

Villa Rica Public Facility Authority
April 1, 2010 – 5:30pm
Holt-Bishop Justice Center
Minutes

Chairman Collins called meeting to order having been duly advertised this 1st day of April 2010.

Those in attendance: Chairman Jay Collins, Committee members: Verland Best, Rusty Dean, Woody Holland, Patrick Henrickson, Shirley Marchman, and Danny Carter, City Attorney-David Mecklin, City Manager-Larry Wood, Fred Hawkins-Rindt-McDuff, and Eric Lacefield, Deputy City Manager-Utilities.

Commission member Carter had invocation, followed by the Pledge of Allegiance.

Motion made to accept minutes/Dean seconded. 6/0 motion carried.

Dean made motion to elect Barbara Daniell secretary/Best seconded. 6/0 motion carried.

Best made motion to elect Larry Wood treasurer/Dean seconded. 6/0 motion carried.

Fred has reduced item#1 – redesign \$44,000.00 and taken the remainder \$269,000.00 and cut all profits which means I have taken 15% cut. Total cost now \$228,768,072.00.

Fred passed out three documents: (1) water plant project funds status; (2) summary of engineer fees; and (3) Allowances listing.

Fred asked if he should explain, or just let member ask questions. Chairman felt it should be taken home and read, Holland stated these are all items we should be familiar with and we have heard all these figures before. The \$1.9 million saved get you in game, starting point is \$30,797,000.00. Still \$130,000.00 to the good on project. Have approximately \$790,400.00 in allowances to complete project including the money I am asking for. Believe project can be finished using the funds out of the allowances and build you a nice functional facility. Fred presented a listing of allowances.

Holland stated he did not realize until last council meeting that city is funding engineering fee not from the bond issue. You are saying you want the \$228,768,072.00 to come out of the bond issue. Fred says coming out of allowances and feels we have ample money remaining to do that, and then you don't touch the bond. Holland asked that the negative is money not spent, but a savings, Fred confirmed. Holland said real number to build will be the \$30million, and approximately the \$2.5 million for engineering fees, correct? Fred-yes. Holland stated/asked the city has already paid out of water funds \$1.3 to design the plant, done deal and paid for. Fred-yes. Then another contract for something in the neighborhood of \$1.3 million, so we have \$2.6 million in design and construction that is paid for out of citizen funds and not bond funds? Correct. Holland if we put another \$300,000 now we are at \$2.9 million. Holland stated he did not realize engineering fees were being paid of our money city has in the bank. Also of this supervision fee the \$1 million, seems a lot to me, we are still a year from building the thing and we have paid you 75% of the money. Fred stated did this engineering to provide cost savings on the job, that's what got you the \$2 million in savings, and \$750,000 in savings. Holland asked if you built engineering in the start of job? Fred –yes, my call to duty was to save \$2 million, and I did, that cost money and that is the \$313,000.00 that I have asked for, and have since reduced that figure. In

addition there have been other items to engineer to save additional money. Simply asking for a portion of the engineering cost that saved you money and put you in a positive light.

Holland, we vote as an authority and it then goes to council, when...Mayor stated Tuesday. Holland is on agenda for Tuesday. Wood stated it was not on the Tuesday agenda.

Wood stated Fred is asking not to take this out of our water/sewer reserve fund, but instead use the additional savings from CO#2 plus look at allowances and manage it so that we actually pay this extra \$230 out of the proceeds from the bonds. And that's an option.

Carter stated that we have about \$1million in allowances now and we are going to eat up a lot of that with the demolition of the old plant, need to be careful about eating up our allowances, we are going to need to furnish the new plant.

Fred stated allowance for demolition of old plant is \$250,000.00, that money is bid in the contract, contractor will give price late in job and if its price is higher than the \$250,000 my advice is to go find another contractor for that job.

Best, asked Wood, if we signed a contract for \$30,797,000.00?

Wood, yes to RDT to build the plant, which included this \$1,235,000 in allowances as part of that number.

Best, we are paying RDT to oversee this and find some cost saving avenue.

Wood, it is more than just construction at start up, they will put together all maintenance manuals, warranty documentation, so they will be here 6 months after we start putting sewage in the new plants.

Best do you foresee anything else coming out of our sewer fund and going to RDT? Holland, don't see how anyone can answer that question with certainty. Best, we got everything here, my comment is this – we sign a contract for \$30,797,000.00 and at the end of the day that is what I think we need to pay somebody some way, somehow and if you can save more money save it as long as it gets by the state, fed and higher up.

Fred, remember we are at \$130,000.00 now, there's going to be dirt, they are hauling in dirt now, Carter stated this will come out of allowances, Best-that's his problem, Carter- that's our problem to because it's our cities money. Best we are obligated for \$30million so that is his problem, because that is what we are going to pay is \$30million.

Carter, we are obligated to pay \$30.8 million to RDT, but we are also obligated to pay \$1.3+ million on current contract to RMA, Holland-we have two contracts with them, Carter-first contract for design all up to and thru the bid process and second contract which we are operating under now. First contract is closed out, current not to exceed contract of \$1.3+ million, which is the construction maintenance and inspection service.

Dean stated not comfortable using the allowances at this point, because we have 15-18 allowances, prices could change, values missed in past, these numbers could grow and to use we could be short and

we are having to accept a lesser product because we are running out of money, because the \$228 went earlier.

Mayor agrees with Councilman Dean that we do not need to use this money at this time. Mayor feels this was a mistake on part of RDT, so far has done a good job, but this was their mistake.

Fred, explained the cost he is asking for is because Council said they needed a \$2million cut and his people went into over mode to get this project reduced down from \$32 million to \$30 million and this cost is for redesign that city asked for, which saved the city \$2 million.

Henrickson states he believes we owe this money to RDT, Carter agrees, but how much. Fred stated he is not going anywhere, desires long time relationship with city, if the money runs out I will keep working I am going to finish this job, regardless of the money.

Holland we hear things, but you had to do more drawings to raise the plant 3 feet, I heard it was raised 3 feet because it was too expensive to haul the dirt off, the subcontractor, save money and raise it 3 feet.

Fred, we went up 3 feet, contractor and I will give you \$200,000 because if you raise it 3 feet you will allow RDT to give you a \$150,000 credit on raising the structures, and \$50,000 to build the cason method the affluent pump station.

Holland, referenced that Fred told him this and don't think it is a secret, its Fred's position, what we designed was a Cadillac with the amount of concrete, fountain, ponds, and pointed finger at city for selecting expensive things. He designed what he was told to design, Chairman asked who asked for a fountain, Holland none of the people still with us. Fred stated that you also have a training facility that is par excellence.

Carter went out and looked and could not believe we created a huge building just for an office. Holland is it too late to stop that? Carter, it's too far along. Henrickson asked about \$30,000 landscape sign, Fred this is a fountain built out of block, on allowance, its money that can be used for anything.

Dean made motion that payment be suspended for this CO until the end of the contract/ (Carter stated that he would when we get to the end, if we look at allowances and find out we done all we wanted to and have money left, that's where the money is going to come from) Holland seconded with understanding that city will still pay on the contracts that are outstanding for the money we owe this vendor. 5/1 Henrickson voted no.

Best stated Fred was the expert and if he felt something should be removed or added the city was trusting him to eliminate or add and to get with city manager regarding these items.

Holland made motion to remove the 60" plasma TV/Henrickson seconded. 6/0 motion carried.

With no further business, Holland made motion to adjourn; seconded by Dean. 6/0 motion carried.