



AGENDA
MANDAN CITY COMMISSION
OCTOBER 18, 2011
ED "BOSH" FROEHLICH MEETING ROOM
5:30 P.M.
www.cityofmandan.com

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- A. ROLL CALL:
1. Roll call of all City Commissioners and Department Heads.
- B. MINUTES:
1. Consider approval of the minutes from the October 4, 2011 Board of City Commission meeting.
- C. PUBLIC HEARING:
- D. BIDS:
1. Consider award of bids for Water & Sewer Improvement District No. 59, Project 2011-10 (5th Street NE).
- E. CONSENT AGENDA:
1. Consider approval of monthly bills
 2. Consider for approval the assessment of delinquent accounts for 2011.
 3. Consider for approval the special assessments for Sidewalks of 2011 and, Health and Safety of 2011.
 4. Consider change order for Residual Management Facility
- F. OLD BUSINESS:
1. Consider award of bids for Flood Improvement District #1, Project 2011-06 bid package #6 (Riverbend Dike Removal)
 2. Consider bids for Waste Water Treatment Plant improvements
- G. NEW BUSINESS:
1. Consider the request to for No Parking Signs on Riverwood Avenue SE
 2. Consider the addition of projects to the NDDOT Urban Roads Project List.
 3. Consider abatement - Papke
- H. RESOLUTIONS & ORDINANCES:
- I. OTHER BUSINESS:

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- J. FUTURE MEETING DATES FOR BOARD OF CITY COMMISSIONERS:
1. November 1, 2011 – 4 p.m. start time
 2. November 15, 2011
 3. December 6, 2011
- K. ADJOURN

Departmental planning meeting will be held the Monday prior to the Commission meeting, all Commissioners are invited, noon, Dykshoorn Conference Room. Please notify the city administrator by 8:30 a.m. that Monday if you plan on attending. If more than two commissioners plan on attending, proper public notice must be given.

The Mandan City Commission met in regular session at 5:30 p.m. on October 4, 2011 in the Ed “Bosh” Froehlich Room at City Hall. Commissioners present were Helbling, Tibke, Rohr, Frank and Jackson. Department Heads present were Finance Director Welch, Police Chief Bullinger, City Attorney Brown, City Administrator Neubauer, Director of Public Works Wright, Fire Chief Nardello, Business Development and Communications Director Huber, Engineering Project Manager Bechtel, and City Assessor Barta.

Keith Hunke of the North Dakota League of Cities presented Del Wetsch with the *2011 Hometown Hero Award*. This award is given to citizens who make their cities better places to live. Wetsch was recognized for organizing Buggies-n-Blues, Rodeo Days, Santa’s Arrival and the Wild West Grill Fest.

MINUTES: Consider approval of the minutes for September 20, 2011, regular meeting. Commissioner Frank moved to approve the minutes of September 20, 2011. Commissioner Rohr seconded the motion. The motion received unanimous approval of the members present.

PUBLIC HEARING:

1. A Public Hearing to consider a five-year Ad Valorem Tax Exemption for Acteva Assisted Living Center, LLP (see also New Business 2-i). City Assessor Barta presented a request to consider a 5-year Ad Valorem Tax Exemption for Acteva Assisted Living Center. He said that a notice was published in the Mandan News on September 9 and September 16, 2011 and there has been no opposition to the request received. The property is located at 3010 12th Avenue Northwest, Mandan, ND, aka Section 16, Township 138N, Range 80W. On September 27, 2011, the Mandan Growth Fund Committee voted 8-0 to recommend approval of a 5-year 100% exemption with a provision that Acteva be required to repay the value of the exemption if the facility were sold to a non-profit entity. Business Development and Communications Director Huber stated that the Developer Kirk Simet, Brookings, South Dakota is prepared to provide a summary of the project. Mr. Simet came forward and stated that an L.L.P. was formed under the name of Acteva Assisted Living Center. He stated that he has been involved with assisted living facilities for about 20 years and currently there are approximately 12 facilities in North Dakota, South Dakota and Minnesota in which he is or has been involved with. He recently joined a firm, ICON Development Group, Grand Forks, N.D. Partners in the ICON Group are Todd Mitzel, Bismarck and Mike Kuntz, Rugby. Simet explained that a couple years ago the firm looked at developing the former Mandan Junior High building for this project. However, it was determined that the building did not have the right layout and it was determined that there was a need for this type of living development – senior living; in particular assisted living, in the Mandan area. Subsequently, Simet became acquainted with Perrie Schafer in discussions of this project. Simet stated that financing has been secured for the project (80% local), ICON will be the developer and also an owner in the project. Simet provided the following Master Plan overview:

- Acteva Campus (Current development based on land acquisition)
 - Phase I Assisted Living Facility (50 units) \$7.5M

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- Phase II Complete North, South, East Wings \$3-4M
 - Phase III Independent Living \$2-3M
 - Optional Land Master Plan
 - Phase IV Independent Living \$2-3M
 - Phase V Townhomes (30-40 units) \$6-8M
 - Job Creation
 - 8-10 FT plus 10-15 PT through 2015;
 - Payroll / year @ FT \$380,000; PT \$310,000
 - Construction: potentially \$20.5-\$25M for all phases
 - Community Need
 - 2009 Study showed need for over 700 assisted living or senior housing units in Morton County
 - Currently there is no assisted living accommodations in Mandan
 - Bismarck is the only local choice for assisted living for Mandan residents
 - Location
 - Site is identified with Mandan residents
 - Compliments the surrounding neighborhood
 - Compliments the new Mandan Junior High School
 - Spur future development of all types
 - Local Investors – Majority of the ownership is local to the area
 - Experienced Developers – Experience in developing over 12 similar facilities
 - Community Approach – Engage in community and long-term relationship
 - Building Design – Provides for privacy, activities and unique services
 - Proforma – Financially needs 100% of the 5-year property tax incentive. Proforma based on this. Without it, the project will fail
 - Current Property Tax – Land: Less than \$500/year; Long term \$140,000-\$350,000/year
 - Construction and Opening – Intend to break ground in 2011 and be open by October 2012

Mayor Helbling invited individuals from the audience to come forward to comment on the request for the 5-year Ad Valorem Tax Exemption for Acteva Assisted Living Center.

Wayne Papke, a Mandan resident, came forward to comment. He acknowledged the importance of the assisted living center project for the Mandan community. He stated that previously an ad-hoc group spent four meetings in 2010/2011 creating a tax incentive policy so there would be consistency in recommendations for these types of requests. Within that policy there were guidelines that were developed and there could be deviation from the policy requirements. However, it is his opinion that those criteria are not met for this project. He believes this project falls into the tax exemption @ 100% Year 1 & Year 2, @ 75% Year 3, @ 50% Year 4, @ 25% Year 5.

Papke stated that regarding the second item of discussion it is his opinion that the \$54,000 interest rate buy-down from the Growth Fund, if granted, would violate Article Ten, Section 18 of the North Dakota Constitution as a “gift”. He encouraged obtaining

opinions regarding this action. The \$54,000 grant is a non-recoverable gift. If the business fails, the City will not be able to recover this money. Papke stated that he does not believe the City can afford \$54,000 out of the Sales Tax Budget. If the City grants the \$54,000 he would ask the Board to re-consider the request.

At this point Mayor Helbling requested Mr. Papke only address the issue of the 5-year Ad Valorem discussion at this time.

Papke requested the Board adhere to the policies that were uniformly agreed to by the City Commission on 2/15/11.

Mayor Helbling once again invited individuals to come forward to comment on the 5-year Ad Valorem Tax Exemption for Acteva Assisted Living Center, LLP. He stated that there have been no written protests received.

Perrie Schafer, a Mandan resident, came forward to comment. He reminded the Commission that this parcel of land has zero tax dollars coming in to the City of Mandan. He stated that the request before the Commission is to allow an exception to the 5-year tax exemption for this particular project outlined in the Master Plan, because (1) It allows the project to work; (2) 80% of the investment for this project is Mandan people and not a large corporation or an out of state company coming in.

Hearing no more comments from the public, Mayor Helbling closed this portion of the public hearing.

BIDS:

1. *Consider approval of bids for the Mandan Wastewater Treatment Plant Phase I – Interim Improvements Project.* Russell Sorenson, Advanced Engineering and Environmental Services, Inc. provided a brief summary of the project indicating that there is a grit removal system to be replaced. This project consists of the final design; bidding and construction services for removal of the existing buried butterfly valves and replacement with knife gate or plug valves, a complete replacement of the grit removal system and completion of the utility rate modeling. There is a contract in the bid package to remove and replace that equipment. There was a separate contract for removing and replacing valves that are having problems between that building and the treatment building. Sorenson explained that the contracts were separated because they consist of two different types of work noting that the electrical was not tied to these bids and that they would be handled through the maintenance fund.

Sorenson stated that the list included five contractors. Four are local and known and one is an unknown contractor from Florida. The day before the bids were due we found out there were no bidders. The reason there were no bidders other than the one received on the closing day of the bid, indicates that local contractors are spread thin. Work is coming in their door and they are not enticed to go out and put bid packages together when they do not have crews to put on it. The other side is that the manufacturers will not guarantee delivery dates for any equipment right now. By addendum, the finish date was allowed

into January 2012 and only PKG Contracting submitted a bid. They will have a crew in Bismarck working on the waste water lift station on Washington Street later this winter. The bid came in at \$228,900 for Contract No. 1 (grit removal system) and \$164,000 for Contract No. 2 (valves that need replacing) for a total of \$392,900 which is over the engineer's bid of \$275,000. The contractor is at risk because they do not know delivery dates. The funding available is \$300,000 for the construction portion of the project. Sorenson did not propose a recommendation but rather requested permission to negotiate with the contractors and manufacturers to par down the scope of the project to remove some of the risk from them. He would also visit with them about their bids and bring those responses back to Steve Himmelspace, WWTP Manager, to work within the funding available to address maintenance issues until the project begins. Sorenson indicated he would need about two weeks to address the concerns and visit with staff on these issues.

Mayor Helbling commented that he has concerns with this project. One bidder came forward and the bid is more than \$100,000 over the engineer's estimate – of which there is no funding. Other bidders responded that they did not submit bids due to not being able to get the equipment in a timely fashion. Sorenson stated that he had everything at the time the package was being put together which seemed fine at that time. He stated the response from the other bidders came as a surprise to him on the day before bids. Mayor Helbling stated that if it appears only three valves need to be replaced, that it would have to be re-bid to be done fairly.

Commissioner Tibke stated that during their budget discussions, there was a conversation with Mr. Himmelspace and Mr. Sorenson. There are a lot of existing needs in the Wastewater Treatment facility that are pretty critical. This was addressed by what the immediate needs were for this. When the bids come in and there is a remaining SRF loan from the current 10-inch south side force main project, how do you determine a priority since everything on the list is a priority? She agreed with re-bidding the project as outlined by Mayor Helbling. Sorenson replied that he would be concerned with the re-bidding process trying to entice more bidders with equipment prices going to be higher because they “play their hands” so to speak.

Commissioner Frank commented that she agrees with Mayor Helbling to substantially change the bid for maintenance at the facility but understands the concerns to expedite this project. She stated that it appears that the Engineer's bid in several of the recent projects have been substantially lower than bid at and might be an indication of a trend to become accustomed to.

Commissioner Frank motioned to allow Advanced Engineering and Environmental Services, Inc. to enter into negotiations with PKG Contracting Inc. for the bid on the Waste Water Treatment Plant, Phase 1. Commissioner Rohr seconded the motion. Commissioner Jackson asked Sorenson what the engineer fees are on this project. Sorenson replied \$48,000 on the construction. Commissioner Jackson stated that the SRF loan has a balance left of \$334,000 and the engineer fees come out of the project as a whole. Sorenson stated that the bids have to come in under \$365,000.

Steve Himmelspach came forward to explain the valve situation. There are four valves that control the flow from the pre-treatment building to the selector tank that are the most important valves of that and they are restricted to that – they are butterfly valves and they are holding material and we are having backup in the pretreatment building because of that. That's the reason for this valve replacement. The thought was that there are two other valves that are next to that that bypass the pretreatment building. While we are in there digging the hole, we might as well replace the butterfly valves. We typically do not use them – they would only be used if there was an emergency to bypass the pretreatment building – so those two valves could probably be left alone. The other valve referred to added a lot of cost because they would have to plug that to try to replace it and that is a bypass valve also for the selector tank. So the valves that would get replaced would be the direct line to the selector tank and the bypass valves would be left in place.

Himmelspach stated he would like to have the bypass valves replaced now because it would be cheaper than to go back in five years from now. He indicated that he would recommend replacing the valves that are restricting the flow. Mayor Helbling stated that it is his opinion that if the engineer bid initially sought to have all the valves replaced, that the project should be rebid now to include those valves; and if necessary, borrow the money to complete the project rather than not do the project as a whole and come back in a year's time to re-address the problem again. Sorenson stated he is not confident in this economy that additional bidders will come forward. He suggested that he go back to the bidder and request two separate bids – one for all the valves to be replaced and one for the replacement of the four valves that control the flow.

Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Jackson: Yes; Commissioner Helbling: No. The motion passed.

2. *Consider award of bids for Flood Improvement District #1, Project 2011-06 bid package #6 (Riverbend Dike Removal).* Brent Erickson of Kadrmas, Lee and Jackson reviewed the 4 bids received. The Engineer's bid was \$1.1M to \$1.3M to remove the levy. The apparent low bid was \$634,790 from Weisz and Sons, Bismarck. The range in bids went from \$634,794 to \$1.4M. Erickson recommended holding the bids. There is a 14 day hold period. The funding reimbursement with FEMA is still in process. If this were not to be funded by FEMA but administered through the City, it is understood that the only way to get reimbursed would be through special assessments with 30-35 impacted property owners which could be \$20,000 special assessments. Erickson stated that the funding through FEMA is very important. There is a meeting scheduled on Friday, October 7, 2011, with FEMA to continue the discussion on reimbursement.

Mayor Helbling commented that this area was difficult for both the City and the residents. The installation of the dike system, or the protective system, that went in was also not eligible according to FEMA so this complicates everything. Being that the system was put in place the City had some part of it. The City has been told by FEMA that the removal of the project may qualify. The installation may not qualify but the

removal may qualify because of protecting public infrastructure. The City is hopeful that the removal will be covered and there may have to be a special meeting if that transpires.

Commissioner Jackson moved to receive the bids and hold them for Flood Improvement District #1, Project 2011-06 bid package #6 (Riverbend Dike Removal) pending FEMA approval for funding of the dike removal. Commissioner Frank seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Jackson: Yes; Commissioner Helbling: Yes. The motion passed.

CONSENT AGENDA:

1. *Consider for approval the special assessments for Weed Cutting of 2011, Sidewalks of 2011, and Health and Safety of 2011.* The Board approved of the special assessments for Weed Cutting of 2011, Sidewalks of 2011, and Health and Safety of 2011.

2. *Consider approval of a site authorization for Prairie Public Broadcasting at Little Chicago – October 15, 2011 through June 30, 2012.* The Board approved of the site authorization for Prairie Public Broadcasting at Little Chicago for October 15, 2011 through June 30, 2012.

Commissioner Tibke moved to approve the Consent Agenda as presented. Commissioner Jackson seconded the motion. The motion received unanimous approval of the members present.

OLD BUSINESS:

NEW BUSINESS:

1. *Consider agreements with Scott Johnson for sale of building at 116 E Main:*
i. Business incentive agreement: Business Development and Communications Director Huber stated that at the last Commission meeting the Commission voted to approve a \$25,000 offer submitted by Scott Johnson for the purchase of the 116 East Main property subject to agreement provisions including claw back provisions and timelines.

The Developer will:

- Conclude the purchase of the property for the sum of \$25,000 on or before November 1, 2011
- Provide a \$5,000 deposit at closing which will be refundable upon completion of the building rehabilitation based on certificate of occupancy for the main level and second story
- Commit to investing at least \$100,000 to cover interior and exterior building renovations consisting of a new roof system, remodeling the two upstairs apartments, remodel main floor retail space, any required plumbing and electrical repairs, update the façade, windows and install the handicap accessible door
- To begin the renovations no later than January 1, 2012
- The building improvements are to be significantly completed by 7/1/12

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- Establish a retail business at the site that creates at least one new job by 12/31/12 or lease the commercial space to active retail/restaurant businesses

The City will transfer the above described property to the Developer for the sum of \$25,000 subject to the terms of a Purchase Agreement. In the event the Developer has not started construction by January 1, 2012, \$2,500 of the deposit will be forfeited to the City of Mandan and in the event the improvements are not completed by 7/31/12 the remaining \$2,500 will be forfeited.

ii. Purchase agreement: This document contains a clause similar to what was in the agreement with Mamma Maria's taking over ownership of the building whereby the buyer agrees to reimburse the seller the \$1,500 realtor fees and the buyer will bring the 2011 property taxes current. Huber stated that Pat Maddock, Oaktree Realty, has presented these documents to Scott Johnson and he is willing to enter into these agreements with the City of Mandan.

Commissioner Frank motioned to approve the Purchase Agreement and Business Incentive Agreement for 116 East Main, Mandan, ND, purchased by Scott Johnson.

Commissioner Jackson seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Jackson: Yes; Commissioner Helbling: Yes. The motion passed.

2. *Consider Mandan Growth Fund Committee recommendations:*

i. Application for property tax exemption by Acteva Assisted Living Center, LLP, at 3010 12th Avenue NW. Business Development and Communications Director Huber summarized the discussion held at the Growth Fund Committee meeting and that they did pay close attention to the policy for tax exemption requests. She stated that the project met the criteria for a 100% tax exemption because of the need for the facility and that job growth is anticipated to employ 20-full time and 6-part time people by the end of the 5th year. Other criteria necessary is that it provides diversification of an economic base by providing a needed service or product to the community that's currently missing. The recommendation came with one caveat and that was that the developer would have to sign an agreement that would stipulate that if the facility were to be sold within five years after the exemption period expires, that the value of that exemption would be repaid to the City of Mandan.

Kirk Simet presented the project via PowerPoint presentation of the project in whole reviewing each of the phases of the project and the anticipated costs involved.

Mayor Helbling commented that the Mandan Growth Fund spent a considerable amount of time discussing the tax exemption breakdown request. He stated that the City is not obligated to follow the same routine all the time and that he has been approached by many of the elderly Mandan citizens encouraging support of this project. Mandan is in need of restaurants, retail and assisted living. He stated he is in support of this project and encouraged the Commission to look at approving the request for the 5-year Ad

Valorem Tax Exemption for Acteva Assisted Living Center, LLP. Mayor Helbling stressed the importance of moving forward with these types of projects in the best interests of the City of Mandan.

Commissioner Rohr pointed out that he also has received comments from the elderly in support of this project. He directed a question to the investors/bankers regarding this project: Is this tax exemption really needed and if so, on a scale of 1 to 10, how would you rate the necessity of it? Kirk Simet replied that he would rate the necessity as a “10” and the reason is two-fold: At the commencement of the proforma, the tax exemption was part of the plan and it was a real possibility of obtaining the exemption so that was figured into the initial plans of the project. Secondly, when laying the proforma out and in looking at the market rates, the costs involved, it became clear that the tax exemption would be needed in order to make this work financially. He reiterated that the financial project here, with the incentive breaks even for three years – the owners would lose money for the first three years. And if there is no incentive, that changes the plan financially and that changes the whole presentation to the investors for their return.

Commissioner Jackson mentioned that he understands the developer’s position but he has a concern that there is a policy set for these requests and that this is the first opportunity for consideration that has come before the Board and it appears that the policy is not being followed. He stated that he has reviewed the Acteva application, (assuming it is based on the proforma) and it appears to show an income in Year 3 of \$103,000. Year 4 shows a net income of \$240,000 and Year 5 shows a projected income of \$275,000. Commissioner Jackson stated that assuming these numbers are correct, he would recommend giving a 100% tax exemption for three years to make up for loss of Year 1 and Year 2 with standard step-downs in Year 4 and Year 5 (50% tax exemption in Year 4 and a 25% tax exemption in Year 5) with an option that if the business does not have the net income as projected within the application that the developer can come back to this Board in 2014 and review the tax exemption request for Year 4 and Year 5.

Kirk Simet came forward and commented: (1) (He does not think) The Board has an updated copy of the proforma and (2) It does not take into account that the developer is borrowing another \$250,000 on a loan debt that has to be repaid at the end of five years – so that will wipe out the entire profit for the first five years. He stated that an updated proforma will provide up-to-date project estimates indicating that there will not be any profit made for the first five years into this project, if the \$250,000 loan is to be repaid. Simet stated that he was not aware that the City of Mandan had a step-down tax exemption program until he met with the Growth Fund Committee last week.

Perrie Schafer commented that he has been working on this project for ten years and in order to get to where it is today, a separation of Bismarck and Mandan had to be made. He stated that a study has been done to make sure there was need for assisted living in the Mandan area and obviously, there is. As an investor in the project, as a reminder to this Commission, when he was a new business person in this community 25 years ago this same type of request came before the City Commission. It was called “Kmart” and it is located in Bismarck. Mandan’s exits have remained the same for many years and

Mandan has refused to build on those exits. Schafer requested that the five year exemption be given and that the investors will not be penalized for being good business people. Also, if the business actually does make money in five years, that that be considered a positive for this community not a negative as those dollars will be reinvested into this project at Phase II, Phase III, Phase IV and Phase V. He stressed that the word “profit” should not be considered a bad thing – that it be considered a good thing as it will generate more cash flow into the community. Schafer requested the Commission consider granting the request for a 100% tax exemption relief for a five year period, because right now there is nothing up there for a tax base.

Commissioner Jackson pointed out that the development of the assisted living facility will require more services in that area, (police, fire department, street upkeep and maintenance), in which the facility will be using just as the tax paying citizens who pay the taxes for those services.

Mayor Helbling stated that he has discussed with both the Fire Chief and Police Chief whether the current staff could handle the services with the addition of the new facility without any additional costs and without any additional manpower. Both chiefs stated they are in good shape. As far as the roads, that will help those in that area as any repairs will be special assessed and this project will help pay for those roads rather than put the specials on the property owners right now.

Wayne Papke, a Mandan resident, came forward to comment stating that the reason the Kmart's are not here is because of the inconsistencies with the tax policies. He indicated that the reason the tax policies were developed were to give the businesses a benchmark and a guideline. The inconsistencies from the past have driven businesses out of Mandan.

Mayor Helbling commented that the Commission is following the wants and needs of the community and this project is one on the “wants” list. Once it is checked off the list, there will probably not be a need to provide the types of incentives that are being considered. The same would hold true for any new retail business that may request a similar exemption.

Commissioner Jackson mentioned that this is a great project and commended Simet and Schafer for their efforts throughout the years to put this plan together.

Commissioner Rohr stated that he has reviewed the policies, he has spent time with the investors reviewing the project and plans, and he remembers the development of the step-down tax exemption policy. He stated that the bottom line is to do what is best for the City of Mandan and determine if we are doing more for the City of Mandan or doing less by not moving forward with this request.

Commissioner Frank commented that the nation is seeing similar situations in a lack of consistency within their situations too. She agreed that the City of Mandan is in need of a facility such as this. Based on the step down program of 100% Year 1 and Year 2, 75%

Year 3, 50% Year 4 and 25% Year 5 and that there is a great possibility of filling the facility within three years, Frank suggested following the step-down policy understanding that it is not a complete tax savings or incentive but just a dip from 100% to 75% to 50% to 25%. She stated that this would coincide with the projection to start accumulating some revenue as the project progresses through the years.

Mayor Helbling asked the Commission that if this was a non-profit group coming before them and the City could not collect property taxes on this property, would this discussion be held. If these people back out, there could be a non-profit entity wanting to do the same thing and never have a chance to collect the tax dollars. He commented that it would be beneficial to Mandan if this project takes off and brings in a considerable amount of money because that money would be reinvested into the City of Mandan which is a win-win situation.

Commissioner Frank questioned Simet as to whether now that he is aware of the step-down program of 100% for Year 1 and Year 2, 75% for Year 3, 50% for Year 4 and 25% for Year 5, if he would still rate the need for the tax exemption as a “10”. Simet replied “Yes”.

Commissioner Tibke questioned Director Huber as to whether the jobs referred to were 20 full time and 6 part time, was that at the end of the five years? Huber replied that yes, the numbers referenced came out of the Growth Fund application for the PACE interest buy down.

Commissioner Tibke requested information on the discussion held by the Growth Fund Committee with regard to the policy. Why did they consider this project as an exception to the policy in place as of January 20, 2011? Huber replied that she did not think it was viewed as an exception to the policy. The policy outlines numerous criteria for property tax exemption, one of which is jobs to get to that higher level. The other criteria are the diversification of the economic base in terms of providing a needed product or service. This was seen as checking off a great need in the community of something that is currently missing. There are five assisted living facilities in Bismarck and zero in Mandan. The Growth Fund Committee looked at the other criteria on that project including generation of jobs to the construction activity. A copy of that property tax policy was shared in early conversations and throughout discussions with representatives of the Acteva Assisted Living Center. At one time they expressed interest in extended assistance in years six through ten under the payments in lieu of tax portion of the exemption; however, they are not seeking that today. The base of the criteria is that the project is at least \$700,000 in value and creates at least 20 full time jobs by the end of Year 5 of which the projections of this proposal would meet those criteria. The Growth Fund Committee did not think this would conflict with the policy guidelines.

Commissioner Tibke commented that she views this project as a long term investment in the community; but more importantly, the size and the value of the project in addition to the taxes that will come back far outweighs the immediate concerns in her opinion.

Commissioner Tibke moved to approve the request by Acteva Assisted Living Center, LLP to receive a five year 100% property tax exemption subject to a repayment agreement if the facility would be sold to a tax exempt entity within five years from expiration of the exemption period. Commissioner Rohr seconded the motion.

Commissioner Rohr commented that he has many years of dealing with policies and acknowledged the importance of them as guidelines when you come across situations and the question of whether or not you deviate and it upsets the equilibrium in terms of the objectives and when looking at these guidelines in terms of what was trying to be accomplished on behalf of the City. There are interpretive elements involved in the policy if it does not apply to the general criteria then it fits the guidelines.

Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: No; Commissioner Jackson: No; Commissioner Helbling: Yes. The motion passed.

ii. Application for interest rate buy-down by Acteva Assisted Living Center, LLP. Business Development and Communications Director Huber stated that the Mandan Growth Fund discussed the application for interest rate buy-down by Acteva and that it is through a Bank of North Dakota (BND) Program called in which the BND provides a 65% funding capped at \$100,000 for interest buy-down and the local community based on population and Mandan's match would be based on 35%. The BND has two programs under PACE – Standard PACE and FlexPACE. The Standard plan requires a certain level of job creation in relation to the amount of money loaned. The Flex plan requires communities to determine what their needs are and if they want to provide that local match and for what type of projects. In this situation, the BND would provide \$100,000 toward interest buy-down and \$54,000 is sought from the sales tax set aside in the Growth Fund. \$250,000 is set aside for economic development in the City's budget. The money is there and the Growth Fund did vote 8-0 to recommend the local match for the interest buy-down and that was in the form of a forgivable loan.

Mayor Helbling requested City Attorney Brown provide legal opinion regarding this. Brown stated that individuals will argue that section of the ND Constitution as prohibiting cities, counties, etc. from economic development programs involving incentives or benefits to businesses. Some years ago, the Supreme Court ruled that the type of activity we are discussing is not unconstitutional and there have been a couple attorneys general opinions since that time that the City can rely on until the Supreme Court says otherwise that states that this is not a gift. Finance Director Welch stated that there is currently a balance of \$211,000 in the sales tax fund. It is up to the city to set up any type of repayment plan for the \$54,000 if it wishes to do so. Simet provided an overview of the financial package wherein the investors have put up \$1.4M. \$250,000 is borrowed from Community Works to help with the operation. Applying \$2.3M from the SBA and the remaining is being considered through Security First who will partner with the BND to get the permanent financing.

Commissioner Frank asked Huber if the Growth Fund Committee discussed any repayment options in the program. Huber stated that the savings would be \$154,000 (\$54,000 from local, \$100,000 from BND). The letter anticipates that the time frame would be over three years, but when BND provided the amortization schedule it was used up in roughly 12 months. The amortization schedule is included under the Growth Fund application. The committee did not discuss payment as it was requested in a forgivable loan and that was the way it was addressed. A survey done by the Jamestown Economic Association showed that about half the cities (21 cities responded) used it in the form of a forgivable loan and half as a zero rate interest loan repayable at some point in the future depending upon the nature of the product and the terms of the financing.

Commissioner Tibke moved to approve funding of a local match of the Bank of North Dakota for the *interest* rate buy-down for Acteva Assisted Living Center, LLP in an amount not to exceed \$54,000 subject to proof of permanent financing for the project. Commissioner Frank seconded the motion.

Wayne Papke commented that no one asked the group whether or not the \$54,000 was taken into account in their financial analysis. Mayor Helbling replied that this was part of the application request.

Commissioner Frank stated that what she would like to have considered is some form of claw back because the City is putting actual money into the project and in the case of the participation, what kind of ability would the City have to recoup some of this if the project does not move ahead as projected. Business Development and Communications Director Huber explained that a check for the buy-down would not be written until such time as the project is built and transitions from the construction phase of financing to permanent phase financing so the City would have the guarantee that the structure would be built and it would meet all the criteria for permanent financing.

Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Jackson: Yes; Commissioner Helbling: Yes. The motion passed.

3. *Introduction of new Police Officer Luke Kapella.* Police Chief Bullinger introduced Luke Kapella, a graduate of the University of North Dakota with a Bachelor of Science degree in Sociology. He is a 2008 graduate of Hibbing Community College having successfully completed the Law Enforcement Officer's Education Program. He commented that 2-3 years ago, Michael Kapella was introduced new to the department and that Luke and Michael are brothers. Mayor Helbling welcomed Officer Kapella to the Police Department.

RESOLUTIONS & ORDINANCES:

1. *Consider second and final consideration of Ordinance No. 1105 Zone Change for Acteva Addition – An ordinance to amend and reenact section 21-03-02 of the Mandan Municipal Code relating to District Boundaries and Zoning Map.* Commissioner Jackson moved to approve the second and final consideration of Ordinance No. 1105 Zone

Change for Acteva Addition – An ordinance to amend and reenact section 21-03-02 of the Mandan Municipal Code relating to District Boundaries and Zoning Map.

Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Jackson: Yes; Commissioner Helbling: Yes. The motion passed. *(A copy of the ordinance is on file open for public inspection during regular working hours in the Office of the City Administrator.)*

2. Mayor Helbling announced that the Annual Fire Department Open House is scheduled for Tuesday, October 11, 2011.

There being no further actions to come before the Board, Commissioner Frank moved to adjourn the meeting at 7:43 p.m. Commissioner Tibke seconded the motion. The motion received unanimous approval of the members present.

James Neubauer,
City Administrator

Timothy A. Helbling,
President, Board of City
Commissioners



Bids No. 1

Board of City Commissioners

Agenda Documentation

MEETING DATE: October 18, 2011
PREPARATION DATE: October 14, 2011
SUBMITTING DEPARTMENT: Engineering
DEPARTMENT DIRECTOR:
PRESENTER: Dave Bechtel
SUBJECT: Consider award of bids for Water & Sewer Improvement District No. 59, Project 2011-10 (5th Street NE).

STATEMENT/PURPOSE: To consider an award of bids for a Water and Sewer Project.

BACKGROUND/ALTERNATIVES: This is a review and possible award of bids for Water & Sewer Improvement District No. 59, Project 2011-10 (5th Street NE). Bids were received on October 13th for the project and Kvamsdal Construction was the only bidder to bid the project. The bid amount was \$503,674.00 which was close to double the estimated amount for the project. The Engineer's estimates were around \$216,000.00. In reviewing the bids, the timing of the project, asphalt requirements for this late in the year and completion dates led to higher prices. We are recommending that we rebid the project for a spring project.

ATTACHMENTS: None

FISCAL IMPACT: Bids were more than 40% over the Engineers Estimate, therefore, we are recommending rejecting the bids and therefore there will be no or very little fiscal impact at this time.

STAFF IMPACT: Minimal

LEGAL REVIEW: These documents have been forwarded to the City Attorney for his review.

RECOMMENDATION: I would recommend not awarding the project and be allowed to rebid the project in a few months.

SUGGESTED MOTION: I move to reject the bids and allow the project to be rebid at the discretion of the Engineering Department.



CONSENT #2

Board of City Commissioners

Agenda Documentation

MEETING DATE: October 18, 2011
PREPARATION DATE: October 12, 2011
SUBMITTING DEPARTMENT: Finance
DEPARTMENT DIRECTOR: Greg Welch
PRESENTER: Greg Welch
SUBJECT: Assessment of delinquent accounts for 2011.

PURPOSE

Consider the assessment of delinquent accounts for 2011.

BACKGROUND

According to Mandan Municipal Code 9-04-03, all water, sewage, garbage collection and disposal, and street lighting charges or fees for any services supplied, provided or furnished by the city shall constitute liens upon the respective lots, tracts, parcels of land and premises receiving such service. All such charges or fees which have been properly billed to the owner or occupant of the premises served and which are more than thirty days past due on September 30th of each year shall be certified by the city auditor to the county auditor between the first and tenth day of October of each year. The city auditor in so certifying such charges and fees shall specify the amount thereof, the description of the premises served and the name of the owner thereof. The amount so certified shall be extended by the county auditor upon the tax rolls against such premises and collected by the county treasurer and paid to the city treasurer in the same manner and time as other county and municipal taxes are assessed, certified, collected and returned.

According to Mandan Municipal Code 6-01-04, in the event the annual or false alarms fees provided for by this act are not paid when due, such fees may be recovered by the city in an action at law against the owner of the alarm site; or such fees may be assessed against the premises served by the alarm site and collected and returned in the same manner as other county and municipal taxes and assessments are assessed, certified, collected and returned.

Written notifications for these assessments were sent to the affected property owners.

ATTACHMENTS

- Delinquent Utility Billing Accounts for 2011.
- Delinquent Alarm Accounts for 2011.

FISCAL IMPACT

Delinquent Utility Billing Accounts for 2011 = \$13,930.83 (1 year assessment)
Delinquent Alarm Accounts for 2011 = \$82.50 (1 year assessment)

STAFF IMPACT

No additional staff impact.

LEGAL REVIEW

The assessment was prepared in accordance with the Mandan Municipal Code and North Dakota Century Code.

RECOMMENDATION

To approve the assessment of delinquent accounts for 2011.

SUGGESTED MOTION

Move to approve the assessment of delinquent accounts for 2011.

DELINQUENT UTILITY BILLING ACCOUNTS FOR 2011

The following is a list of the delinquent Utility Billing accounts for 2011. These amounts consist of water, sewage, garbage collection and disposal, wastewater surcharges and street lighting services furnished to the water customers. It is recommended that these accounts be assessed to the particular properties according to Mandan Municipal Code 9-04-03.

Seq #	Account	Customer	Address	Assessment
4234	01-0910001-8	Tina & Chris Ness	412 1st Avenue NW	\$ 139.21
3458	01-1930001-5	Secure Properties LLC	205 1/2 3rd Avenue NE	\$ 131.62
3458	01-1940000-5	Secure Properties LLC	205 3rd Avenue NE	\$ 271.12
4193	02-0370001-9	DeWayne & Elaine Bauer	410 4th Avenue NE	\$ 279.36
3526	02-0530001-9	Jim & Crystal Karas	307 5th Avenue NE	\$ 120.29
3129	02-0670001-2	Dennis & Janice Briese	107 5th Avenue NE	\$ 55.20
1161	02-1260002-1	Joseph G. Jangula	109 8th Avenue NE	\$ 100.18
1290	03-0550002-9	Treadstone Properties LLC	1010 1st Street NE	\$ 342.03
1270	03-0870000-2	Harvey A. Christian	211 11th Avenue NE	\$ 125.17
1266	03-1020003-1	Greg & Emma Doll	206 11th Avenue NE	\$ 150.64
1363	03-1090001-4	Cathy Jensen	1208 2nd Street NE	\$ 156.29
1435	03-1330201-0	Terry Aasand	1300 3rd Street NE	\$ 319.84
1371	03-1340000-4	John Olheiser	1310 2nd Street NE	\$ 84.63
3803	04-0460001-9	Arlyn VanBeek	400 1st Avenue NW	\$ 141.06
3608	04-0540001-4	Mary A. Long	110 2nd Street NW	\$ 197.39
4361	04-1000001-4	Virgil Sample	210 5th Street NW	\$ 721.86
3238	04-2200000-2	McFall Publishing Inc.	210 West Main Street	\$ 236.69
2127	05-2420000-1	Jack & Albertha Kroh	300 12th Street NW	\$ 264.92
2657	05-2850101-0	Kevin Pfau	102 13th Street NW	\$ 80.57
4123A	05-2880021-8	KTN Care LTD	1200 Collins Avenue	\$ 401.12
5257	05-3020000-5	Michael Wetzstein Jr.	109 7th Street NE	\$ 329.38
5269	05-3030000-1	Keith & Sherry Keller	103 6th Street NE	\$ 131.41
3379	06-0060000-1	Forrest Noakes	205 3rd Avenue NW	\$ 172.75
3855	06-0400000-0	Tamara Shaff	507 4th Avenue NW	\$ 83.21
3654	06-0550001-9	Preston Demaray	407 3rd Street NW	\$ 262.61
3363	06-0780001-0	Rhonda O'Shea	211 4th Avenue NW	\$ 109.00
3873	07-0240002-7	Bowen Properties	504 6th Avenue NW	\$ 58.59
3874	07-0250000-4	Tessa Sicble % Barb Orr	506 6th Avenue NW	\$ 194.98
4708	07-1300100-6	Dave Wagner	1009 5th Avenue NW	\$ 276.60
5843	08-1850001-7	Thomas J Schmidt	1708 Sunset Drive	\$ 181.92
2995	10-3120002-5	Helbling Land Company	806 N. Woodland Drive	\$ 113.62
2995	10-3190001-3	Helbling Land Company	910 N. Woodland Drive	\$ 109.95
2995	10-3460001-7	Helbling Land Company	703 Woodland Trail	\$ 248.26
2830	10-4310002-5	Rhonda Schaff	908 1st Street SE	\$ 102.06
4581	11-0140000-7	Cynthia R. Hartman	811 6th Avenue NW	\$ 259.13
5041	12-0230000-1	Bonnie Armbrust	1509 8th Avenue SE	\$ 166.81
5097	12-0601000-2	Missouri Valley Rent LLC	1413 11th Avenue SE	\$ 333.18
5156	12-0609302-5	Treadstone Properties LLC	1500 8th Avenue SE	\$ 91.65
5154	12-0609501-8	Larry Goetzfridt	1508 8th Avenue SE	\$ 100.38
5535	12-1070001-2	Dan Fuchs	1404 18th Street SE	\$ 275.15
939	12-2200000-2	Jayden Veil	1004 16th Street SE	\$ 143.69
7537	13-4520000-9	Brad Berger	2704 11th Avenue NW	\$ 315.83
2362	15-0520001-2	John & Edna Kiesel	631 Craig Drive NW	\$ 174.23
8172	15-1800000-0	Darrell Radomski	904 Lohstreter Road NW	\$ 289.77
300	16-0830001-6	Mary Wingerter	3601 42nd Street NW	\$ 157.25
368	16-1510000-0	Adam Mork	3807 42nd Street NW	\$ 110.24
265	16-2210002-6	Peterson Property Management Inc	3908 34th Avenue NW	\$ 86.65
10381	17-0008221-9	Rebecca J Carter	4708 Lewis Road NW	\$ 128.97
7901	17-0470002-1	Carisa A Tonneson	4306 LaSalle Drive NW	\$ 111.07
212	17-0510902-1	Ryan Roth	4304 41st Avenue NW	\$ 194.66

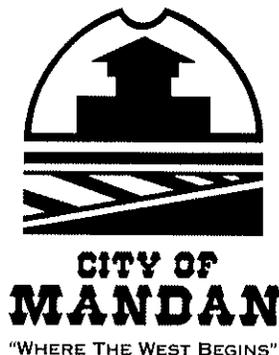
DELINQUENT UTILITY BILLING ACCOUNTS FOR 2011

Seq #	Account	Customer	Address	Assessment
5650	17-1080000-7	Barb & Grove Kersten	4701 W. Roughrider Circle	\$ 202.27
10548	17-4530001-9	Steven Mott	5015 37th Avenue NW	\$ 150.28
8526	18-0570000-0	Aluminum Specialties	2221 3rd Street SE	\$ 206.12
8729	18-2540001-7	Richard Garman	3000 Northshore Loop SE	\$ 122.91
8095	19-0170001-7	Mike Braun	3804 Old Red Trail	\$ 87.18
4853	30-1700001-2	Dart Properties LLP	808 3rd Street SW	\$ 125.17
4845	30-1780001-2	Chad Dewitz	202 8th Avenue SW	\$ 825.55
14	31-2360000-7	Joe & Wanda Keller	903 6th Street NW	\$ 197.52
3316	31-3250000-8	Bernie Heid	111 7th Avenue NW	\$ 91.05
3336	31-3320001-1	Michelle Skjod	208 8th Avenue NW	\$ 174.63
2890	35-0260001-0	David & Denise Landeis	110 9th Street NW	\$ 218.11
6006	35-0730001-2	Kelly & Cindy Kickel	907 1st Avenue NW	\$ 87.77
4658	35-1240001-4	Milton Klein	910 3rd Avenue NW	\$ 550.55
2098	35-1370000-5	James Paul	312 Divison Street NW	\$ 225.66
7675	35-1620001-2	Rick Schafer	205 11th Street NW	\$ 429.55
2126	35-1910001-2	Daniel Smith	304 11th Street NW	\$ 130.75
6030	38-3460200-3	Steven Falkenstein	605 13th Street NW	\$ 195.06
1068	39-1380100-7	Gary Kincaid	1305 2nd Street NW	\$ 137.49
1098	39-1590001-6	Cleodis & Angela Grigsby	1406 1st Street NW	\$ 141.02
			TOTAL	\$ 13,930.83

DELINQUENT ALARM ACCOUNTS FOR 2011

The following is a list of the delinquent Alarm Fees for 2011. These amounts consist of annual fire and burglar alarm fees provided to City of Mandan residents. It is recommended that these accounts be assessed to the particular properties according to Mandan Municipal Code 6-01-04.

Seq #	Customer	Address	Assessment
10252	John & Correen Golberg/CJ Rigging	2939 Twin City Drive SE	\$ 16.50
2121	Lois Pleets	400 11th Street NW	\$ 33.00
609	Mitchell & Jill Kostek	606 6th Avenue NE	\$ 33.00
		TOTAL	\$ 82.50



CONSENT #3

Board of City Commissioners

Agenda Documentation

MEETING DATE: October 18, 2011
PREPARATION DATE: October 12, 2011
SUBMITTING DEPARTMENT: Finance
DEPARTMENT DIRECTOR: Greg Welch
PRESENTER: Greg Welch
SUBJECT: Special assessments for Sidewalks of 2011 and, Health and Safety of 2011.

PURPOSE

Consider the special assessments for Sidewalks of 2011 and, Health and Safety of 2011.

BACKGROUND

Sidewalks of 2011 – For the construction, repair and rebuilding of sidewalks, curb and gutter.

Health and Safety of 2011 – For the repairs of curb stops, water lines and sewer lines, and the removal of trees.

The Notices for these assessments were published on September 23, 2011 and September 30, 2011.

ATTACHMENTS

Notice of Assessments:

- Sidewalks of 2011
- Health and Safety of 2011

FISCAL IMPACT

Sidewalks of 2011 = \$48,145.98 (10 year assessment)

Health and Safety of 2011 = \$1,540.50 (5 year assessment)

STAFF IMPACT

No additional staff impact.

Board of City Commissioners
Agenda Documentation
Meeting Date: October 18, 2011

Subject: Special assessments for Sidewalks of 2011 and, Health and Safety of 2011.

Page 2 of 2

LEGAL REVIEW

The special assessments were prepared in accordance with the Mandan Municipal Code and North Dakota Century Code.

RECOMMENDATION

To approve the special assessments for Sidewalks of 2011 and, Health and Safety of 2011.

SUGGESTED MOTION

Move to approve the special assessments for Sidewalks of 2011 and, Health and Safety of 2011.

NOTICE OF ASSESSMENTS
SIDEWALKS OF 2011

Notice IS HEREBY GIVEN that the following is a true and correct list of the particular lots and tracts of land on which the City of Mandan caused sidewalks to be constructed, replaced or repaired and the cost thereof.

<u>Seq#</u>	<u>Block</u>	<u>Lot</u>	<u>Address</u>	<u>Assessment</u>
<u>Albers-Neff 5th</u>				
94	1	1	707 9 th Avenue NW	2,089.48
95	1	2	709 9 th Avenue NW	2,045.67
96	1	3	1001 7 th Street NW	200.07
<u>Borden Harbor 1st</u>				
9233	1	14	4701 Quail Court SE	816.24
<u>Developers West Acres 1st</u>				
380	8	1	4209 39 th Avenue NW	5,068.58
<u>Hillcrest 2nd</u>				
2162	2	Lots 7 & 10 & Lot 4 Blk 2 Siegel's 3 rd	610 12 th Street NW	12,191.10
<u>Lakewood Harbor 5th Addition</u>				
10332	2	6	4011 Bayport Place SE	3,501.91
<u>Lakewood Harbor 6th Addition</u>				
10632	1	18	4126 Bayport Place SE	2,932.76
<u>Mandan Proper</u>				
3549	32	W 55' Lot 7	400 2 nd Street NE	7,561.75
3757	48	10	406 4 th Avenue NW	2,766.38
<u>N. P. 1st</u>				
4452	83	12	710 6 th Avenue NW	239.40
<u>Plainview Heights 11th Addition</u>				
10403	1	2	2803 10 th Avenue SE	7,746.43
<u>Plainview Heights 12th Addition</u>				
10582	2	13	2801 14 th Avenue SE	325.47
<u>Terra Vallee 1st</u>				
7516	2	Lot 11 – Tract 11A	1012 27 th Street NW	330.37
7516A	2	Lot 11 - Tract 11B	1023 27 th Street NW	330.37
TOTAL				48,145.98

TAKE FURTHER NOTICE that the Board of City Commissioners of the City of Mandan will meet in regular session at City Hall on October 18, 2011 at 5:30 p.m. at which meeting action will be taken upon such assessment list. Any person may appear to present testimony regarding the above assessments.

Publish: September 23, 2011
September 30, 2011

Diane I Leingang

NOTICE OF ASSESSMENTS
HEALTH SAFETY OF 2011

Notice IS HEREBY GIVEN that the following is a true and correct list of the particular lots and tracts of land on which the City of Mandan caused the performance of such acts which contributed to the general health, safety and welfare of the community.

<u>Seq#</u>	<u>Block</u>	<u>Lot</u>	<u>Address</u>	<u>Assessment</u>
<u>N.P. 1st</u> 4412	80	12	610 6 th Avenue NW	1,540.50
			TOTAL	1,540.50

TAKE FURTHER NOTICE that the Board of City Commissioners of the City of Mandan will meet in regular session at City Hall on October 18, 2011 at 5:30 p.m. at which meeting action will be taken upon such assessment list. Any person may appear to present testimony regarding the above assessments.

Publish: September 23, 2011
September 30, 2011

Diane I Leingang



Board of City Commissioners

Agenda Documentation

MEETING DATE: October 18, 2011
PREPARATION DATE: October 12, 2011
SUBMITTING DEPARTMENT: Water Treatment Plant
DEPARTMENT DIRECTOR: Duane Friesz, WTP Superintendent
PRESENTER: Duane Friesz, WTP Superintendent
SUBJECT: Change order Residual Management Facility

STATEMENT/PURPOSE: Pursuant to our change order policies, the city commission must consider the request as it is above \$25,000 and adds an extension of time exceeding fifteen working days.

BACKGROUND/ALTERNATIVES: The G5 change order addresses door modifications to widen garage doors on Residual Management Facility and the painting of softening basin which adds \$77,810.00 to the contract price and also increases the contract substantial completion date to January 13, 2012 and final completion to July 6, 2012. The M3 change order addresses door modifications to widen garage doors on Residual Management Facility which adds \$3,123.18 to the contract price and also increases the contract substantial completion date to January 13, 2012 and final completion to January 27, 2012.

ATTACHMENTS:

- #1 Summary of the project budget.
- #2 Change order form G5.
- #3 Change order form M3.

FISCAL IMPACT: The original budget for the Residual Management Facility was \$7,000,000; the total current project costs including current change orders G5 and M3 and all other pending change orders are \$6,997,605.97 and therefore, the change order is within borrowing capacity.

STAFF IMPACT: N/A

LEGAL REVIEW: All commission data has been forwarded to the City Attorney for review.

RECOMMENDATION: To approve the contract change order G5 and M3 for the Residual Management Facility.

Board of City Commissioners
Agenda Documentation
Meeting Date: October 18, 2011
Subject: Change order Residual Management Facility
Page 2 of 2

SUGGESTED MOTION: Move to approve the contract change order G5 and M3 for the Residual Management Facility.

Water and Wastewater Project Update
September 14, 2011



Table 1 - Current Project Summary

PROJECT	MASTER PLAN ESTIMATE	APPROVED CONST. CONTRACTS	APPROVED ENGINEERING FEES	LAND, LEGAL, & OTHER	CURRENT TOTAL PROJECT COSTS
Water Treatment Plant (WTP) Optimization	\$5,000,000	\$3,695,260	\$1,161,146	\$62,969	\$4,798,741
Construction Complete - Project Not Closed			(\$120,633)		
16-inch Water Main	\$1,800,000	\$638,939	\$121,534	\$50,076	\$810,549
Construction Complete					
South Side Reservoir	\$4,200,000	\$3,168,211	\$594,674	\$115,439	\$3,878,324
Construction Complete					
20-inch Transmission Main	\$2,800,000	\$1,121,172	\$345,918	\$344	\$1,467,435
Construction Complete					
South Side Pump Station & Collins Reservoir Demolition	\$1,700,000	\$1,350,366	\$325,624	\$515	\$1,676,505
Under Construction					
10-inch Sanitary Sewer Force Main	\$800,000	\$340,944	\$189,250	\$152	\$446,650
Construction Complete			(\$83,696)		
Sanitary System Master Plan		N/A	\$198,985	\$0	\$198,985
Report Final Draft			\$43,569		
WWTF Phase I Interim Improvements	\$330,000	\$276,000	\$54,000	\$0	\$330,000
Bidding		Estimate			
WTP Residuals Management - Under Construction	\$7,000,000	\$5,228,983	\$1,535,000	\$140,000	\$6,903,983
Under Construction			(\$7,897)		

Table 2 - Funding

FUNDING SOURCE	AMOUNT SECURED	CURRENT PROJECT COSTS	BALANCE REMAINING	FOR APPROVAL	BALANCE REMAINING	PENDING
Water Treatment Plant Optimization - DWSRF	\$5,050,000	\$4,798,741	\$251,259		\$251,259	
Water Distribution System - DWSRF	\$8,600,000	\$7,832,814	\$767,186		\$767,186	\$14,500
Sanitary Collection System - CWSRF	\$1,000,000	\$975,635	\$24,365		\$24,365	
WTP Residuals Management - DWSRF	\$7,000,000	\$6,903,983	\$96,017	\$80,933	\$15,084	\$12,690
TOTAL	\$21,650,000	\$20,511,172	\$1,138,828	\$80,933	\$1,057,895	\$27,190

Table 3 - Other Considerations

PROJECT	FUNDING	ESTIMATE
South Side Reservoir Stand-By Power	DWSRF	\$200,000
Pretreatment Basin Demolition	DWSRF	\$80,000

Mandan, ND - Water Treatment Facility
 Residuals Management Facility Expansion
 P00510-2008-01
 Summary of Project Budget

Project Funding

SRF Funding \$ 7,000,000.00

Project Expenses

	Original Contract Price	Approved Change Orders	Total
Construction Contracts			
Swanberg	\$ 3,939,000.00	\$63,261.00	\$ 4,002,261.00
Central Mechanical	\$ 660,800.00	\$21,026.57	\$ 681,826.57
John's Refrigeration	\$ 538,000.00	\$6,895.00	\$ 544,895.00
		Subtotal Construction Contracts	\$ 5,228,982.57

Engineering Services		Contract
Preliminary Design Phase	Completed	\$ 115,000.00
Design Phase	Completed	\$ 620,000.00
Bidding Phase	Completed	\$ 40,000.00
Construction Phase	Estimated	\$ 600,000.00
I&C Phase	Estimated	\$ 80,000.00
Post Construction Phase	Estimated	\$ 80,000.00
	Subtotal Engineering Services	\$ 1,535,000.00

Land, Legal, & Other	Cost
Truck	\$ 140,000.00
	Subtotal Land, Legal, Other
	\$ 140,000.00

Total Project Costs (Construction Contracts, Engineering, and Other) \$ 6,903,982.57

Project Budget Summary

Total Available Funding	\$ 7,000,000.00
Total Project Costs (Construction Contracts, Engineering, and Other)	\$ 6,903,982.57
Subtotal Funding Remaining	\$ 96,017.43

Construction Contract	Pending Change Orders
Swanberg	\$87,149.00
Central Mechanical	\$5,874.40
John's Refrigeration	\$ 600.00 estimated.
	\$ 93,623.40

Funding Remaining	\$ 96,017.43
Pending Change Orders	\$ (93,623.40)
Additional Funding Needed	\$ 2,394.03

Change Order No. G-5

Date of Issuance: October 11, 2011

Effective Date: October 18, 2011

Project: Mandan Water Treatment Residuals Management Facility	Owner: City of Mandan
Contract: General Construction	Date of Contract: June 28, 2010
Contractor: Swanberg Construction Incorporated	Owner's Contract No.: 2008-21
Engineer: Advanced Engineering and Environmental Services	Engineer's Project No.: P00510-2008-01

The Contract Documents are modified as follows upon execution of this Change Order:

Description:		Change in Contract Price
1. Work Change Directives G-8: Add manhole and culvert north of building.	Add	\$8,190.00
2. Work Change Directives G-9: Door modifications to widen garage doors 101.2 and 101.3. Includes substantial completion contract time extension to allow time for work.	Add	\$47,400.00
3. Work Change Item: Coating system work on launders and other miscellaneous steel of softening basin in Plant #2.	Add	\$20,874.00
4. Work Change Item: Additional 45 square yards of asphalt near intake building due to site conditions.	Add	\$1,346.00
5. Chip Seal: Final Completion time extension to allow chip seal work when weather permits. All other work completed by Substantial Completion.		No Change
Total		\$77,810.00

Attachments: Change directives listed above and quotes from Swanberg Construction
(List documents supporting change):

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

<p>Original Contract Price:</p> <p style="text-align: right;"><u>\$ 3,939,000.00</u></p> <p>Increase (Decrease) from previously approved Change Orders:</p> <p>No. <u>G-1</u> to No. <u>G-4</u> :</p> <p style="text-align: right;"><u>\$ 63,261.00</u></p> <p>Contract Price prior to this Change Order:</p> <p style="text-align: right;"><u>\$ 4,002,261.00</u></p> <p>Increase (Decrease) of this Change Order:</p> <p style="text-align: right;"><u>\$ 77,810.00</u></p> <p>Contract Price incorporating this Change Order:</p> <p style="text-align: right;"><u>\$ 4,080,071.00</u></p>	<p>Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days</p> <p>Substantial completion (days or date): <u>October 31, 2011</u></p> <p>Ready for final payment (days or date): <u>December 30, 2011</u></p> <p>Increase (Decrease) from previously approved Change Orders</p> <p>No. <u>G-1</u> to No. <u>G-4</u> :</p> <p>Substantial completion (days): <u>0</u></p> <p>Ready for final payment (days): <u>0</u></p> <p>Contract Times prior to this Change Order:</p> <p>Substantial completion (days or date): <u>October 31, 2011</u></p> <p>Ready for final payment (days or date): <u>December 30, 2011</u></p> <p>Increase (Decrease) Time of this Change Order:</p> <p>Substantial completion (days or date): <u>74</u></p> <p>Ready for final payment (days or date): <u>189</u></p> <p>Contract Times with all approved Change Orders:</p> <p>Substantial completion (days or date): <u>January 13, 2012</u></p> <p>Ready for final payment (days or date): <u>July 6, 2012</u></p>
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<p>RECOMMENDED:</p> <p>By: _____ Engineer (Authorized Signature)</p> <p>Date: _____</p> <p>Approved by Funding Agency (if applicable): _____</p>	<p>ACCEPTED:</p> <p>By: _____ Owner (Authorized Signature)</p> <p>Date: _____</p>	<p>ACCEPTED:</p> <p>By: _____ Contractor (Authorized Signature)</p> <p>Date: _____</p>
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P00510-2008-01
 Summary of Change Orders
 Swanberg Construction

Original Contract Price \$ 3,939,000.00

CO #	Description	Amount	Status	Contract Price	Over/Under	
G-1	1 Install push-pole in lieu of relocating guy lines at Tesoro overhead power lines. 2 Exploratory excavation at raw water line to determine if leak exists. Total Change Order G-1	\$2,999.00 \$1,634.00 \$4,633.00	Approved	\$3,943,633.00	\$4,633.00	0.1%
G-2	Provide labor, equipment, and materials to replace the bearings in the existing 38-foot SCB.	\$30,533.00	Approved	\$3,974,166.00	\$35,166.00	0.9%
G-3	WCD G-1 and G-2: Revised construction joint, granular fill, waterstop, void form, and modifications for revised filter press size. 2 WCD G-3: Delete culvert. 3 WCD G-4: Door modifications. 4 WCD G-5: Chlorine Room modifications. 5 Adding 6" drain piping for the plate pump water tank in Room 107. 6 Install ballasted roofing system in lieu of fully adhered system and change roof blocking. Total Change Order G-3	\$0.00 (\$1,105.00) \$865.00 \$16,034.00 \$1,536.00 (\$4,980.00) \$12,350.00	Approved	\$3,986,516.00	\$47,516.00	1.2%
G-4	1 WCD G-6: Labor, equipment, materials for curb for guardrail attachment. 2 WCD G-7: Siemens coordination items. 3 Asphalt modifications, NW corner of building. Anticipate 441 sf pavement. Total Change Order G-4	\$3,530.00 \$10,764.00 \$1,451.00 \$15,745.00	Approved	\$4,002,261.00	\$63,261.00	1.6%
G-5	1 WCD G-8: Add manhole and culvert north of building. 2 WCD G-9: Door Modifications to Widen Garage Doors 101.2 and 101.3. 3 SCB Plant 2: Labor, equipment, materials to coat launders and all steel above water level. Includes misc. touch-up to hood. 4 Claim: Additional 45 square yards of asphalt Total Change Order G-5	\$8,190.00 \$47,400.00 \$20,874.00 \$1,346.00 \$77,810.00	Routing for signature	\$4,080,071.00	\$141,071.00	3.6%
Pending	1 Claim: Add 8 feet of 13"x22" culvert to each end of culvert on west side of building. 2 WCD G-10: Steel Column Base Repair 3 WCD G-11: Project/warning signage. 4 WCD G-12: Backpressure Valve 5 Add 45 Bend to Reclaim Pipe to divert reclaim flow. Total Pending Change Order	\$3,490.00 \$3,445.00 \$122.00 \$983.00 \$1,299.00 \$9,339.00		\$4,089,410.00	\$150,410.00	3.8%
Total Change Orders		\$150,410.00				

SWANBERG CONSTRUCTION INC BUILDING-MUNICIPAL/HEAVY CONTRACTORS

Phone: (701) 845-6946
Fax: (701) 845-8999

250 Central Avenue S.
P.O. Box 728
Valley City, ND 58072

August 26, 2011

Advanced Engineering and Environmental Services, Inc.
1815 Schafer Street, Suite 301
Bismarck, ND 58501

Attn: Mr. Laith Hintz, PE

RE: Mandan Water Treatment Residuals Management Facility
Cost Proposal for Storm Pipe and Inlet as per Work Change Directive G8

Laith,

The following is a cost breakdown to provide labor, equipment and materials for the added 13"x 22" RCP and storm water inlet as per Work Change Directive G8 – valley gutter not included.

Materials-	\$3,740.00
Labor, Equipment and Subsistence-	<u>3,620.00</u>
Sub-Total	\$7,360.00
Bond, Insurance, Overhead, Profit	<u>830.00</u>
Total	\$8,190.00

If you have any questions please contact me.

Sincerely,
Swanberg Construction Inc.

Mark Swanberg

SWANBERG CONSTRUCTION INC BUILDING-MUNICIPAL/HEAVY CONTRACTORS

Phone: (701) 845-6946
Fax: (701) 845-8999

250 Central Avenue S.
P.O. Box 728
Valley City, ND 58072

Sept 30, 2011

Advanced Engineering and Environmental Services, Inc.
1815 Schafer Street, Suite 301
Bismarck, ND 58501

Attn: Mr. Laith Hintz, PE

RE: Mandan Water Treatment Residuals Management Facility
Cost Proposal for widening doors as Per WCD G-9.

Laith,

The following is a cost breakdown to provide labor, equipment and materials to widen overhead truck bay doors as per WCD G-9.

Material-	\$8,500.00
Subcontracts	16,050.00
Labor-	12,700.00
Equipment, Subsistence & Expendables	<u>5,050.00</u>
Subtotal	\$42,300.00
Bond, Insurance, Overhead, Profit	<u>5,100.00</u>
Total	\$47,400.00

-The price above includes touch-up painting the patches - to repaint entire end walls at each overhead door add \$4,950.00 total.

-The price above includes removing and replacing the four south bollards- to remove but not replace the four bollards deduct \$2,200.00

-Please note the bollards on the North side of the overhead doors may have to be removed to allow access to saw cut the precast wall.

Depending on weather conditions and scheduling an extension in contract time may be required.

If you have any questions please contact me.

Respectfully,

Swanberg Construction Inc.

Kent Swanberg

Phone: (701) 845-6946
Fax: (701) 845-8999

250 Central Avenue S.
P.O. Box 728
Valley City, ND 58072

October 5, 2011

Advanced Engineering and Environmental Services, Inc.
1815 Schafer Street, Suite 301
Bismarck, ND 58501

Attn: Mr. Laith Hintz, PE

RE: Mandan Water Treatment Residuals Management Facility
Cost Proposal for Signage as WCD G-10.

Laith,

The following is a cost breakdown to provide labor, equipment and materials to paint SCU as per Protech Industrial Coatings quote Item #1, attached.

Paint	18,880.00
Additional Paint Touch-up	<u>1,000.00</u>
Subtotal	19,880.00
Bond, Insurance, Overhead, Profit	<u>994.00</u>
Total	\$20,874.00

If you have any questions please contact me.

Respectfully,

Swanberg Construction Inc.

Kent Swanberg



*Industrial Painting and Protective Coatings
Heavy Duty and Decorative Floor Coatings*

Box 9217 Fargo, ND 58106-9217
(701) 235-9243
Toll Free (800) 825-9243
Fax (701) 235-6720
www.protech-contracting.com

QUOTATION

To: Swanberg Construction
Attn: Kent

Quote No.: Q11-329

Page No.: 1 of 1

Quote Date: 09/26/11

Project: Mandan WTP - Change Order # Solids Contact Basin Improvements

SCOPE OF WORK: Protech Contracting Services, Inc. will provide labor, material and equipment for the following project: Per Paint Specification Piping: Steel

Item #1: Blast and Paint Launderers, outside Steel Trough, all steel above water level.

Total Quote: \$18,880.00

Item #2: Blast and Paint Submerged Steel hood and exterior of Center Column.

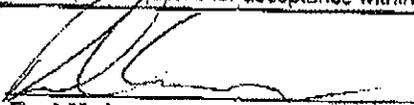
Total Quote: \$22,340.00

Terms and Requirements:

1. Price includes all labor, materials, freight, tax, equipment, and insurance.
2. General Contractor to supply water, electric hook-ups and heat required to finish project.

THANK YOU FOR YOUR CONSIDERATION!

Above prices quoted for acceptance within 30 days from date. Prices quoted apply only to project specified.

Quoted by: 
Rod Mulvaney

Customer approval by: _____

SWANBERG CONSTRUCTION INC

BUILDING-MUNICIPAL/HEAVY CONTRACTORS

Phone: (701) 845-6946
Fax: (701) 845-8999

250 Central Avenue S.
P.O. Box 728
Valley City, ND 58072

October 8, 2011

Advanced Engineering and Environmental Services, Inc.
1815 Schafer Street, Suite 301
Bismarck, ND 58501

Attn: Mr. Laith Hintz, PE

RE: Mandan Water Treatment Residuals Management Facility
Cost Proposal for additional asphalt.

Laith,

The following is a cost breakdown to provide labor, equipment and materials to add 45 square yards of asphalt.

Sub Contract-	\$1,282.00
Bond, Insurance, Overhead, Profit	64.00
Total	<u>\$1,346.00</u>

If you have any questions please contact me.

Sincerely,
Swanberg Construction Inc.

Kent Swanberg

Change Order No. M-3

Date of Issuance: October 11, 2011

Effective Date: October 18, 2011

Project: Mandan Water Treatment Residuals Management Facility	Owner: City of Mandan
Contract: Mechanical Construction	Date of Contract: June 28, 2010
Contractor: Central Mechanical, Inc.	Owner's Contract No.: 2008-21
Engineer: Advanced Engineering and Environmental Services	Engineer's Project No.: P00510-2008-01

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Provide labor, equipment, and materials for the following:	<u>Change in Contract Price</u>
1. Work Change Directives M-5: Door modifications to widen garage doors 101.2 and 101.3. Includes substantial completion contract time extension to allow time for work.	Add \$ 3,123.18
	Total \$ 3,123.18

Attachments: Change directives listed above and quotes from Contractor
(List documents supporting change):

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

<p>Original Contract Price: \$ <u>660,800.00</u></p> <p>Increase (Decrease) from previously approved Change Orders: No. <u>1</u> to No. <u>2</u> : \$ <u>21,026.57</u></p> <p>Contract Price prior to this Change Order: \$ <u>681,826.57</u></p> <p>Increase (Decrease) of this Change Order: \$ <u>3,123.18</u></p> <p>Contract Price incorporating this Change Order: \$ <u>684,949.75</u></p>	<p>Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days</p> <p>Substantial completion (days or date): <u>October 31, 2011</u></p> <p>Ready for final payment (days or date): <u>December 30, 2011</u></p> <p>Increase (Decrease) from previously approved Change Orders No. <u>1</u> to No. <u>2</u> : Substantial completion (days): <u>0</u></p> <p>Ready for final payment (days): <u>0</u></p> <p>Contract Times prior to this Change Order: Substantial completion (days or date): <u>October 31, 2011</u></p> <p>Ready for final payment (days or date): <u>December 30, 2011</u></p> <p>Increase (Decrease) Time of this Change Order: Substantial completion (days or date): <u>74</u></p> <p>Ready for final payment (days or date): <u>28</u></p> <p>Contract Times with all approved Change Orders: Substantial completion (days or date): <u>January 13, 2012</u></p> <p>Ready for final payment (days or date): <u>January 27, 2012</u></p>
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<p>RECOMMENDED:</p> <p>By: _____ Engineer (Authorized Signature)</p> <p>Date: _____</p> <p>Approved by Funding Agency (if applicable): _____</p>	<p>ACCEPTED:</p> <p>By: _____ Owner (Authorized Signature)</p> <p>Date: _____</p>	<p>ACCEPTED:</p> <p>By: _____ Contractor (Authorized Signature)</p> <p>Date: _____</p>
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P00510-2008-01
 Summary of Change Orders
 Central Mechanical

Original Contract Price \$ 660,800.00

CO #	Description	Amount	Status	Contract Price	Over/Under	
M-1	1 WCD M-1: Chlorine room modifications	\$14,685.08	Approved.	\$ 675,485.08	\$ 14,685.08	2.2%
M-2	1 WCD M-2: Siemens coordination items	\$5,743.59				
	2 WCD M-3: Chlorine room wash station and salvage existing unit heater.	\$597.90				
	Total Change Order M-2	\$6,341.49	Approved.	\$ 681,826.57	\$21,026.57	3.2%
M-3	1 WCD M-5: Door Modifications to Widen Garage Doors 101.2 and 101.3.	\$3,123.18				
	Total Change Order M-3	\$3,123.18	Routing for signatures.	\$ 684,949.75	\$ 24,149.75	3.7%
Pending	1 WCD M-4: Auto drains for receivers in compressor room.	\$1,482.98				
	2 WCD M-6: Temperature Control interface with SCADA system.	\$1,268.24				
	Total Pending Change Order	\$2,751.22		\$ 687,700.97	\$ 26,900.97	4.1%
Total Change Orders		\$26,900.97				



CENTRAL MECHANICAL INC.

4001 33RD AVE. NW • P.O. BOX 682 • MANDAN, ND 58554 • PHONE: (701) 663-8552

September 20, 2011

Advanced Engineering and Environmental Services, Inc.
1815 Schafer Street, Suite 301
Bismarck, ND 58501

RE: Mandan WTP Residuals Management Facility
Field Order M-5

Attention: Laith Hintz

As per engineer's request we submit the following lump sum proposal for your review.

We propose to furnish all tools, materials, labor and supervision for the implementation to provide and install the following items:

1. Modify the chimney vents on four infared heaters to allow for widening overhead doors. This includes required new wall cores and patching existing wall cores. **We will patch the exterior wall with grout but the wall patch will not match the exterior wall finish.**
2. Modify water lines near door as required for new overhead door openings.
3. Modify rainleader piping as required for relocation of door tracks on overhead doors.

Our lump sum total for this shall be \$3,123.18. Below is an itemized breakdown for your review.

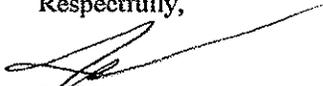
Materials	Cost	Labor in Manhours	Subcontracts
Modify chimney vents	80.00	12.0	
Modify water lines	40.00	8.0	
Modify rainleader piping	60.00	6.0	
Grout wall openings	50.00	8.0	
New Wall Cores			800.00
Insulation Repairs			225.00

"YOUR COMPLETE MECHANICAL CONTRACTOR"

Subtotal	230.00	34.0	1,025.00
Tax on materials @ 6%	13.80		
Labor @ \$44.00 / hour	1,496.00		
Subtotal	1,739.80		
Mark-up on materials and Labor @ 15%	260.97		
Subtotal	2,000.77		
Subcontracts	1,025.00		
Mark-up on Subcontracts @ 5%	51.25		
Subtotal	3,077.02		
Bond @ .015%	46.16		
Total	3,123.18		

If you have any questions please call.

Respectfully,



Jeff Glasser
Vice-President



Board of City Commissioners

Agenda Documentation

MEETING DATE:	October 18, 2011
PREPARATION DATE:	October 14, 2011
SUBMITTING DEPARTMENT:	Administration
DEPARTMENT DIRECTOR:	Jim Neubauer, City Administrator
PRESENTER:	Jim Neubauer, City Administrator
SUBJECT:	Bids for Riverbend Dike Removal

STATEMENT/PURPOSE: To consider an award of bid for the removal of the Riverbend Dike.

BACKGROUND/ALTERNATIVES: Bids were received on Monday, October 3rd 2011, 4 bids were received. The Engineer's bid was \$1.1M to \$1.3M to remove the levy. The apparent low bid was \$634,790 from Weisz and Sons, Bismarck. The range in bids went from \$634,794 to \$1.4M. At October 4th, 2011, City Commissioner meeting it was recommended and approved to hold the bids pending FEMA review.

The bids have been reviews and subsequent conversations with the ND Dept of Emergency Services and their conversations with FEMA debris removal teams, have indicated that the project should be an eligible expense and therefore funding assistance would be forthcoming. They cannot make a final determination until the work has been completed.

A meeting is currently scheduled the morning of October 18th with KLJ, Weisz & Sons, along with city representatives and neighborhood representatives on how to proceed with the work.

ATTACHMENTS: n/a

FISCAL IMPACT: The apparent low bidder is Weisz & Sons \$634,794.

STAFF IMPACT: n/a

LEGAL REVIEW: n/a

RECOMMENDATION: To award the contract for the removal of the Riverbend Dike to the apparent low bidder, Wiesz & Sons, in the amount of \$634,794

SUGGESTED MOTION: I move to award the contract for the removal of the Riverbend Dike to the apparent low bidder, Wiesz & Sons, in the amount of \$634,794.



Board of City Commissioners

Agenda Documentation

MEETING DATE: October 18, 2011
PREPARATION DATE: October 13, 2011
SUBMITTING DEPARTMENT: Wastewater Treatment Plant
DEPARTMENT DIRECTOR: Steve Himmelspace, Superintendent WWTP
PRESENTER: Russell Sorenson, Operations Manager - Advanced Engineering and Environmental Services, Inc.
SUBJECT: Mandan Wastewater Treatment Plant Phase I – Interim Improvements Project bid consideration.

STATEMENT/PURPOSE: To consider award of a combined contract to PKG Contracting Inc. for Mandan Wastewater Treatment Plant Phase I – Interim Improvements Project.

BACKGROUND/ALTERNATIVES: On Friday September 30, 2011 bids were opened at 4:00 PM. PKG Contracting Inc. submitted the only bid for the two contracts. The low bid totals \$392,900 compared to the engineers estimate of \$275,000. The contractor had indicated the possibility of a reduction in the bid price if some items could be negotiated prior to award. On October 4, 2011 the City Commission allowed AE2S to proceed with those discussions. The contractor, AE2S, and Superintendent Himmelspace met on October 5, 2011 and discussed project options, resulting in PKG offering the options shown on the attached table.

ATTACHMENTS: AE2S document dated October 10, 2011.

FISCAL IMPACT: There is \$330,930 remaining in the SRF loan from the current 10-inch south side force main project. The ND Department of Health has verified the funds are available for some immediate improvements if they can be utilized in 2011. This dollar amount has been built into the existing rate structure. The additional money needed for this project will come out of the Wastewater Treatment Plant 2011 existing budget.

STAFF IMPACT: None.

LEGAL REVIEW: None.

Board of City Commissioners

Agenda Documentation

Meeting Date: October 18, 2011

Subject: Mandan Wastewater Treatment Plant Phase I – Interim Improvements Project
bid consideration.

Page 2 of 6

RECOMMENDATION: Recommend award of combined contract to PKG Contracting Inc. for Contract No 1 – Process Improvements (Grit System) for \$190,854 and Contract No 2 – Site Work Improvements (Isolation Valves) for \$164,000 for a combined total of \$354,854.

SUGGESTED MOTION: Move to award the combined contract for Phase I Interim Improvements Project to PKG Contracting Inc. (Option No. 1) for a total of \$354,854.



October 10, 2011

To the President and Commissioners
of the Mandan Board of City Commissioners
c/o Steve Himmelspach, Wastewater Treatment Plant Superintendent
205 2nd Avenue NW
Mandan, ND 58554-3125

**Re: Mandan Wastewater Treatment Plant
Phase – 1 Interim Improvements
City of Mandan, North Dakota**

Honorable Commissioners:

Bids for the referenced Project were opened on Friday, September 30, 2011. One General Contractor submitted Bids for the Contract 1 – Process Work and for Contract 2 – Underground Work. The Contractor submitted the required Bid Bonds, Contractor's Licenses, acknowledged the Addenda, and signed their Bid. The Bid was examined for errors and irregularities and none were found. A copy of the bid tabulation summary is attached.

PKG Contracting, Inc. submitted the only bid for the two Contracts. The low bid totals \$392,900 compared to the engineer's estimate of \$275,000.00. The Contractor had indicated the possibility of a reduction in the bid price if some items could be negotiated prior to award. On October 4th the City Commission allowed AE2S to proceed with those discussions. The Contractor, AE2S, and Superintendent Himmelspach met on October 5th and discussed project options, resulting in PKG offering the options shown on the attached table. The City expressed a desire to grant the nine week time extension (material delivery) and proceed with all underground work as Bid summarized as Option No. 1. The result would be a deduct of \$38,046.00. PKG Contracting, Inc. has successfully completed numerous similar projects with AE2S and the City of Mandan. As such, we recommend award of a Combined Contract to PKG Contracting, Inc. with the aforementioned time extension and deduct as addressed in the attached Change Order No. 1. The North Dakota Department of Health has granted approval of the project.

Included herewith are the certified original Bid proposal, with corresponding Bid Bond and Contractor's License. Also attached, please find one (1) copy of the Bid Tabulation and one (1) copy of the project options.

Board of City Commissioners

Agenda Documentation

Meeting Date: October 18, 2011

Subject: Mandan Wastewater Treatment Plant Phase I – Interim Improvements Project
bid consideration.

Page 4 of 6

President and Commissioners
of the Mandan Board of City Commissioners
Re: **Mandan Wastewater Treatment Plant Phase – 1 Interim Improvements**
October 10, 2011
Page 2 of 2

If awarded, we will provide (4) four copies of the Notice of Award and Change Order No. 1 for review and execution. Once the City executes the Notices of Award and Change Order No. 1, please return them to AE2S. We will forward the Notices of Award, Change Order, and the Construction Agreements to the Contractor. The successful Contractor is required to acknowledge the Award, execute the Change Order and Agreement (on their part), and return all documents with the required supporting documentation (Performance and Payment Bonds, insurance certificates, tax clearances, etc.) within fifteen days. Upon receipt of the returned documentation, they will be reviewed and forwarded to the City for review and final execution, if acceptable to the City. Once the Agreements are fully executed, we will assemble and distribute complete Contract Document sets to all parties, schedule and administer a pre-construction conference, and issue the Notices to Proceed.

Thank you for the continued opportunity to provide professional engineering services to the City of Mandan. Should you have any questions or concerns, please do not hesitate to contact us.

Submitted in Service,

AE2S



Russell R. Sorenson, PE
Operations Manager

Enclosures

Cc. Dave Bechtel, City of Mandan
Paul Levchak, NDDH

Board of City Commissioners

Agenda Documentation

Meeting Date: October 18, 2011

Subject: Mandan Wastewater Treatment Plant Phase I – Interim Improvements Project bid consideration.

Page 5 of 6

BID OPENING
MWWTF PHASE I - INTERIM IMPROVEMENTS
MANDAN WASTE WATER TREATMENT FACILITY
CITY OF MANDAN, NORTH DAKOTA
FRIDAY, SEPTEMBER 30, 2011
3:45 PM DEADLINE 4:00 PM BID OPENING

CONTRACTORS	ADDENDA		BID SECURITY	CONTRACTOR'S LICENSE	SIGNATURE	RES/MSB SUBCONTRACTOR SOLUTION	US EPA CLEANWATER CERTIFICATION	CONTRACT NO. 1 - GENERAL CONSTRUCTION PROCESS IMPROVEMENTS	CONTRACT NO. 2 - GENERAL CONSTRUCTION SITEMWORK IMPROVEMENTS	CONTRACT NO. 3 - COMBINED	ALT. NO. G1 TO CONTRACT NOS. 2 AND 3 LIVE TAP IN-LINE VALVE	ALT. NO. G2 TO CONTRACT NOS. 2 AND 3 DEDUCT FOR ELIMINATION OF BP VALVE-1
	1	2										
PKG Contracting, Inc. Fargo, ND	✓	✓	✓	✓	✓	✓	✓	\$228,900.00	\$164,000.00	-	-	-
Engineer's Estimate	-	-	-	-	-	-	-	\$180,000.00	\$95,000.00	\$275,000.00	-	-



Engineer: Advanced Engineering and Environmental Services, Inc.
 1815 Schafer Street, Suite 301, Bismarck, ND 58501
 Tel: 701-221-0530 / Fax: 701-221-0531

Respectfully Submitted By: *Russell R. Sorenson*
 Russell R. Sorenson, PE

Board of City Commissioners
 Agenda Documentation
 Meeting Date: October 18, 2011

Subject: Mandan Wastewater Treatment Plant Phase I – Interim Improvements Project
 bid consideration.

MWWTF PHASE I - INTERIM IMPROVEMENTS
 MANDAN WASTE WATER TREATMENT FACILITY
 CITY OF MANDAN, NORTH DAKOTA
 COMMISSION MEETING
 Tuesday, October 18, 2011

CONTRACTOR PKG Contracting, Inc. Fargo, ND	COMPLETION DATES Substantial / Final	CONTRACT NO. 1 - PROCESS IMPROVEMENTS Grit System	CONTRACT NO. 2 COMPONENTS	CONTRACT NO. 2 - SITEWORK IMPROVEMENTS Isolation Valves	COMBINED CONTRACT TOTAL
Original Bid	January 27, 1012 February 17, 2012	\$228,900.00	All 6 valves and line stop	\$164,000.00	\$392,900
Option No. 1*	April 1, 2012 May 1, 2012	\$190,854.00	All 6 valves and line stop	\$164,000.00	\$354,854
Option No. 2*	April 1, 2012 May 1, 2012	\$190,854.00	5 valves, no line stop and remove one isolation valve	\$139,600.00	\$330,454
Option No. 3*	April 1, 2012 May 1, 2012	\$190,854.00	3 valves, no line stop and remove three isolation valves	\$130,500.00	\$321,354
Option No. 4**	Rebid with Summer Completion				
Engineer's Estimate		\$180,000.00		\$95,000.00	\$275,000



* Grit Removal and Disposal by City, by-pass pumping by Contractor.
 Contractor would install valves this fall if valve delivery and weather allows

** Rebid Costs to update bid packages, advertising, and bid approximately \$8,000 to \$10,0000



New Business No. 1

Board of City Commissioners

Agenda Documentation

MEETING DATE: October 18, 2011
PREPARATION DATE: October 11, 2011
SUBMITTING DEPARTMENT: Engineering
DEPARTMENT DIRECTOR:
PRESENTER: Dave Bechtel
SUBJECT: Consider the request to for No Parking Signs on Riverwood Avenue SE

STATEMENT/PURPOSE: To review the request for no parking signs to be installed on Riverwood Avenue SE.

BACKGROUND/ALTERNATIVES: On September 2nd, 2011, we received a letter from the property owners along Riverwood Drive SE for consideration of No Parking to combat the semi truck and trailer parking that is/was taking place along that street. Two businesses located on Memorial Highway are utilizing the street for parking these semis and trailers as their businesses do not have the land size to accommodate the parking needs of their customers. The businesses are a semi and trailer repair related. Damage has occurred to the street due to the weight and time the trucks and trailers have been parked there. The owners not only are concerned about the parking of the street being used by a business not located on the street but that the street and damages will become their responsibility to pay for. The police have met with the business owner and tagged and ticket the semis and trailers but the problem continues. It is a safety concern as both sides of the street are parked with trailers and semis reducing the visibility and width of the street to other motorists.

The businesses utilizing the street for parking contend that it's a public City street that is industrial in nature, that should allow them to park their customers' semi and trailers there to accommodate their businesses. At least one owner has indicated the willingness to pay for damages that occur from the extended parking of the semis. They also believe they should not be penalized for not having adequate parking for their business's needs.

Signing is proposed for No Parking. The proposal would be to sign the west side of the street to No Overnight Parking and the east side of the street would be No Parking. This would allow the owners of the adjacent lots to utilize the west side for day business parking and keep permanent parking from the east side, of which much of the street now has none due to the amount of driveways intersecting the streets.

Board of City Commissioners

Agenda Documentation

Meeting Date: October 18, 2011

Subject: Consider the request to for No Parking Signs on Riverwood Avenue SE

Page 2 of 5

ATTACHMENTS: 1. Letters of Request
2. Map of Riverwood Avenue

FISCAL IMPACT: Minimal

STAFF IMPACT: Public Works would be asked to provide and install the signs and Police departments would be asked to enforce the No Parking zones.

LEGAL REVIEW: All of my commission data has been forwarded to the City Attorney for his review.

RECOMMENDATION: This office supports the indicated request as listed.

SUGGESTED MOTION: I move to sign the street as recommended.

Board of City Commissioners

Agenda Documentation

Meeting Date: October 18, 2011

Subject: Consider the request to for No Parking Signs on Riverwood Avenue SE

Page 3 of 5

From: Duane Jangula
1008 Governor Lane
Bismarck, ND 58501

Date: September 2, 2011

To: City of Mandan

Street in Reference: Riverwood Ave. SE

Dear Sir,

Myself along with several other people own property along this street known as Riverwood Avenue SE. The property along this street has Riverwood RV and Auto along with several storage units known as Riverwood Condos.

I am writing this letter to complain about the truck parking along that street. At any given time, you will see 3-4 trucks with tankers parked on this street for several days at a time. Why do we have these trucks parked along this street? I don't see where this street is some kind of designated Truck Parking.

In doing some research, we have found that the trucks parked here are in no way related to any business activities that conduct business along Riverwood Ave. SE.

I would very much welcome your comments on this issue.

If you have any questions, please call me. Thanks,
Duane Jangula 425-5358(cell) 258-8691(home)

Bill Bowers UNITS 160, 162, 172, 174
Ken DeB... UNITS 164, 166, 176, 178
Ken DeB... UNIT 204
Clayton Albert UNIT #206
Riverwood Ave SE
Condos.

Board of City Commissioners

Agenda Documentation

Meeting Date: October 18, 2011

Subject: Consider the request to for No Parking Signs on Riverwood Avenue SE

Page 4 of 5

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Duane Jangula 425-5358(cell) 258-8691(home)

Duane Jangula 168 Riverwood Ave SE

170 Riverwood Ave. SE,

John Bickholz
400-9832
161 Riverwood Ave SE

Tom East
391-3838

owner Riverwood Ave. S.E.
owner Riverwood COMM. Park LLC

Board of City Commissioners

Agenda Documentation

Meeting Date: October 18, 2011

Subject: Consider the request to for No Parking Signs on Riverwood Avenue SE

Page 5 of 5





Board of City Commissioners

Agenda Documentation

MEETING DATE: October 18, 2011
PREPARATION DATE: October 11, 2011
SUBMITTING DEPARTMENT: Engineering
DEPARTMENT DIRECTOR:
PRESENTER: Dave Bechtel
SUBJECT: Consider the addition of projects to the NDDOT Urban Roads Project List.

STATEMENT/PURPOSE: To get formal approval of the addition and/or input of projects for submittal to the federal aid list under the Urban Roads Program.

BACKGROUND/ALTERNATIVES: The urban roads program is a program in which the City may utilize federal funds on roads that have the proper designation and recognized classification from the NDDOT and those funds can be expended on those roads for construction projects. Those projects may consist of reconstruction or street maintenance and those funds require a 20% match to receive a maximum of 80% of the federal funds requested. These funds are vital to repairing major streets within the City and allow us to do it rather inexpensively which lessens the tax payer burden on the assessment side. On a yearly basis, the Cities of North Dakota are asked to submit a list of projects for evaluation based on priority, to the NDDOT for approval and subsequent funding. The planning horizon for this list of projects in 4 years out from the current year of submittal. We have submitted to the NDDOT a list of projects we would like to see out to 2014. They are asking for a submittal list for 2015 currently. We have on the list currently, 2 projects, Sunset Drive reconstruction in 2013 and 9th Avenue NE in 2014.

Public Works along with our department, for planning purposes, have sat down and put together a list not only for 2015 but for future years as well. Our proposal would be as follows:

2015 – Old Red Trail – Highland Road to Crown Point Road	\$4,000,000
Traffic Signal –	\$250,000
Concrete Pavement Repair (CPR) – 10 th Avenue SW	\$250,000
2016 – Traffic Signal –	\$250,000
Concrete Pavement Repair (CPR) – 6 th Avenue SE	\$250,000

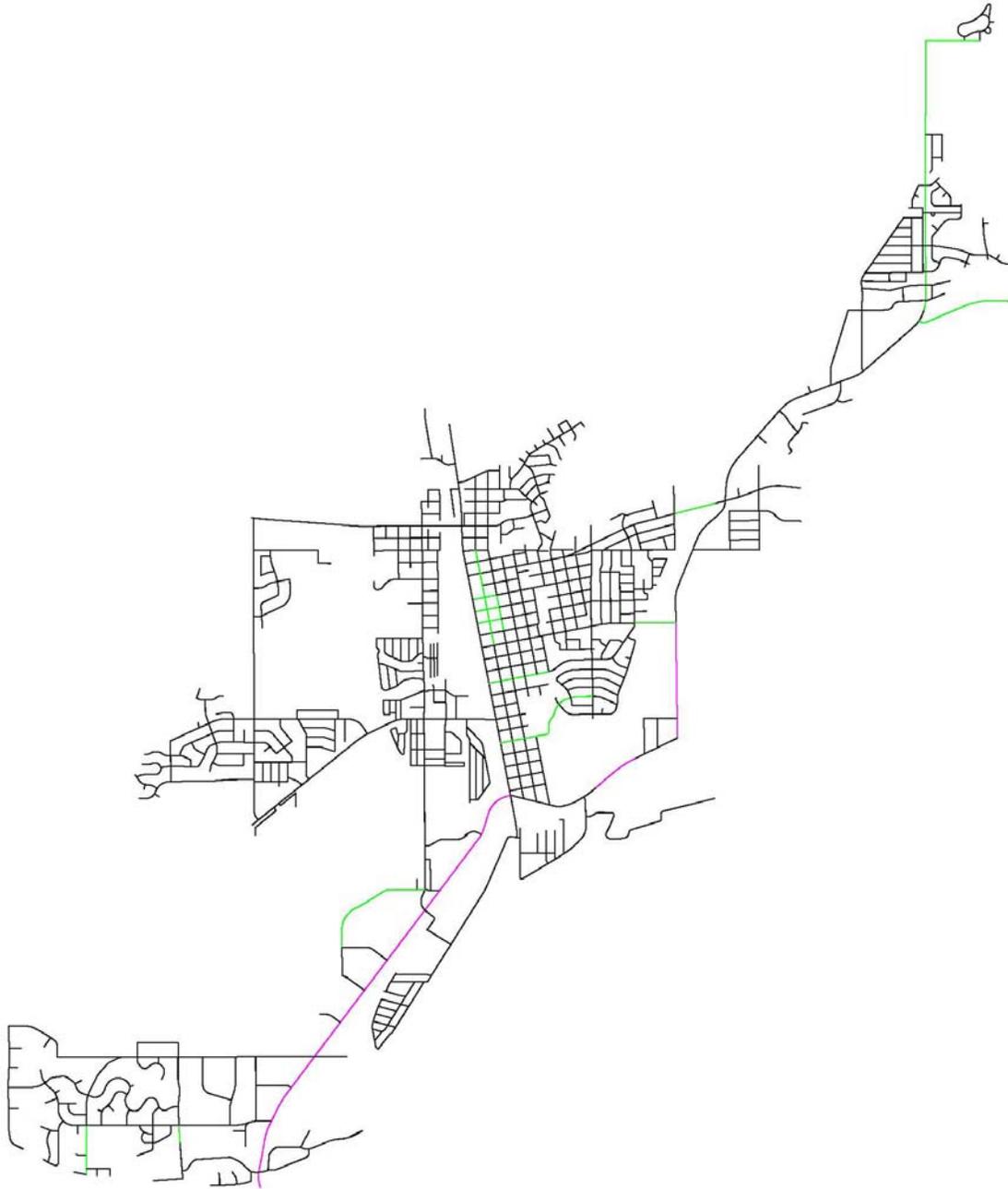
Board of City Commissioners

Agenda Documentation

Meeting Date: October 18, 2011

Subject Consider the addition of projects to the NDDOT Urban Roads Project List.

Page 3 of 4





Board of City Commissioners

Agenda Documentation

MEETING DATE: October 18, 2011
PREPARATION DATE: October 12, 2011
SUBMITTING DEPARTMENT: Assessing/Bldg Inspections
DEPARTMENT DIRECTOR: Richard L Barta
PRESENTER: Richard L Barta
SUBJECT: Abatement for Wayne Papke

STATEMENT/PURPOSE: Mr. Papke is requesting the 2011 true and full value of his residence be lowered from \$277,600 to \$239,850 due to flood damage. Damage estimates to his home range from \$34,000 to \$41,500. Mr. Papke is requesting the mid-point correction \$37,750.

BACKGROUND/ALTERNATIVES: This property is also known as 1612 River Dr NE on Lot 5, Block 1, Riverbend 1st Addition on Parcel 5558.

ATTACHMENTS: Application, Anticipated Flood Expense sheet, correspondence from the U.S. Small Business Administration to Mr. Papke, pictures of damaged basement area and memo from Assessor Barta to Commission.

FISCAL IMPACT: Approximately \$695.00.

STAFF IMPACT: N/A

LEGAL REVIEW: N/A

RECOMMENDATION: I recommend a motion to deny the request by Mr. Papke to lower the 2011 true and full value from \$277,600 to \$239,850 due to flood damage. This recommendation is due to his reconsideration and reduction of costs. On October 10, 2011, he indicated the cost would be \$20,790 or \$14,000 paid by the Federal Government.

SUGGESTED MOTION: A motion to deny the request by Mr. Papke to lower the 2011 true and full value from \$277,600 to \$239,850 and keep the 2011 value at \$277,600.

Application For Abatement And Settlement Of Taxes

North Dakota Century Code § 57-23-04

File with the County Auditor on or before November 1st of the year following the year in which the tax becomes delinquent.

State of North Dakota

County of Morton

Name PAPKE WAYNE

Address 1612 RIVER DR NE

Legal Description of the property involved in this application

Lot: 0005

Block: 001

RIVERBEND 1ST

Property ID Number

City 5558

County 65-4288000

Total true and full value of the property described above for the year 2011 is:

Land \$77,700
 Improvements \$199,900
 Total (1) \$277,600

Total true and full value of the property described above for the year 2011 should be:

Land \$77,700
 Improvements 162,150
 Total (2) 239,850

The difference of 37,750 true and full value between (1) and (2) above is due to the following reason(s):

- 1. Agricultural property true and full value exceeds its agricultural value defined in N.D.C.C § 57-02-27.2
- 2. Residential or commercial property's true and full value exceeds the market value
- 3. Error in property description, entering the description, or extending the tax
- 4. Nonexisting improvement assessed
- 5. Complainant or property is exempt from taxation (Attach a copy of Application for Property Tax Exemption)
- 6. Duplicate assessment
- 7. Property improvement was damaged by fire, flood or tornado (see N.D.C.C. § 57-23-04(1)(g))
- 8. Error in noting payment of taxes, taxes erroneously paid
- 9. Property qualifies for Homestead Credit According to N.D.C.C. § 57-02-08.1 (Attach a copy of Homestead Credit Application)
- 10. Other (Explain)

The following facts relate to the market value of the residential or commercial property described above. For agricultural property, go to question #5.

1. Purchase price of property: \$ 200,000 Date of Purchase: DECEMBER 1994
 Terms: Cash Contract _____ Trade _____ Other (explain) _____
 Was there personal property involved in the purchase price? NO Estimated value: \$ _____

2. Has the property been offered for sale on the open market? NO If yes, how long? _____
 Asking price: \$ _____ Terms of sale: _____

3. The property was independently appraised: N/A Purpose of appraisal: N/A
 Market value estimate: \$ _____
 Appraisal was made by whom? N/A

4. The applicant's estimate of market value of the property involved in this application is \$ 239,850

5. The estimated agricultural productive value of this property is excessive because of the following condition(s): N/A

The Applicant asks that 2011 TRUE & FULL VALUE BE CORRECTED TO REFLECT ACTUAL STRUCTURAL FLOOD DAMAGE AS WAS INTENDED. DAMAGE ESTIMATES TO MY HOME STRUCTURE RANGE FROM \$34,000 TO \$41,500 (I'M ASKING FOR MID 90% CORRECTION)

By filing this application, I consent to an inspection of the above-described property by an authorized assessment official for the purpose of making an appraisal of the property. I understand the official will give me reasonable notification of the inspection. See N.D.C.C. § 57-23-05.1.

I declare under the penalties of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a government matter, that this application is, to the best of my knowledge and belief, a true and correct application.

Signature of Preparer (if other than applicant) _____ Date _____

Signature of Applicant Wayne Papke Date 8/25/2011

SBA LOAN
LIKELY FLOOD RELATED EXPENSES ANTICIPATED
Wayne & Christi Papke
1612 River Dr NE, Mandan, ND 58554

<u>Anticipated Expense</u>	<u>Estimated Cost</u>
- Fix or replace exterior drain tile - X	\$ 15,000-\$18,000**
<i>Keep</i> - Replace wood steps from garage to basement – MOLD/ROT	\$ 4,000**
- Landscape yard demolished from dike construction/wells	\$ 20,000
<i>Keep</i> - Replace Studs and insulation moisture damaged basement	\$ 5,000 - \$ 6500**
<i>Keep</i> - Concrete replacement from 3 new sump holes basement	\$ 1,500**
- River bank stabilization – Rip Rap	\$ 15,000
<i>Keep</i> - Replace basement sheetrock And Melamine ruined	\$ 3500 - \$ 4500**
<i>out</i> - Possible furnace ductwork replacement due to mold	\$ 5,000 - \$ 7,000**
- Cost of 4 outside relief wells with sumps (FEMA "may" pay)	\$ 10,000
TOTAL POTENTIAL RECONSTRUCTION EXPENSES:	<u>\$ 86,500</u>

** Denotes actual home structure damages = \$34,000 Low end estimate
 to \$41,500 High estimate
 midpoint of above = 37,750



U.S. SMALL BUSINESS ADMINISTRATION
Disaster Assistance
Processing and Disbursement Center
14925 Kingsport Road
Fort Worth, Texas 76155-2243

817-868-2300
800-366-6303
Hearing Impaired
817-267-4688
Fax 817-868-2332



August 24, 2011

WAYNE PAPKE and CHRISTI PAPKE
1612 RIVER DR NE
MANDAN, ND 58554

X5248

RE: SBA Disaster Loan No. DLH 3998516005; Application No. 0004601630

Dear Borrower:

We are pleased to inform you that your loan request has been approved in the amount of \$14,000.00 subject to the terms and conditions of the enclosed Loan Authorization and Agreement (LA&A). Please read your LA&A carefully to ensure that you completely understand the terms and conditions of your loan.

We have enclosed your loan documents and instructions for closing your loan. Please follow the instructions carefully, and return your documents as soon as possible.

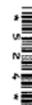
YOU MUST RETURN THE SIGNED LOAN DOCUMENTS TO SBA WITHIN SIXTY (60) DAYS FROM THE DATE OF THIS LETTER.

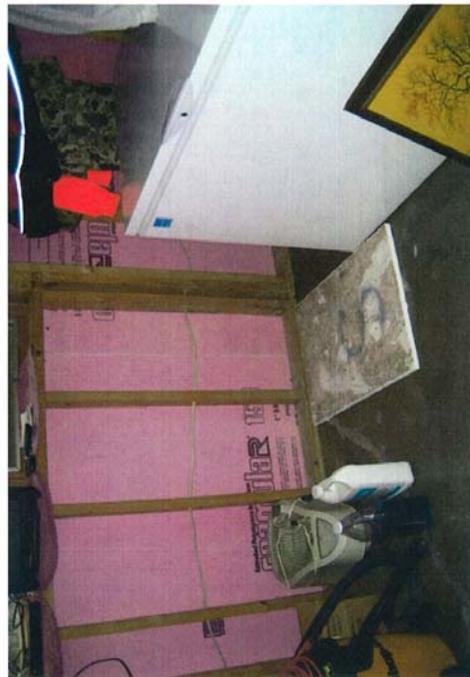
If you have any questions, please contact our Legal Department at the toll free number listed above.

Sincerely,

Legal Department
Enclosures

*approved: \$ 20,790.00
~~\$ 21,000.00~~ w/ Lein
\$ 14,000*







CITY OF MANDAN

MANDAN CITY HALL - 205 2nd Avenue NW
MANDAN, NORTH DAKOTA 58554
701-667-3215 • FAX: 701-667-3223 • www.cityofmandan.com

CITY DEPARTMENTS	
ADMINISTRATION	667-3215
ASSESSING/BUILDING INSPECTION	667-3230
BUSINESS DEVELOPMENT	667-3485
CEMETERY	667-6084
ENGINEER/PLANNING & ZONING	667-3225
FINANCE	667-3213
FIRE	667-3288
HUMAN RESOURCES	667-3217
LANDFILL	667-0104
MUNICIPAL COURT	667-3270
POLICE	667-3455
PUBLIC WORKS	667-3240
WASTEWATER TREATMENT	667-3278
SPECIAL ASSESSMENTS	667-3271
UTILITY BILLING	667-3219
WATER TREATMENT	667-3275

TO: MAYOR HELBLING & MANDAN CITY COMMISSIONERS

FROM: RICHARD L BARTA/CITY ASSESSOR

DATE: OCTOBER 12, 2011

**SUBJECT: WAYNE PAPKE ABATEMENT
PARCEL NO. 5558
1612 RIVER DR NE**

On October 11, 2011, I personally walked through the above referenced property and determined there are some mold issues. However, Mr. Papke's records only indicate 100 square feet of basement finish which includes some partition walls, some insulation and some sheetrock.

The first item I'd like to address is the replacement of the foam insulation. This could be remedied quite easily by installing the standard fiberglass insulation which would be only a portion of the cost. My point is that there are other cheaper options available to help keep costs down by taking a more conservative approach.

Keep in mind that the cost of materials is not equal to what a return might be at the time of re-sale. Typically, the return would be 50% or less of the replacement cost. In this case, the loan mentioned ranges from \$20,790 down to \$14,000. Mr. Papke indicated the loan amount of \$14,000 was approved by the Federal government. 50% would be \$7,000 and I do not foresee the cost of replacement exceeding this amount for such a small area (100 square feet) of finish in his basement. Also, just because Mr. Papke indicates an increase in his costs, it does not mean that the value of his property will decrease equally in the same proportion. And, according to his expense sheet, he started with a replacement cost of \$86,500 and has come down to \$37,750. This indicates to me that Mr. Papke is already re-thinking his expenses.

Second, the City of Mandan does not require drain tile. It is recommended, but not mandated. Therefore, if Mr. Papke decides to install drain tile, it will be solely by his own discretion.

Next, during my walk-through, Mr. Papke indicated he needed to replace the door leading into the home from the garage due to mold being present. I am not a mold expert, but the chance of mold on a metal door is questionable.

My last concern is that there could possibly be as many as 200 other individuals with similar issues to that of Mr. Papke. Therefore, where do we draw the line? At this time, I am suggesting we (City) wait until 2012 to see just how far these issues will be taken. Remember, citizens have up to two (2) years to file an Abatement and by waiting they would not be losing out.

Therefore, I will be recommending denial of the abatement due to his reconsideration and reduction of costs.