

**MINUTES OF A BOARD MEETING OF THE
RECREATIONAL AUTHORITY OF
ROSEVILLE AND EASTPOINTE
HELD ON THURSDAY, JUNE 26, 2014**

The meeting was called to order at 6:30 p.m. at the Recreational Authority Recreation Center, 18185 Sycamore, by Chairperson Aiuto with the following Board Members present:

Duchane, Frontera, Marion and Switalski

Administrator present: Director Lipinski

Approval of Minutes:

Motion by Frontera, seconded by Switalski, to approve the minutes of May 8, 2014, as written.

MOTION CARRIED

Motion by Duchane, seconded by Marion, to approve the minutes of May 22, 2014, as written.

MOTION CARRIED

Approve Disbursements and Budget Report:

Motion by Duchane, seconded by Switalski, to approve the disbursements and budget report as provided.

MOTION CARRIED

Communications:

Director Lipinski informed the Board that there was a letter to American Cleaning in the packet which we are releasing them from their contract at the end of the month and will take care of everything ourselves during the construction phase. Chairperson Aiuto commented that there was no penalty for early termination because it was the end of the contract. Director Lipinski replied yes.

Old Business:

Chairperson Aiuto announced that there was no old business to address.

New Business:

Request Approval of the 2013/14 Year-End Budget Adjustments:

Motion by Duchane, seconded by Switalski, to approve the fiscal year 2013/14 year-end budget adjustments with net change from estimated fund balance of \$275,863 to \$527,500.

MOTION CARRIED

Request Approval of the Tax Tribunal Agreement as Presented by the Macomb County Treasurer, Ted B. Wahby:

Motion by Duchane, seconded by Marion, to approve the Tax Tribunal Agreement with the County Treasurer as presented.

MOTION CARRIED

Request Approval to Award Building Renovation Project Bid to Axiom CSG, Inc. as Recommended by Mr. Andrew Sowinski, Project Manager, Partners in Architecture, PLC:

Director Lipinski explained that in the packet is the recommendation letter from Partners with various explanations for alternates.

David Gassen from Partners in Architecture informed the Board that in the packet is the bid tabulation; very competitive bids; pointed out the project looks like an addition but it is much more than that – improving the existing building also; all mechanical equipment will be replaced; existing roof replacement – whole building will be reroofed in Alternate 1; replacing bleachers – put in motorized bleachers is Alternate 2; activity rooms – upgrading ceiling and lighting in current activity center in Alternate 3; replace additional flooring in the same three rooms in Alternate 4; add glazed brick at existing entry in Alternate 5; paint existing metal roof in Alternate 6; add south clerestory windows to bring in light in Alternate 7; add wire ceiling in fitness room to create an environment that you would see in a fitness center in Alternate 8; replace floor tile in existing restrooms in Alternate 9; replace motor control center in Alternate 10 and some of the electrical system coming into the building is being replaced; recommendation of what alternates are a good value right now and should ask contractor in the award to hold those prices if we don't choose them right now; analyzed the bids and interviewed three low contractors; have worked with Axiom with some success and some difficulty.

Director Lipinski asked what difficulty will there be with this room and small gym. Mr. Gassen responded that the contractor has our schedule in the bid process; we will have a problem if something unforeseen comes up; first bidder can make October 1st if nothing comes up and second bidder felt there was a little wiggle room.

Board Member Switalski commented that we came in under budget from what we set aside and you made a recommendation to hold off on some alternates and hold that money for contingencies; choices made sense to him; liked the wire ceiling and asked why he felt the number came in high. Mr. Gassen replied that it came in about 50% more because he felt it should have been about \$12,000 but room will be open to the roof. Board Member Switalski asked could we do it at a later date. Mr. Gassen replied yes.

Board Member Frontera asked Director Lipinski what our original budget amount for the project was. Director Lipinski replied \$3.2 million but bumped out senior center and went to \$3.28 million budget.

Board Member Duchane commented that this is his tenth major public project in construction and never at the end have a Board say we built everything we wanted – always regretting at the end of the project that we should have added this or that; regrets having the wire ceiling coming out; there is an element in this project that we have some concern about the existing facility; if someone on the Board would like to see something in this project, he has no problem with that; issue regarding recommended contractor because of a project being done in Eastpointe; at the end of the project has some concerns regarding attention to detail of their subcontractors; some things at the end that he doesn't want to see happen in the recreation building; satisfied that Mr. Gassen and Partners in Architecture will assist us through this building project and work with our chosen contractor; doesn't materially affect his decision on this bid.

Board Member Marion commented that it is a good idea to pull out a few of the items and give us a cushion and tack them on later.

Director Lipinski asked Mr. Gassen to go over the items he removed and if they can be done later.

Mr. Gassen responded that the critical date is October 1st while the place is being torn apart is first; know there is a concrete issue but don't know if there is a soil issue; want to see us clear this hurdle first; once October 1st can think about looking at add ins to the project; in terms of what they are is the restroom tile,

the glaze brick on the front of the building, bleacher replacement and wire ceiling is easy to negotiate – not a lot of money.

Chairperson Aiuto asked what the cost to replace the bleachers was. Mr. Gassen replied \$41,900.

Board Member Frontera asked how long has this company been in business compared to the next bidder. Mr. Gassen responded that the people that will be working on the project are seasoned. Andrew Sowinski with Partners in Architecture responded that Axiom was part of a construction management arm for an architectural firm; did smaller projects – school projects; easily thirty years of construction experience for the two at Axiom; second bidder has been in business for fifty-eight years; confident that Axiom will perform and if there are issues they will repair those issues.

Board Member Switalski asked is there anything we should be doing to insure everything such as a penalty clause. Mr. Gassen responded that it is too late for a penalty clause to be added but can measure progress and quality along the way; organization and sequence is so important and make sure they are on the same page; most contracting where it goes bad is at the end and our roll with AEW is to have oversight on the project and come back every month with a report. Board Member Switalski asked if the leverage on the contractor is what we are holding back on in contingencies. Mr. Gassen replied that we are asking for payment for work done and we will hold ten percent back and actually approving what has been provided.

Board Member Marion asked how often someone from Partners will be here. Mr. Gassen replied that they will be here several times a week and have a meeting once a week to look ahead for two weeks

Vice Chairperson Duchane asked did Partners build in Roseville building permits and building inspections. Mr. Gassen replied that in the bid there is a \$10,000 allowance for that process.

Chairperson Aiuto commented that he would like to discuss two items – wire ceiling is \$22,500 (Alternate 8) and replacement of bleachers (Alternate 2) and this is his pet peeve and would like to have that included; asked will Axiom pay prevailing wage. Mr. Gassen replied that he can't say yes across the board but many of the subcontracts will be prevailing wage and could state your desires regarding that.

Motion by Duchane, seconded by Switalski, to award the bid to Axiom CSG, Inc. with Alternate 2 – replacement of gym bleachers being added to the bid.

MOTION CARRIED

Request Approval of Financial Services Administration Provider for the Recreational Authority of Roseville and Eastpointe:

Chairperson Aiuto commented that last month the Board had presentations by both cities for financial services and opening the floor to dialogue or any further questions.

Vice Chairperson Duchane asked to move to postpone this until the July meeting; in November, 2011, RARE was formed by the voters, started with no chart of accounts, no tax reports, no audit schedule, no payroll system and no budget; Ms. Dancey, without any assistance, developed the system; RARE now has a complete fiscal system, transmittal letters, a five year plan and a balanced budget which she did while working with our Director and she did the same thing with SERESA at the same time; with her notice to leave we understandably were concerned; Eastpointe is prepared and has a fiscal policy system in place, a track record of assisting to realign other public agencies to improve and follow all standards, including continual improvement with the highest qualifications of personnel and support for these professionals; we have a long serving day-to-day fiscal manager to address the joint authorities and continue Ms. Dancey's work; Mr. Adkins did a fine professional job showing the Board the proposal based on Ms. Dancey's past work with a virtual player to be named later that would assume these expectations;

great representation but it is like selling me Yankees tickets because Babe Ruth once played for them; recommend a postponement until we can fully discuss what the administrative alignment is going to be by the Board, the administrative staff and understand who and how we are meeting those expectations; there are some relationships that people are concerned would be broken with Roseville in terms of employees and we can look at that; be able to evaluate and consider the makeup of the new Roseville in fairness and the role they will perform for the Authority before determining the best interests of RARE; we are coming off a high positive season and relationship in building an organization from the ground up; need to look for continuous improvement and where we are going to go in the future; this is a very important decision and don't want to do anything that is detrimental and short change ourselves.

Board Member Marion commented that the points are well taken; his concern was that players would be changing and one part is the Eastpointe start up was a large amount of expense on their part to be able to take on the task and his concern is can they handle it.

Board Member Switalski commented that he has no objection to postponement to look at the whole picture of what the Authority needs; Ms. Dancey has done a great job and we have new people coming in and they will do a good job but that is only one part of what is provided; should look at all the things we need to do and need to pick what is best for the Authority; need to look at every aspect of what the Authority needs – IT, health care, HR, including finances; take the time to get a handle on all these things and see what is best for the Authority.

Chairperson Aiuto asked Board Member Switalski if he wants to look at segmenting tasks as opposed to financial administration at a flat rate and it encompasses x, y, z. Board Member Switalski replied that we should look at every service the Authority requires and what is the best way to provide that.

Board Member Frontera agreed that we need to do what is best for the Authority, but finds it hard sometimes that we have a Councilman and City Manager who have their own respective cities to report to; need to do what is in the best interest of this group and not thinking as council people and city administrators; doesn't know if he is sold on postponing it.

Chairperson Aiuto commented that in front of us we have the agenda item to approve financial services administration provider and last month his concern was the consequences of making a switch; telecommunications comes in and where is that paid for and there are various other aspects; are we taking into account other things that need to be paid for; this is a unique situation and we are growing ourselves as an Authority and opening the floor to ask Ms. Dancey, Mr. Blum or Mr. Adkins if they have anything to say.

Scott Adkins reiterated the importance of you looking at this decision and understands if you are not ready to make this decision tonight; it is a very difficult for a council person or city manager to make and must look at what is in the best interest for the Authority; there are interwoven components with a lot of moving pieces in this; ultimately don't all want to sit here six months from now not knowing where we are at; maybe not making a decision tonight or next month, could be three months; applaud you for toiling over this issue over the last month; Ms. Dancey did a lot of work and all the committees on both sides from 2011 that began the Authority; there was a provision in the early minutes about an Administrative Services Plan and never was created and Authority needs to look at this and pick it up; the Authority needs to look at a structured program.

Motion by Duchane, seconded by Switalski, to table the request for approval of financial services administration provider for the Recreational Authority of Roseville and Eastpointe until the August meeting.

MOTION CARRIED

Request Approval of Preliminary Site Plan from AT&T to Install a Cellular Tower on the North Side of the Eastpointe Community Center:

Motion by Frontera, seconded by Switalski, to approve the Preliminary Site Plan to install a cellular tower on the north side of the Eastpointe Community Center located at 16435 E. Eight Mile Road.

MOTION CARRIED

Hearing of the Public:

William Sweeney (15703 Camden, Eastpointe) informed the Board that he was here at the request of his son who gave a presentation to the Eastpointe City Council about a disc golf course at Spindler Park, would like to know if the Board would consider having a presentation of what he has laid out and what he has found out about the disc golf course and Eastpointe City Council was very receptive to it; commended the Board for having a contingency when it comes to building this place; regarding finances, from his standpoint his City Manager better be doing what is best for the residents of the City of Eastpointe so if he thinks Roseville should do the finances, then he is fine with that and if the City of Eastpointe is a better candidate, then that is fine because there is no south or north of Ten Mile Road for RARE.

Mary Grant (Clinton Township) commented on the financial services issue and that from her standpoint we are in such transition and every day there is something new, all the obstacles cause such inconsistencies and from a programming standpoint it is very difficult to keep moving forward; last two years it has taken us this amount of time to get the residents of Eastpointe to learn where we are located and how to do everything through the Recreation Center and now we may change this; we need to do what is best for everybody but need to look at the whole picture; we are two years into a twenty year program; when we were using the St. Clair Shores boat ramp, each City took five year stints and would like them to look at the whole picture; things that need to be considered – we have contractual people, all printed registration forms and everything that we have had printed that say make check payable to the City of Roseville.

Director Report:

Director Lipinski informed the Board that he has an evaluation of some pre-school programs and would like the Board to look them over; distributed a MRP directory for the Board's use; summer day camp program, which is sold out, started this week and everything is going well; Walk Michigan began this week on Tuesdays at 6:00 p.m. at Spindler Park in Eastpointe and Thursdays at 6:00 p.m. at Veterans Memorial Park in Roseville and goes through July; able to secure a movie night in Kennedy Park in Eastpointe for Tuesday, July 15th and calling it Sizzling Summer Nights, will have a vendor show, pickle ball demonstration, zumba demonstration, concert, karate demonstration and barbeque cook off; with pending construction will have to relocate the meetings so would like to have the meetings in September, October and November in Eastpointe and thanked Ms. Dancey for all her work and she will be missed.

Board Member Reports:

Board Member Frontera commented on the e-mail regarding the newspaper article about millennials and wanted everyone to know that he doesn't hate old people; honored to be in the Free Press; agrees with Mr. Sweeney and the decision we make should be in the best interest for both communities and what the best value is for what we are paying.

Board Member Switalski had no report.

Board Member Marion commented that he was glad the Board tabled the financial services decision; informed the Board that the dog park fencing will be starting tomorrow and anticipating having a fence and gate before the 4th of July and also running a garage sale at 16728 Lincoln for the dog park.

Board Member Duchane commented that Board Member Marion has done a tremendous amount of work for the dog park and the Authority will be administering the dog park passes.

Chairperson Aiuto thanked everyone for coming tonight and for taking the time to look these things over and take them seriously; asked Director Lipinski to work with Ms. Dancey, Mr. Adkins and Vice Chairperson Duchane to slice up all the services that are being offered for the \$60,000 fee to see if they should all be done together or segregated out so it is what is the best thing for RARE.

Adjournment:

Motion by Switalski, seconded by Frontera, to adjourn the meeting at 7:49 p.m.

MOTION CARRIED

Linda S. Lince, Acting Secretary