

Report of the Community Development Authority

Wednesday, March 21, 2012 – 5:00 PM
City Conference Room – 1515 Strongs Avenue

PRESENT: Chairperson Andrew J. Halverson, Mr. Paul Adamski, Mr. George Hanson, Ms. Marge Molski, and Ms. Carita Onstad.

NOT PRESENT: Mr. Dave Cooper and Mr. Hans Walther.

ALSO PRESENT: Executive Director Michael Ostrowski, Public Housing Manager Donna Bella, Maintenance Supervisor John Niedbalski, Pam Kolasinski (CWED), Alderperson Logan Beveridge, Alderperson Mary Stroik, Matthew Brown (Portage County Gazette), and Cathy Dugan.

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1. Roll call.
2. Report of the February 22, 2012 meeting.
3. Motion to adjourn into closed session (approximately 5:02 PM) pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for the purpose of negotiating loan terms for CHP of Stevens Point (Father Fats Public House).
4. Reconvene into open session (approximately 20 minutes after adjourning into closed session).
5. Request from CHP of Stevens Point (Father Fats Public House) for a loan in the amount of \$45,000.00 from the Central Wisconsin Economic Development (CWED) Revolving Loan Fund.
6. Amendment of pet policy.
7. Award bid contract for bathroom upgrades for scattered sites.
8. Motion to adjourn into closed session (approximately 5:40 PM) pursuant to Section 19.85(1)(g) of the Wisconsin Statutes for the purpose of conferring with legal counsel with respect to Valley Bank litigation appeal, consequences, and actions to be taken by CDA; and deliberating the amendments to the Reciprocal Easements, Parking, and Operating Agreement and Declaration of Restrictions (Shopko).
9. Reconvene into open session for possible action on the above (approximately 30 minutes after adjourning into closed session).
10. Other business.
11. Adjourn.

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1. Roll call.

Present: Halverson, Adamski, Molski, Hanson, and Onstad.

Not Present: Walther and Cooper.

2. Report of the February 22, 2012 meeting.

Motion by Commissioner Adamski to approve the report as presented; seconded by Commissioner Hanson. Motion carried 5-0.

3. Motion to adjourn into closed session (approximately 5:02 PM) pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for the purpose of negotiating loan terms for CHP of Stevens Point (Father Fats Public House).

Motion by Alderperson Molski to adjourn into closed session; seconded by Commissioner Hanson.

Roll call:

- **Ayes – Halverson, Adamski, Molski, Hanson, and Onstad**
- **Nays – None.**

Motion carried 5-0.

4. Reconvene into open session (approximately 20 minutes after adjourning into closed session).

Motion by Commissioner Hanson to reconvene into open session; seconded by Alderperson Molski.

Roll call:

- **Ayes – Halverson, Adamski, Molski, Hanson, and Onstad**
- **Nays – None.**

Motion carried 5-0.

5. Request from CHP of Stevens Point (Father Fats Public House) for a loan in the amount of \$45,000.00 from the Central Wisconsin Economic Development (CWED) Revolving Loan Fund.

Motion by Mayor Halverson to approve a CWED loan to CHP of Stevens Point, LLC in the amount of \$45,000.00 with the following terms and conditions:

- **2% interest rate,**
- **term of 7 years,**
- **personal guarantee of Christian and Leah Czerwonka,**
- **collateral to include a second on the equipment,**
- **90 days deferred principal and interest payments, and**
- **guarantee of the creation of two full-time jobs;**

seconded by Adamski.

Roll call:

- **Ayes – Halverson, Adamski, Molski, Hanson, and Onstad**
- **Nays – None.**

Motion carried 5-0.

6. Amendment of pet policy.

Director Ostrowski presented the proposed new pet policy. He said that the major changes regarding this policy include height limits and requiring of a pet custodian. This policy requires that a dog must not exceed a height of 18 inches when fully grown. The previous policy only regulated on weight (45 pounds). This policy addresses weight and height of the dog. In addition, this policy requires a pet custodian. The pet custodian would be responsible for the pet if the CDA is unable to contact the owner.

Chairperson Halverson asked what the resident's perspective was on the pet policy. Commissioner Onstad said she has a pet and feels that the policy is fine. They do not have any issues except for some people not picking up their waste and a little barking. She said we have no problems with the policy or addendum.

Motion by Chairperson Halverson to approve the new pet policy; seconded by Commissioner Molski. Motion carried 5-0.

7. Award bid contract for bathroom upgrades for scattered sites.

Director Ostrowski said that the CDA recently released an RFP for bathroom upgrades at the scattered sites. He said that he provided a copy of all the bids. The two lowest bids were:

- Precision Builders - **\$247,274**
- Decker Lumber & Supply - **\$252,600**

Director Ostrowski indicated that the bids were fairly close, with only \$5,326 separating the two lowest bids. He said that typically we take the lowest bid unless there is a justifiable reason. The CDA has worked with both of these firms in the past. There have been some concerns regarding Precision in terms of the quality of the work, notification of residents, and general coordination.

Public Housing Manager Bella indicated that in the past Precision Builders could not obtain a performance bond with the last contract, so the CDA was authorized to put the funds into an escrow. She also indicated that from the last project, there were a number of corrections that needed to be submitted regarding the forms. Public Housing Manager Bella said she called HUD and they said that they would need a good reason for not taking the low bid.

Commissioner Adamski said that not being able to post a bond would be a good reason.

Motion by Commissioner Adamski to accept the bid from Decker Lumber & Supply.

City Attorney Molepske asked if he has posted a bond for this project. Public Housing Manager Bella said that everything is in, according to the architect.

City Attorney Molepske said the statues would provide that you must take the lowest responsible bidder. He said if you are having problems with him on this job, you can write a supplemental contract with him, and provide a penalty provision.

Commissioner Adamski said we are only talking about a 2.2% difference between the two bids.

Commissioner Hanson said that if you need to chase this guy, the difference between the bids is \$5,326, I would go with Decker.

Commissioner Hanson seconded the motion.

Chairperson Halverson asked has he posted the bond. Public Housing Manager Bella said that according to the architect, he has posted the bond.

Public Housing Manager Bella said he must post a bid bond and a performance bond.

Commissioner Adamski asked if past experience trumps the bond this time. City Attorney Molepske said it does to a point.

City Attorney Molepske asked how many times did the architect write him up. Public Housing Manager Bella does not know if he was written up. However, many of the documents submitted had to be redone.

Commissioner Molski said the architect is recommending Precision. Director Ostrowski said he did recommend Precision based on the low bid. Director Ostrowski said that the handout that was provided prior to the meeting was another letter by the architect saying that Decker Lumber & Supply has also met the requirements. Both firms have met the requirements and are willing to accept, but Precision was recommended because of the low bid.

Chairperson Halverson said that if he has a performance bond, and he is low bid, unless there is more evidence that is clear, he does not see how we could award it to Decker.

Maintenance Supervisor Niedbalski said that Precision took a lot of verbal guidance. They had some issues with soffit and fascia where they did not replace the rotted wood and the fascia ultimately ended up falling off.

Commissioner Adamski withdrew his motion.

Maintenance Supervisor Niedbalski said he has the punch lists from the former job and there were just simple things that were never followed up on.

Commissioner Adamski asked if the City Attorney could define responsible. City Attorney Molepske said it is the lowest responsible bidder that provides decent quality work that is commensurate with the average contractor within the community and within the standards that the average contractor would follow.

Commissioner Adamski said that this is not average work, it is below average.

Chairperson Halverson said this is subpar work, and asked the City Attorney if this is enough evidence to reject the bid.

City Attorney Molepske said we get punch lists like crazy on other projects. We could sit down with the architect to go through the project.

Chairperson Halverson asked if this project was time sensitive. Director Ostrowski said it was not.

Motion by Chairperson Halverson to postpone the awarding of the contract until the next meeting to further investigate this matter; seconded by Commissioner Onstad. Motion carried 5-0.

8. Motion to adjourn into closed session (approximately 5:40 PM) pursuant to Section 19.85(1)(g) of the Wisconsin Statutes for the purpose of conferring with legal counsel with respect to Valley Bank litigation appeal, consequences, and actions to be taken by CDA; and deliberating the amendments to the Reciprocal Easements, Parking, and Operating Agreement and Declaration of Restrictions (Shopko).

Motion by Commissioner Adamski to adjourn into closed session; seconded by Alderperson Molski.

Roll call:

- **Ayes – Halverson, Adamski, Molski, Hanson, and Onstad**
- **Nays – None.**

Motion carried 5-0.

9. Reconvene into open session for possible action on the above (approximately 30 minutes after adjourning into closed session).

Motion by Commissioner Hanson to reconvene into open session; seconded by Commissioner Onstad.

Roll call:

- **Ayes – Halverson, Adamski, Molski, Hanson, and Onstad**
- **Nays – None.**

Motion carried 5-0.

Motion by Commissioner Adamski to authorize the Chairperson of the CDA and the City Attorney to finalize the amendments to the Reciprocal Easements, Parking, and Operating Agreement and Declaration of Restrictions with Shopko; seconded by Alderperson Molski.

Roll call:

- **Ayes – Halverson, Adamski, Molski, Hanson, and Onstad**
- **Nays – None.**

Motion carried 5-0.

10. Other business.

No other business.

11. Adjourn.

Meeting adjourned at 6:08 PM.

Chairperson

Date

Secretary

Date