected start up date is the end of September.

There being no further business, the meeting was adjourned.

Linda K. Stansbery, Administrative Assistant

Gary Veith, Chairman