

ISHPEMING DOWNTOWN DEVELOPMENT AUTHORITY

Meeting of October 22, 2012

A meeting of the Ishpeming Downtown Development Authority was held on Monday, October 22, 2012, at 4:00 p.m. in the City Hall Conference Room. Vice Chair Charlie Anderson called the meeting to order.

Present: Charlie Anderson, Dave Aro, Jason Gauthier, Jered Ottenwess, Elaine Racine, and Stacey Willey

Also present were Treasurer Anita Keto, Pat Coleman and Brian Savolainen of UPEA, Councilwoman Claudia Demarest, Chamber Director Elizabeth Peterson, and Roger Crimmins and Bob Bannasch of Lindberg & Sons.

Public Comment

Susan Boback, President of the Ishpeming Area Historical Society, requested a contribution of \$200 to be used for publicity and printing of brochures for the 2013 historic home tour. Mrs. Boback stated the Historical Society may move from the Cliffs Shaft Museum and look for a new space. If a new building is located, Mrs. Boback inquired whether the DDA would provide financial assistance for any needed improvements. Mrs. Boback was asked to return in April with any request for the 2013 historic home tour.

Minutes of Previous Meeting

A motion was made by Mr. Aro and seconded by Mrs. Willey to approve the minutes of September 24, 2012, as presented. Motion carried.

Financial Report

Mrs. Keto said the majority of the expenditures have been for the bond projects and some of the promotional expenses are being received.

A motion was made by Mrs. Willey and seconded by Mr. Gauthier to accept the financial report as presented. Motion carried.

Chamber of Commerce Report

Mrs. Peterson said the annual dinner was a success, with increased attendance by over 60 persons. The guest speaker was Eric Dompierre, and Mayor Scanlon proclaimed October 18 as Eric Dompierre Day. There are over 400 residents participating in the texting campaign. There are now 225 members. They have prepared an annual report outlining Chamber activities for the past year. Mrs. Peterson reported that in 2011 the DDA contribution equaled 31% of the Chamber's expenses and in 2012 the ratio was reduced to 20%.

Bond Project Update

A letter was sent to Mike Koski asking what plans, if any, he has regarding the purchase of the former Penney lot. This item is on hold until January 2013.

Construction will not be started until next spring for the U. S. 41 utility and the entryway projects. UPEA and Lindberg are working out details on the U. S. 41 water and sewer project redesign. An agreement is close with Canadian National on the entryway improvements.

A new contract with UPEA for streetscape improvements was just signed. The sidewalk survey will start this week.

A problem with the Malton Road project was encountered. A change order is necessitated by a typo in the bid document regarding pay items for embankment, earth excavation, and sub-base. Quantities were about 1/3 of what was actually needed. Some unexpected items were also found during construction. There was a large amount of rock excavation, undesirable debris, two large foundations, and additional topsoil depths.

The change order would be for \$49,033.50, increasing the original bid amount from \$386,506.25 to \$435,539.75. Lindberg has offered price reductions, made grade corrections, and eliminated some additional pay items to help offset some of the overruns. The anticipated additional paving will not be accomplished, and Lindberg has offered a recycled gravel mix for the end of the paved M-28 approach to the paved trail crossing and approximately 300 additional feet near Malton Electric and the baseball fields to aid in dust control. As it is late in the year, pavement is unlikely until spring.

Discussion on how to best address the situation was held. It was felt the DDA should not pay for the entire increased cost as there was an error made by UPEA in calculating the quantities needed for the project. It was suggested the cost be divided equally between the DDA and UPEA.

A motion was made by Mr. Anderson and seconded by Mrs. Racine to approve Malton Road Change Order No. 1 and that the City Manager send a letter to UPEA requesting that they pay for one-half of the change order amount of \$49,033.50 due to the error in calculating the correct quantities of materials necessary for the Malton Road extension project. Ayes: Five (5). Nays: None (0). Abstained: One (Jason Gauthier). Motion carried.

Mr. Crimmins indicated that Lindberg's bid was over \$100,000 less than the second lowest bidder on the project. It is unfortunate errors were made in quantities on the bid document. Various changes were required from when designed and when built. Mr. Crimmins stated there are many unforeseens with earthwork projects.

Mr. Coleman stated he can understand the anger and frustration, but stressed that in combining ECI and UPEA, a number of changes were and continue to be made, and this project got caught in the transition. Any letter sent will have to be addressed by the UPEA Board of Directors.

Ishpeming Business Association

Mr. Anderson stated they are moving forward with Ladies Night Out and will be using the punch cards again this year. The Santa House will be located in the former Penney building lot this year.

Adjournment

A motion was made by Mr. Ottenwess and seconded by Mr. Gauthier to adjourn the meeting at 5:00 p.m. Motion carried.

Carol Holmgren
City Manager