

**VILLAGE OF ARMADA
REGULAR COUNCIL MEETING
MONDAY, JUNE 13, 2016
7:00PM**

President Wolak called the meeting to order at 7:00 p.m. All rose for Pledge of Allegiance. Present at roll call: Clark, Coenen, Wolak, Ballard, Cooper, Shall, and Boelke. Also present: Clerk Poulos, Jeff Bahorski, Dennis LeMieux, Howard Smith, Karen Nickols, Michael Park, Jeff White, Kristie Paterson, Doreen Pinskey, and Steven Pinskey.

AGENDA, APPROVAL OF

MOTION by Ballard, seconded by Cooper, to approve agenda as presented.

All Ayes

CARRIED

CITIZEN COMMENT

Doreen and Steven Pinskey wrote a letter to Council asking for the fence, which borders their property and the Dorothy Mass Park, to be repaired or replaced. They stated that there is damage to the fence caused by people from the subdivision cutting through their property. They requested that Council consider installing a 6' privacy fence or at least repair the existing fence and put up "No Trespassing" signs. Council advised Code Enforcer Dennis LeMieux to meet with the Pinskey's to discuss the regulations of a privacy fence if they were to install. This item will be brought back to a future meeting.

PRESENTATIONS

None.

ADMINISTRATIVE REPORTS

- The Building Department submitted its May, 2016, Building Report.
- The Treasurer's Report for April, 2016, was prepared by Becky Henderson and presented to Council in the Treasurer's absence.
- Planning Commission meeting minutes for May 2, 2016, were presented to Council.
- Planning Commission Liaison Coenen informed Council that the Planning Commission is continuing work with Dan Duncan and have reviewed a property split.

GENERAL BUSINESS

1. CONSENT AGENDA

MOTION by Cooper, seconded by Ballard, to approve the consent agenda as presented.

A. Approval of RCM Minutes of 5/23/16 approved as presented.

B. Payment of Bills totaling **\$48,596.15** approved for payment as follows:

1. General Fund	\$ 20,130.08
2. Water Fund	\$ 5,567.70
3. Sewer Plant Fund	\$ 19,203.03

4. Sewer System Fund	\$	115.85
5. Major Street Fund	\$	73.80
6. Local Street Fund	\$	577.76
7. Municipal Street Fund	\$	2,927.93
Total	\$	48,596.15

All Ayes

CARRIED

2. OLD BUSINESS

A. EAST MAIN STREET PROJECT

Street Administrator Ballard informed Council that the grass seed has been put down, the manhole covers have been repaired by the DPW and that he has not yet signed off on the project, which was extended to the end of May, so we're waiting on the Engineers.

3. NEW BUSINESS

A. SMART FUND DISTRIBUTION

The Clerk explained that the Community and Municipal Credits are yearly turned over to Richmond Lenox EMS for the SMART bus system. It is the same contract every year.

MOTION by Cooper, seconded by Ballard, to allow the Clerk to sign the Municipal Credit and Community Credit Contract for FY 2017 to distribute the Municipal Credit Funds totaling \$1,710.00 and the Community Credit Funds totaling \$3,454.00 directly to Richmond/Lenox EMS.

Ayes: Cooper, Ballard, Shall, Boelke, Clark, Coenen, Wolak
Nays: None

CARRIED

B. PUBLIC HEARING – TO ADOPT A FINAL PROJECT PLAN FOR WASTEWATER SYSTEM IMPROVEMENTS AND DESIGNATING AN AUTHORIZED PROJECT REPRESENTATIVE

Present during Public Hearing: Wolak, Coenen, Clark, Cooper, Boelke, Shall, Clark, Poulos, Bahorski, Michael Park, Karen Nickols, Howard Smith, and Dennis LeMieux.

MOTION by Cooper, seconded by Ballard, to enter into Public Hearing at 7:17 p.m.

All Ayes

CARRIED

President Wolak stated that the Public Hearing is to discuss the proposed Project Plan for improvements to the Village of Armada Wastewater Treatment Facilities to be financed through a State Revolving Fund loan administered by the DEQ. Treasurer Adair and Sewer Commissioner Steve Clark have been working on this project and President Wolak, Lyle Ballard, and Michael Shall have also attended meetings with the State and Giffels Webster Engineers.

Sewer Commissioner Steve Clark first asked for any public comment, there was none. He stated that the sewer system along with the plant and the lines are all around 30 years old and are in need of repair, updating, or replacement.

Michael Park from Giffels/Webster explained further. He stated that Giffels performed the evaluation of the system and the plant under the S-2 Grant. The S-2 Grant received by the Village funded Giffels/Webster to perform this evaluation, which included videotaping the sewer systems and system analysis of the manholes and to evaluate the treatment plant. All of the findings were compiled and put into a project plan which will be used to apply for an SRF Loan to pay for the projects. Forty manholes and 17 sewer lines are rated 4 – 5, which means they are critical/structurally deficient and eligible projects in the SRF. There are repairs necessary at the Colonial pump station to bring it up to regulatory safety requirements regulatory and safety deficiencies at the plant as well as projects that will need to be done within a 20 year lifespan. All the projects are summarized in the plan as well as recommendations from Giffels/Webster as well as cost estimates that have contingencies on them, for all projects which are cost estimates only, not contractor bid so they could change. Giffels/Webster prepared two cost estimates for the plan. The first estimate is repairing the recommendations for the treatment plant and the Colonial Street pump station as well as repairing the sewer lines and manholes with trenchless technology except for the areas that have to be open cut and if a line includes two areas that need to be repaired. The cost for Alternative One is \$2,175,280.00 and includes all Engineering, Engineering design, construction, construction administration. Alternative two includes the same repairs to the Sewer Plant and the Colonial Street pump station but would replace all of the lines, rather than lining them with the trenchless technology, that have structural deficiencies. The cost for Alternative Two is \$5,086,280.00.

MOTION by Clark, seconded by Coenen, to close the Public Hearing at 7:24 p.m.

All Ayes

CARRIED

President Wolak noted that the Village will accept any written comment on the proposed Project Plan turned in to the Village Office. He opened the floor to the Council for discussion. Trustee Cooper inquired as to whether the Council would make the determination of which alternative to accept or would they make that determination once they get into the plan. Attorney Bahorski stated that the Resolution is a stand-alone Resolution and referred to the first resolution which states that the Village formally adopts said Project Plan and agrees to implement the select alternative number so when the Council adopts the resolution they will need to select the alternative they wish to use. Trustee Coenen asked with the grant, what percentage would the Village be paying. Mike Park responded that the S-2 Grant only paid for this evaluation the Village would need to apply for an SRF loan for the improvements and would only be required to pay back the amount used so since the plan is estimated costs, the bids from contractors could be less and you don't have to pay back what you don't use. Trustee Coenen asked if this would increase the quarterly sewer bills which President Wolak and Clerk Poulos both stated it would. Trustee Shall inquired about the Village incurring all of this cost with no help at all from the State. Trustee Clark asked Karen Nickols if the DEQ has priorities of what projects need to be done first she stated no that it is up to the individual community. Trustee Coenen asked if by accepting Alternative One the Village is meeting the requirements of the DEQ. Trustee Clark stated that the Village will be meeting the requirements with that alternative as it includes the repairs to the sewer plant which needs to be done and his feeling is that Alternative One will not dig up streets and will meet the requirements and the Village has used this type of product and it works well. Trustee Cooper asked what the term of the loan is, Trustee Clark stated it would be a twenty year loan which was confirmed by Karen Nickol. Cooper asked when the payments start and Karen Nickol stated that interest payments begin when the first draw happens and the loan payments begin when the loan is closed out and the interest rate is 2 ½ %. Trustee Shall

asked if the Village has an estimated cost increase for the residents yet and the Clerk responded that the projected increase was included in the Public Hearing notice. She read from the notice and explained that the increase is estimated to be .003 per gallon as this was the most accurate way of breaking it down as everyone's water bills are based on usage and are so different and this amount could equate to \$50.00/quarter for an average bill estimated to be \$350.00, but will be completely determined by homeowner usage. Resident and Building/Code Enforcer Dennis LeMieux asked if this is just for repairing the sewer plant or the system throughout the Village. Clark stated that it is both the plant and the system. LeMieux asked if the Village knows how much piping is being lined/replaced and Trustee Ballard listed several streets that have already had these repairs during street projects and stated that leaves about five to seven streets left to be done. Mike Park stated that there is 27,000 feet of pipe within the Village and in 1992 the Village replaced 6,400 feet of that. Karen Nickol stated that the Plans are good for five years so projects will need to be completed within that time. Bahorski asked Nickol to verify that no matter which plan the Village chooses it doesn't mean that the Village must implement the project plan in total at that amount at one time. Nickol stated that is correct.

*The transcription of this public hearing is attached to these minutes.

MOTION by Clark, seconded by Ballard, to adopt the resolution adopting the final project plan for wastewater system improvements implementing alternative number 1 at a total estimated cost of \$2,175,280.00 and designating Steve Clark as the authorized project representative.

Ayes: Clark, Ballard, Wolak, Coenen, Shall, Cooper, Boelke
Nays: None

CARRIED

C. ADDED TRAVEL AND INSTALLATION EXPENSES FOR THE BS&A APPLICATION UPGRADES FOR UTILITY AND BUILDING

At a recent Regular Meeting, the Council approved the purchase of upgrades to the BS&A Utility and Building programs for not to exceed amounts. The amounts approved did not include training and travel expenses, which the office did not know were necessary. After several phone calls between Becky Henderson and BS&A, it was determined that the upgrades will not be available without the training.

MOTION by Cooper, seconded by Ballard, to approve the costs for training and travel for the BS&A Utility Billing upgrade for a cost not to exceed \$970.00 and for the Building upgrade for a cost not to exceed \$970.00.

Ayes: Cooper, Ballard, Wolak, Coenen, Clark, Shall, Boelke
Nays: None

CARRIED

D. VILLAGE OFFICE COPIER REPLACEMENT

The Clerk presented Council with a proposal from Applied Imaging for a Ricoh copier. She stated that this is MITN pricing, according to the sales person, and that she also attempted to get quotes from the MIDeal program, left two messages for sales people to call back and neither did. She stated that this copier is comparable to the Township's and can work as a copier, scanner, and fax.

MOTION by Coenen, seconded by Shall, to approve the purchase of a Ricoh MP2554 copier from Applied Imaging at a cost not to exceed \$2,981.00 and to approve the maintenance contract at a cost not to exceed \$36.00/month.

Ayes: Coenen, Shall, Boelke, Cooper, Ballard, Wolak, Clark
Nays: None

CARRIED

E. ADOPT EMPLOYEE CONTRIBUTION FOR INSURANCE

The Clerk explained that the Auditors informed her that the Village needs to yearly adopt the 80/20 employee contribution to health care. This should be done at the renewal of the insurance.

MOTION by Ballard, seconded by Cooper, to comply with Public Act 152 of 2011 by continuing the 80/20 option for the Village's contribution to the cost of employee health insurance effective February 28, 2016.

All Ayes

CARRIED

C. APPOINT MICHAEL PATRICK AS EMERGENCY MANAGER LIAISON

The Clerk informed Council that the Village needs to appoint an Emergency Manager Liaison to Macomb County according to former Police Chief Smith. He recommends that be the Police Chief.

MOTION by Cooper, seconded by Ballard, to appoint Michael Patrick as the Emergency Manager Liaison for the Village of Armada to Macomb County.

All Ayes

CARRIED

UPCOMING AGENDA ITEMS

- A. Employee Agreement
- B. Gas Meter Alarms

CITIZENS COMMENTS

None.

COUNCIL COMMENTS/COMMUNITY EVENTS

Concerts in the Park (Armada Jams) begins June 15, 2016 with the Armada High School Chorale. The sponsors were also mentioned and include: the Armada Fair, Armada Health Mart, Consumers Energy, CSB Bank, Delecke Welding, Duncan Insurance, Family First Armada, Dr. Grunwald DDS, KO Studios, Krause Vet Clinic, Lick's Ice Cream, Main Street Chiropractic, Mobil Express, Papa's Family Restaurant, Rowe Professional Services, South End Car Wash, Tiffany-Hauss/Modetz Funeral Home, and the Village Rehab and Care Community.

EXECUTIVE SESSION TO CONSIDER THE PURCHASE OR LEASE OF REAL PROPERTY UP TO THE TIME AN OPTION TO PURCHASE OR LEASE THAT REAL PROPERTY OR LEASE THAT REAL PROPERTY IS OBTAINED

MOTION by Cooper, seconded by Ballard, to enter into Executive Session at 7:58 p.m. to consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained after a one (1) minute recess

Ayes: Cooper, Ballard, Shall, Coenen, Clark, Boelke, Wolak
Nays: None
Absent: None

CARRIED

MOTION by Cooper, seconded by Ballard, to exit Executive Session at 8:36 pm.

All Ayes

CARRIED

No further business.

MOTION by Cooper, seconded by Ballard, to adjourn the meeting at 8:37 pm.

All Ayes

CARRIED

Minutes submitted by:

Michelle Poulos
Armada Village Clerk

In The Matter Of:

Village of Armada Public Hearing

Public Hearing

June 28, 2016



Public Hearing
June 28, 2016

<p style="text-align: center;">Page 1</p> <p style="text-align: center;">VILLAGE OF ARMADA PUBLIC HEARING</p> <p style="text-align: center;">-----/</p> <p style="text-align: center;">Public Hearing Monday, June 13, 2016 Transcribed by Andrea Filar, CSR-8349</p>	<p style="text-align: right;">Page 3</p> <p>1 MR. BALLARD: Support. 2 MS. POULOS: That's Cooper and Ballard? 3 MR. WOLAK: Yeah. Motion supported, any 4 further discussion? If not all in favor? 5 ALL: Aye. 6 MR. WOLAK: Motion carries. So public 7 hearing is to have the proposed project plan for 8 improvements to the Armada, Village of Armada wastewater 9 treatment facilities to be financed through a state 10 revolving fund loan administered by the Michigan 11 Department Environmental Quality. This is something that 12 our treasurer Joe Adair has been working on and also 13 Steve Clark our commissioner. In fact I have sat in on 14 some of the meetings in the past and we also had Mr. 15 Ballard sit in some of the meetings and I think Mike 16 Shall, wasn't you here for one of them or something? 17 MR. SHALL: I don't recall. 18 MR. WOLAK: Okay. But anyhow we did have 19 quite a few meetings with Mike Parks and Karen Nickols 20 with this and so this is pertaining to the S2 grant. So 21 in summary I'm going to turn it over to our commissioner 22 Steve Clark. 23 MS. POULOS: Speak loudly and clearly. 24 MR. CLARK: Okay. Are we going into the 25 public, we're in the public hearing now, correct? And is</p>
<p style="text-align: right;">Page 2</p> <p>1 *** 2 3 MR. WOLAK: At this time now we're going 4 to enter into a public hearing which is to adopt a final 5 project plan for the wastewater system improvements and 6 designating an authorized project representative. 7 MR. CLARK: Are we good on time? Say 8 what time? 9 MS. POULOS: We haven't entered into it 10 yet. 11 MR. WOLAK: No, we haven't entered into 12 it. 13 MR. CLARK: Okay. 14 MS. COOPER: (Inaudible) motion, are we 15 supposed to actually put something on the table now? 16 MR. WOLAK: This will be a little bit 17 later. 18 MS. POULOS: Yeah. 19 MS. COOPER: Okay. (Inaudible.) 20 MS. POULOS: I know but there's a lot of 21 things that need to be filled in in the resolution. 22 MR. BAHORSKI: We just need a motion now 23 to open the public hearing. 24 MS. COOPER: Okay. I'll go ahead make a 25 motion, 7:17, to open the public hearing.</p>	<p style="text-align: right;">Page 4</p> <p>1 there anybody in the public here to discuss that or? I 2 don't think so. What has been happening, the sewer 3 system with the plant and the lines are approaching 30 4 years old now. And just like any home or whatnot you 5 have things break down, things have to be updated. This 6 is going to enable us to do work down at the sewer 7 treatment plant itself and to rehabilitate some of the 8 sewer lines to cut down on infiltrations so we're not 9 treating basically rain water down at the sewer plant. 10 It will just make things run a lot, lot smoother. 11 With that being said we have Mike Parks 12 here from Giffels. Mike, you want to say a word about 13 the plan? 14 MR. PARK: Sure. My name is Mike Park, 15 I'm a Giffels/Webster engineer. We're a consulting firm 16 that performed the evaluation of the sewer system and the 17 treatment plant under the S2 grant. So as you're all 18 aware there was a S2 grant that was applied for, provided 19 for funds to hire an engineer and do videograph, the 20 videotaping of all the sewer systems, structural analysis 21 of manholes, and also do evaluation of the treatment 22 plant. All those findings were compiled and then also 23 from there prepared what's called a project plan, that 24 thing here which is essentially an evaluation along with 25 recommendations on what should or shouldn't be repaired</p>

1 (Pages 1 to 4)

Carroll Court Reporting
586-468-2411

Public Hearing
June 28, 2016

<p style="text-align: center;">Page 5</p> <p>1 and also kind of acts as a application to, for SRF loan 2 for the state. 3 So there was 40 manholes and 17 sewer 4 lines that were done are in, rated four and five, two 5 highest categories for critical conditions for 6 structurally deficient, and those are eligible for 7 funding under SRF and those are in this project plan. 8 And also there was some repairs required for the Colonial 9 pump station, bring it up to regulatory and safety 10 requirements. And then same with the treatment plant, 11 there were some regulatory and safety deficiencies that 12 recommend repairs along as, and also some items that felt 13 would need repair to provide in a 20 year life span on 14 the treatment plant. All that's summarized in here with 15 cost estimates. The cost estimates have a contingency on 16 them. Of course these aren't bids from contractor and 17 it's not final design, that's the process of, you know. 18 I've prepared two alternatives in the, in 19 that project plan. The first alternative would be 20 repairing the recommendations for the treatment plant and 21 Colonial pump station all the repairs and then also 22 repairing the sewer lines, manholes, with trenchless 23 technology, so minimal dig out. There are some areas 24 that had open cut and dug up because their (inaudible) 25 collapse are almost complete, the bottom collapsed and we</p>	<p style="text-align: center;">Page 7</p> <p>1 make a motion to close the public hearing. 2 MR. COENEN: Second. 3 MS. POULOS: What time? 4 MS. COOPER: 7:24. 5 MS. POULOS: So Clark, Coenen? 6 MR. WOLAK: Clark, Coenen, right? Motion 7 supported. Any further, any further discussions? No 8 further discussion. All in favor? 9 ALL: Aye. 10 MR. WOLAK: Motion carried. To note too 11 we will accept any written comments on the proposed 12 project and that can be received by the Village offices. 13 We will open the floor up now for public comment if 14 there's anyone who'd like to address Council on this 15 right at this moment. If not. Okay. So there's no 16 public comments at this time. 17 I would ask for -- well we already have 18 closed, I'm sorry. I'm going to open the floor up to the 19 trustees for deliberations. Council? 20 MS. COOPER: So between alternative one 21 and alternative two we make the motion as to which 22 alternative we want or do they make that once they get 23 into the plant? 24 MS. POULOS: No, you don't do that 25 tonight.</p>
<p style="text-align: center;">Page 6</p> <p>1 can't get the lines through there or if you have more 2 than two segment lines that go in some of the repairs you 3 can do by just not lining the whole pipe, it's just 4 segment that needs to be repaired, but if you got more 5 than two of them in that line you can't do, you can't do 6 segment repairs, you got to do a full line. So all 7 that's shown in here. And that was alternate one and 8 that's, that comes out to \$2,175,280 for the engineering 9 estimate. That includes all the engineering, design, 10 construction, construction administration, all that. 11 MR. BALLARD: How much is that? 12 MR. PARK: \$2,175,280. 13 MS. POULOS: 280? 14 MR. PARK: Yep. 15 MS. COOPER: (Inaudible.) 16 MS. POULOS: (Inaudible.) 17 MR. PARK: Okay. And alternative two, 18 same repairs to treatment plant and Colonial Street pump 19 station, but it's an open cut repair, basically replacing 20 all the pipes and manholes that have structural 21 deficiencies rather than the line. And that, that total 22 cost came in at \$5,086,280. So those are the two 23 alternatives for, that are up for approval by the 24 Council. 25 MR. CLARK: I guess at this time I'll</p>	<p style="text-align: center;">Page 8</p> <p>1 MR. WOLAK: We have say so. 2 MS. COOPER: Okay. 3 MR. BAHORSKI: The resolution is a 4 standalone resolution. As you know if you look at the 5 resolution the first "be it resolved" indicates a 6 selected alternative is blank right now so we are going 7 to adopt the resolution, we need to fill in which 8 alternative we're seeking at a total cost of. So if it 9 was option one we would fill in the blank to read, 10 selected alternative number one at a total cost of 11 \$2,175,280; if counsel opts for option two it would be 12 alternative number two at a total cost, should say total 13 estimated cost, of \$5,086,280. 14 MR. COENEN: Well with the grant what 15 percentage would we, the Village be paying of that loan? 16 MR. BAHORSKI: Well Mike can clarify but 17 I think you, you're applying for the full amount. 18 MR. PARK: You're taking the S2 grant. 19 Now the S2 grant only paid for this evaluation and 20 preparation of project plan which I think you guys paid 21 ten percent of that. 22 MR. COENEN: So now we're (inaudible.) 23 MR. PARK: This is a loan. 24 MS. POULOS: SRF loan. This is a loan. 25 MR. COENEN: Okay.</p>

2 (Pages 5 to 8)

Carroll Court Reporting
586-468-2411

Public Hearing
June 28, 2016

Page 9	Page 11
<p>1 MS. POULOS: It's a loan. 2 MR. COENEN: It's a loan. 3 MR. CLARK: Yes, correct. 4 MR. PARK: Now you, this is an estimated 5 cost so once you complete your final engineering and get 6 your bid you'll know the final cost. You get a loan for 7 that amount but just, you know, you don't have to pay 8 back what you don't use. So if the bids come in under 9 that you're only paying back that certain amount, you're 10 not required to use all the loan (inaudible). 11 MS. POULOS: And I think what Joe was 12 saying all along which you, you'll know, is that it's not 13 like you're going to take the whole, you're not going to 14 use like two million at one time, you know, you're going 15 to try to use, you know, a little bit here and a little 16 bit there and still be out there but it won't be like 17 you'll have all that two million dollar at once. I think 18 that's the way she explained it. 19 MR. COENEN: (Inaudible) that's not 20 required increase of (inaudible). 21 MS. POULOS: Yes. 22 MR. CLARK: Oh, yes. 23 MR. COENEN: So we incur, we incur all 24 that cost, there's no available moneys from the 25 government at all. Shouldn't we get some kind of</p>	<p>1 care of the improvements done at the wastewater treatment 2 plant which need to be done because you guys seen some of 3 the stuff I've -- 4 MR. COENEN: Right. 5 MR. CLARK: -- we had to get a new 6 compressor, we had to do test equipment, stuff is wearing 7 out. So that stuff would be done in either one of these 8 and my feeling is if we don't have to dig things up and 9 disrupt things and wreck roads, alternate one would be 10 the way to go because we have done some work with this 11 stuff before. Sitroform(ph) we use. 12 MR. BALLARD: Right. 13 MR. COENEN: Yeah, we did before. 14 MR. CLARK: With the main sewer line that 15 ran through the creek bed. It's been ten, 15 years ago? 16 MR. BALLARD: Oh gosh, yeah. 17 MR. CLARK: And it does work, it's 18 amazing how, how well that stuff work because the less 19 you have a complete blockage like Mike had said then you 20 have to go in and, you know, open cuts and stuff. And 21 for the most part they can lay this liner in there and 22 take care of a lot of the problems and we will gain many 23 more years out of those pipes versus having to dig things 24 up and have the road tore out. 25 MS. COOPER: What is the term of the</p>
Page 10	Page 12
<p>1 detailed presentation on the difference of these two, the 2 loans? 3 MR. CLARK: If you want to, if you want 4 to thumb through that book which has been available -- 5 MR. COENEN: Yeah. 6 MR. CLARK: -- to anybody to -- 7 MS. POULOS: A month. 8 MR. CLARK: -- take it home -- 9 MS. POULOS: More than a month. 10 MR. CLARK: -- and take a look at that 11 gives details of how things are going to be done. I do 12 have one question for you, Karen. Does the DEQ have 13 priorities that they want to see done first, you know, 14 like certain items they want to see taken care of first 15 before you move on to some of the other things? No? 16 Okay. 17 MS. NICKOL: No. It is up to the 18 community -- 19 MR. CLARK: Okay. 20 MS. NICKOL: -- to make your priorities 21 of what you want to undertake. 22 MR. COENEN: I mean with alternative one 23 are we hitting the things that we need to have done? 24 MR. CLARK: Yeah, we are. Because that 25 will include, both of these alternate one and two take</p>	<p>1 loan? 2 MR. CLARK: What's the what? 3 MS. COOPER: What's the term, like 20 4 years, 30 years, ten years repayment? 5 MR. CLARK: 20, 20 years. 6 MR. PARK: Seems like usually they're 20. 7 MS. COOPER: 20 years. 8 MR. CLARK: 20 years. 9 MS. COOPER: With a balloon at the end or 10 no? Okay. And when does that start, when does the 11 repayment start, immediate, like the month after we take 12 the first draw or is it when the, everything's completed? 13 Sorry. 14 MS. NICKOL: No, it's okay. It's a, I 15 should know this. Interest payments start once you, the 16 loan is SQed in. 17 MS. COOPER: Okay. 18 MS. NICKOL: Principal payments start 19 when the loan is closed out. Administrate (inaudible). 20 MS. COOPER: Okay. So it's interest only 21 payments while the project -- while the program's going 22 and once the program's done then it's principal payments. 23 MS. NICKOL: The construction. 24 MS. COOPER: What is the interest rate? 25 MS. NICKOL: Two and a half percent.</p>

3 (Pages 9 to 12)

Carroll Court Reporting
586-468-2411

Public Hearing
June 28, 2016

Page 13	Page 15
<p>1 MS. COOPER: Two and a half. 2 MR. SHALL: Steve you might know this, do 3 we have a projected cost where the rate increase would 4 be? 5 MS. POULOS: It's in the public hearing 6 notice. It's estimated, it's estimated to be about 0.003 7 per gallon because since our water bills are by usage, 8 you know, some people only have \$80 water bills, other 9 people have seven, eight hundred dollar water bills. So 10 it, we broke it down to a per usage amount because that 11 is the most accurate way to do it, you know. 12 MR. SHALL: Right. 13 MS. POULOS: And but what I put in the 14 public hearing was it could equate to \$50 per quarter for 15 an average bill which is estimated to be \$350, but it's 16 completely determined by the homeowner's usage. 17 MR. SHALL: Right, usage. 18 MS. POULOS: Karen and I went back and 19 forth a lot about how to word this, this bill. You know, 20 if you tell somebody that's, that's only paying an \$80 21 bill hey your increase is going to be \$50 a quarter 22 they're, you know, that's not fair because that's not an 23 accurate interpretation of what we're doing -- 24 MR. LEMIEUX: Based on usage. 25 MS. POULOS: -- it's based on usage.</p>	<p>1 MR. LEMIEUX: Oh. 2 MR. CLARK: So they've been in a long 3 time. 4 MR. LEMIEUX: Yeah. 5 MR. CLARK: The plant is approaching 30 6 years. 7 MR. LEMIEUX: Right. 8 MR. CLARK: The plant before that was 9 about 32 that was built '57, the original plant, and then 10 the new plant was in '89. 11 MR. LEMIEUX: Basically you found that 12 through the TV -- 13 MR. CLARK: Yeah. 14 MR. LEMIEUX: -- put a TV through the 15 area? 16 MR. CLARK: Yeah. 17 MR. LEMIEUX: So in the next 20 years 18 some of the other pipes could go down too, we might have 19 to address that, other pipes? 20 MR. CLARK: Possibly but I think we're, 21 we're safe for quite a while back in the subdivision, 22 they were the newer pipes -- 23 MR. LEMIEUX: Right. 24 MR. CLARK: -- and such. 25 MR. BALLARD: We do some sewer on Main</p>
Page 14	Page 16
<p>1 MR. SHALL: Right. Based on, I 2 understand. 3 MS. POULOS: Right. So it works out to, 4 with that equation it works out to be 0.003 per gallon. 5 But that's, you know, it's, it's based entirely on your 6 usage so. 7 MR. LEMIEUX: Is this just for repairing 8 that down at the sewer plant or sewer plants throughout 9 the Village? 10 MR. CLARK: It's both, the plant and the 11 system. 12 MR. LEMIEUX: How much of the Village, is 13 there like half of the pipes that need to be relined or 14 20 percent, is there a number? 15 MR. WOLAK: Mike, can you sort of touch 16 on that? 17 MR. PARK: (Inaudible) I can get the 18 number. 19 MR. LEMIEUX: Just curious because I'm 20 just curious (inaudible). 21 MR. PARK: (Inaudible) pipe segments 22 (inaudible). 23 MR. CLARK: Some of the stuff I was 24 reading at, as far as sewer pipes excluding the 25 subdivision, last ones were put in in the '60s.</p>	<p>1 Street also back (inaudible). 2 MR. CLARK: It was gone. 3 MR. BALLARD: But we had, but we had 4 switched (inaudible) on Main Street, on West Main Street 5 I believe and Fulton Street's new. 6 MR. COENEN: You had, yeah, you had some 7 work done on North Fulton. 8 MR. BALLARD: Well that was new. 9 MR. LEMIEUX: Right. 10 MR. BALLARD: That was new. South Fulton 11 is new so basically you're talking about five to seven 12 streets within the Village that are having to be redone. 13 MR. CLARK: Yeah. 14 MR. COENEN: That's with that liner? 15 MR. CLARK: Yes. 16 MR. PARK: You got a 27,000 foot of pipe, 17 in '92 you repaired 6400 feet of that. And let me get 18 the total number of feet on what we're doing. Sorry, I 19 don't have this memorized yet. 20 MS. POULOS: No, really? 21 MR. PARK: Says that a report identified 22 6500 feet of pipe in need of repair but I don't know if 23 that was eligible. 24 MR. CLARK: Something we have to do. 25 MS. POULOS: (Inaudible) blood, sweat,</p>

4 (Pages 13 to 16)

Public Hearing
June 28, 2016

Page 17	Page 19
<p>1 and tears on this. 2 MS. COOPER: Looking at the cost it's 3 substantial, I'm not sure if we have the money to do it. 4 Interest only on one million is 25 thousand a year. 5 That's interest only, that's not repaying the principal 6 back. 7 MS. POULOS: I think that's passed on. 8 Once you pass it on (inaudible). 9 MS. COOPER: Right. 10 MS. POULOS: Yeah. 11 MS. COOPER: But I'm just saying that's a 12 lot of money. 13 MS. POULOS: Yeah. Yeah. 14 MR. COENEN: That's the cost doing 15 business. 16 MS. POULOS: But I think they had to, I 17 think we're kind of forced to do this if we're not 18 mistaken. That's why -- 19 MR. CLARK: Well if you wait things are 20 only going to cross -- 21 MR. SHALL: Get worse. 22 MS. POULOS: (Inaudible) more and it's 23 going to be more. 24 MR. CLARK: Right. And you might be in a 25 bind where all of a sudden some line collapses or</p>	<p>1 MS. COOPER: Okay. 2 MS. NICKOL: But it is good for five 3 years. You don't have to, just because you're going to, 4 if you choose to like select one of the alternatives, 5 just because you're not locked into that number, if you 6 have a priority of what you would like to take, what you 7 would like to do, you can always make smaller projects 8 which is, you know, which will be benefitting, you know, 9 benefitting the Village but also meeting your requirement 10 of the S2 grant. Because one of the requirements of the 11 S2 grant is to have, is to do a project. 12 MS. COOPER: Right. 13 MS. NICKOL: So, you know, if you want to 14 break them up, you know, every -- 15 MS. COOPER: One a year, five a year? 16 MS. NICKOL: Something like that. Now 17 there's a risk to that, I'm going to be honest with you. 18 There's going to a risk because every year project plans 19 get, there's a calculation, they get a certain number of 20 points. You fall in the fundable range or not. And if 21 you're not in the fundable range you won't get any money 22 for that particular year. So just be cautious because 23 I'm not sure how they're going to break that out. I had 24 a community that came in with a kitchen sink I call it 25 the plan. They had, they did, they had their wish list</p>
Page 18	Page 20
<p>1 something and you've got sewer backups. 2 MS. POULOS: That's all (inaudible). 3 MR. COENEN: Well we've seen recently the 4 effects on communities that have ignored their problems. 5 MR. SHALL: Right. 6 MR. CLARK: Right. 7 MR. COENEN: I mean I'm just saying it 8 doesn't help. 9 MR. CLARK: I mean it's easy to ignore 10 (inaudible) you don't see it as long as things are 11 working. 12 MS. POULOS: And like, as Karen, we've 13 all, you don't have to do it all at once. 14 MR. CLARK: Right. 15 MS. POULOS: You know, it's, it's, it's 16 there. 17 MS. COOPER: How long do we have to do 18 it? 19 MS. NICKOL: The project plans are good 20 for five years. 21 MS. COOPER: Five years. Can we file an 22 extension after that too? 23 MS. NICKOL: So -- no, you have to have a 24 brand new project plan submitted. That's the way the 25 program is.</p>	<p>1 and they wanted a slice, they wanted to pick just one 2 project out where that project had to be evaluated 3 individually from everything else which dropped that, 4 dropped their point score. So just some things to think 5 about. Just because you're, just because, you know, this 6 project plan came in at say 2.1 million dollars you don't 7 have to do it all at once. It's whatever's the best for 8 the Village. 9 MR. PARK: And just to give you an idea, 10 the rating system we do on pipes, if it's rated a four or 11 five, critical and high, that means basically they're 12 going to fail next five years. And you know what that 13 means, that means backing up in the basements. 14 MS. COOPER: Right. 15 MR. PARK: So I don't want to create a 16 doomed -- 17 MS. COOPER: Right. 18 MR. PARK: -- feeling there but there is 19 a risk to not doing the project as well. Same with the 20 treatment plant. So there's some safety issues there 21 with ventilation systems, lighting, electrical issues 22 that, you know, you really want to really seriously 23 consider looking at being priorities that, you know, 24 worker safety and all that so. 25 MR. LEMIEUX: Before it fails.</p>

5 (Pages 17 to 20)

Carroll Court Reporting
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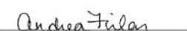
Public Hearing
June 28, 2016

Page 21	Page 23
<p>1 MS. COOPER: So these things that we've 2 been months talking about Chris -- 3 MR. CLARK: Right. We've got -- 4 MS. COOPER: -- those are all under here? 5 MR. CLARK: As far as the alarm system 6 we've gone out now and gotten three quotes and we're 7 close to, we'll be taking care of it, of that part of it 8 because it is a safety issue. 9 MS. COOPER: Would that qualify under the 10 S2 or no, that's separate, that's (inaudible). 11 MR. CLARK: If we, if we pay for it it's, 12 you know. It needs to get done now. 13 MS. COOPER: Right. 14 MR. CLARK: And with the S2 it's going to 15 take -- 16 MS. COOPER: Okay. 17 MR. CLARK: -- there's more added time 18 and such so we felt that priority -- 19 MR. PARK: (Inaudible.) 20 MR. CLARK: -- (inaudible) safety issue. 21 MR. PARK: You don't have to pay for them 22 under the loan, you've already done them. 23 MR. CLARK: Yeah, it would be something 24 taken off the list. 25 MS. POULOS: Yeah, it's just something</p>	<p>1 alternative number one? Okay. So I don't know who wants 2 to make a motion. 3 MR. CLARK: I'll, I'll do that. 4 MS. COOPER: Do you want to make a motion 5 putting yourself on it Steve? 6 MR. CLARK: No. 7 MR. BAHORSKI: You can do that Steve, 8 it's fine. It's fine, you can. 9 MR. CLARK: I move to adopt the 10 resolution adopting the final project plan for wastewater 11 system improvements implementing alternate number one at 12 a total estimated cost of \$2,175,280. 13 MR. BAHORSKI: And keep -- 14 MR. CLARK: And designating myself, Steve 15 Clark, as authorized project representative. 16 MR. BALLARD: Support. 17 MR. WOLAK: Moved and supported. Any 18 further discussion? 19 MR. BAHORSKI: I did have one question. 20 Is it Karen? I'm sorry. So even if we, again, choose 21 the estimated total cost \$2,175,280 that doesn't, that 22 doesn't mean that, again, we have to implement the 23 project plan in total at that amount, it just approves 24 our project, gets it submitted for approval of the 25 project plan, then we can piecemeal it at a later date?</p>
Page 22	Page 24
<p>1 taken off the list. 2 MS. COOPER: Right. Okay. Thank you for 3 (inaudible). 4 MR. BAHORSKI: So I, I have a copy of the 5 text that we would add to our resolution so that when 6 it's sent in it's complete. And if you look at your 7 resolution, the first "be it resolved," it would read, 8 "Be it resolved that the Village of Armada formally 9 adopts set project plan and agrees to implement the 10 selected alternative number one, a total estimated cost 11 of \$2,175,000 -- I'm sorry, \$2,175,280." So that will 12 fill in the blank. 13 MS. POULOS: It's 75, not 87? 14 MR. WOLAK: 75. 15 MS. POULOS: Okay. I wrote it down 16 wrong. 17 MR. BAHORSKI: And then with that made 18 then you'd, the suggested action to adopt that resolution 19 is move to adopt the resolution adopting the final 20 project plan for wastewater system improvements 21 implementing alternative number one at a total estimated 22 cost of \$2,175,280 and designating, I'm assuming Steve 23 Clark we'll fill in here, designating Steve Clark as 24 authorized project representative. So I can hand that -- 25 so did everybody get the resolution change with</p>	<p>1 MS. NICKOL: That is correct. That 2 number is not a binding commitment. 3 MR. BAHORSKI: Thank you. 4 MR. WOLAK: All right. Anything further 5 as far as discussion? If not I'm going to have the clerk 6 call the roll please. This is money. 7 MS. POULOS: Clark. 8 MR. CLARK: Yes. 9 MS. POULOS: Ballard. 10 MR. BALLARD: Yes. 11 MS. POULOS: Wolak. 12 MR. WOLAK: Yes. 13 MS. POULOS: Coenen. 14 MR. COENEN: Yes. 15 MS. POULOS: Shall. 16 MR. SHALL: Yes. 17 MS. POULOS: Cooper. 18 MS. COOPER: Yes. 19 MS. POULOS: Boelke. 20 MS. BOELKE: Yes. 21 MR. WOLAK: The motion carried. 22 MR. PARK: Thank you everyone. 23 MS. COOPER: Thank you guys for coming 24 out. 25 MS. POULOS: Thanks. I think I got that</p>

6 (Pages 21 to 24)

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Public Hearing
June 28, 2016

<p style="text-align: right;">Page 25</p> <p>1 but I'll take those. And Karen and Mike, I can just 2 e-mail you this tomorrow, is that okay? No, I got to 3 sign it. Oops. E-mail to her or don't you need it? 4 MS. NICKOL: Actually I know you sent me 5 a project plan but it usually comes in the final project 6 plan, in the transcript. So the transcript is done then 7 (inaudible) send back (inaudible) project plan I mean. 8 MS. POULOS: Okay. 9 MS. NICKOL: Usually we get a final 10 project plan with everything in it. 11 MS. POULOS: Okay. I'll make sure he 12 gets it because I know (inaudible). So okay. 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	
<p style="text-align: right;">Page 26</p> <p>1 CERTIFICATE 2 STATE OF MICHIGAN 3 COUNTY OF MACOMB 4 5 I, Andrea Filar, C.S.R. and Notary Public 6 in and for the County of Macomb, State of Michigan, do 7 hereby certify that the attached is a true, correct, and 8 complete transcript of my stenographic notes taken at the 9 time and place hereinbefore stated and they were 10 transcribed upon a computer under my direct supervision. 11 The undersigned assumes no responsibility for copies not 12 made under my direction or control. 13 14 15 16  Andrea Filar, CSR - 8349 17 Notary Public, Macomb County My Commission Expires: 08-31-2016 18 19 20 21 22 23 24 25</p>	

7 (Pages 25 to 26)

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