

The special monthly meeting was called to order at 6:35 p.m. by President Michael Kovach, with the pledge of allegiance, followed by a moment of silence in remembrance of the September 11th tragedy.

In Attendance:

Michael Kovach
Stephen Shaver
Jeffery Wright
Lisa Wiedeman-Krosnar
Dennis Heefner

Absent:

Michael Albert
Maryjo Szada
Kathleen D. Handley

Thomas Acri, Mayor
Michael G. Musser, II, Secretary
David A. Wion, Solicitor
Jennifer Brown-Sweeney, Administrative Assistant

PUBLIC COMMENT:

There were no members of the public present.

UNFINISHED BUSINESS:

Frank Leber of Rhodes & Sinon and Ed Ellinger of HRG – Informing Council of the status of the Pine Street Storm Water Project bid, its current state of funding, and giving their recommendations.

Mr. Musser stated that the Pine Street Storm Water Project had an original estimated cost of approximately \$950,000. He stated that the market changed, so Mr. Frank Leber contacted PennVEST for an extension. An adjusted estimate was then calculated at \$1.2 million to \$1.3 million, with PennVEST funding at \$1,285,000. Mr. Musser then stated that the bid results showed one bidder, Rogele Inc., bid on the project at \$1.7 million. He stated that he was surprised because the maximum the engineer's thought it would go was \$1.3 million. Mr. Musser stated that Ed Ellinger of HRG, Inc. was here to talk about the bid, and that they would recommend to Council to reject the bid.

Mr. Ellinger stated that timeliness is very important at this point. He stated that in order to receive PennVEST funding, the Borough must meet PennVEST's time constraints. He stated that the Borough may also need to pull out a bond to fill the gap between PennVEST funding and the bid amount. He also stated that the project may not get funding from PennVEST if the project is rebid, due to time issues.

Mr. Ellinger stated that he believes, upon speaking with a representative of Rogele, Inc., that Rogele's subcontractors inflated their costs. He stated that Rogele's subcontractors requested that more manholes be put in than were on the original plans, and that they be

allowed to fix a porch that would most likely fall in while the work was being completed. Mr. Musser stated that when he talked to Dennis of Rogele Inc., Dennis estimated the cost of replacing the line at \$500/lineal foot. He stated that the subcontractor came in at \$1000/lineal foot. Mr. Ellinger stated that the request for more manholes was most likely done to expedite the project, because it would be difficult to sleeve instead.

Mr. Ellinger stated that he believes that if the project were sent out to bid again, that the Borough would receive at least three bids. He stated that he spoke to a few contractors, including the contractor who did the Swatara Street line, and that he was left with the impression that if they extended out the contract time and gave the contractors more time to submit their bids, that the Borough would get more bids. He stated that this may save the Borough money, but would put a very tight time constraint on meeting the deadline for PennVEST money.

Mr. Ellinger stated that he believes it to be in the best interest of the Borough to rebid the project.

Mr. Leber of Rhodes & Sinon stated that there are a number of different components that affects the cost and financing of this project. He stated that it is very important to decide if that is a good bid for the project first.

Mr. Leber stated that in order to close PennVEST funding by the extended deadline, the bid would have to be accepted so that an ordinance could come before Council the following week. He stated that this would have needed to be done to get it closed by the October 25th date that was prearranged by him. He stated that the Borough would not reach that deadline if the bid were rejected.

Mr. Leber stated that he spoke to Brian from PennVEST and explained the situation. Brian stated that the next PennVEST meeting was on October 24, 2006. Mr. Leber explained that the Borough may be able to do everything and present it at the PennVEST Board meeting with changes, but that there were no promises it would be approved. Brian of PennVEST also expressed concern to Mr. Leber about getting it in front of the PennVEST Board.

Mr. Leber explained that if the Borough were to accept the bid and PennVEST funding were to go through, the Borough would still need to pull out a bond to cover the gap. Mr. Leber stated that presently, \$500,000 - \$600,000 would be financed anyway. He stated that the Borough may be better off putting the whole thing in a bond, assuming you got better bids. Mr. Leber stated that since the Borough is already doing a Water Bond, the issuance costs would be minimal. He also said that the Borough should make a business decision based on the most favorable economic situation for the Borough.

Mr. Leber stated that although the Bond's interest rate is greater, the Borough has the option to push back the principal to minimize impact on the General Fund. PennVEST financing is level.

Mr. Kovach stated that the Borough hired professionals and would follow their opinions. He also stated that he wished previous community leaders would have known more about engineering in the past.

Mr. Shaver motioned to reject the bid for the Pine Street Storm Water Replacement Project from Rogele, Inc. in the amount of \$1,675,900, seconded by Mrs. Wiedeman-Krosnar. Motion approved unanimously.

Mr. Shaver motioned to re-bid the Pine Street Storm Water Replacement Project, with details to be determined by staff, seconded by Mr. Heefner. Motion approved unanimously.

ADJOURNMENT:

There being no other business before Council, on motion by Mr. Heefner, seconded by Mrs. Wiedeman-Krosnar, the Council meeting adjourned at 7:23 PM.

Respectfully submitted,

Michael G. Musser, II
Borough Secretary

Jennifer Brown-Sweeney
Administrative Assistant