

# Johnson's Island Road Commission

Minutes of Special Call- In Meeting  
Purpose: To Discuss 2018 Road Project  
Wednesday, March 14, 2018. 7 PM

Attendance: Dave Klugman	Present by Telephone
Mike Kelty	Present by Telephone
Glenn Beachy	Present by Telephone
Lou Cardinale	<i>Absent</i>
Joe Gouker	Present by Telephone
Kevin Kirkpatrick	Present by Telephone
Rick Schulz	Present by Telephone

The meeting was called to order by the president, Dave Klugman.

Special Business:

Rick presented the 4 bids which have been received for this work. The base bids were as follows:

- Herbst Excavating LLC \$178,649.25
- M&B Asphalt Co \$230,000.00
- S. A. Kelly Excavating \$191,289.00
- Henry Bergman Inc. \$352,110.00

The full set of bid documents and an evaluation sheet were attached to an email from Rick dated 2/13/2018.

The bids are from good companies well qualified to do this work. The apparent low bidder (Herbst) has expressed an interest in starting work in the next few weeks. This could result in project completion by the end of April.

Mike asked Rick what funds we have available. There is approximately \$70,000 in the causeway reserve, and another \$100,000 in the "good roads" reserve fund. Beyond that we have approximately \$100,000 in funds carried over from last year when we had no major project, and we will receive approximately \$118,000 in Road Fees from the two associations this year. **This means that approximately \$218,000 is available this year to cover all expenditures, including this project.**

There was considerable discussion of what the road project could cost, with contingencies for rock excavation. It is impossible to quantify rock at this point. Kevin said that rock in that area is relatively deep- +/- 6 feet in his experience. Maximum depth of drainage pipe is about 4.5 ft. But that is not a guarantee that no rock will be encountered.

Rick will discuss the rock excavation costs of \$450/ hr in the Herbst bid to determine if there is a way to lower this cost.

There was a consensus that a 10% contingency is appropriate for rock excavation and other unexpected costs. The estimated funds needed for this project would thus be:

	<u>Low Estimate</u>	<u>High Estimate</u>
• Base bid (Herbst)	\$178,649.25	\$178,649.25
• Contingency	\$0	\$18,000
• <b>Total funds to be available</b>	<b>+/- \$179,000</b>	<b>+/- \$197,000</b>

In addition, Rick stated that there have been approximately \$14,000 in engineering and surveying costs already incurred. In a follow-up phone call, Rick stated that there will also be approximately \$2,000 in surveying costs during the project:

• Engineering Costs	\$14,000	\$14,000
• Surveying costs during Const.	\$2,000	\$2,000
• <b>Total Project Costs</b>	<b>+/- \$195,000</b>	<b>+/- \$213,000</b>

This leaves funds of approximately \$23,000 (Best case) to \$5,000 (Worst case) to cover other 2018 costs, including road patching, mowing, insurance, etc. These “other” costs typically run \$10,000 to \$15,000 per year. A small deficit in our 2018 budget is possible.

There was discussion about “borrowing” money from reserve funds if necessary, with that money to be returned in next year’s budget. We would do this only if necessary. However, being willing to do so if necessary is the only way we can confidently move forward with a project of this size. Reducing project scope to try to reduce costs is not feasible if we wish to complete this project before Memorial Day.

**Rick made a motion that we proceed to award a contract to Herbst at the base cost of \$178,649.25, with the provision that he will try to reduce the rock excavation cost estimate. Mike seconded.**

**All present on the call voted in favor, 6-0. The motion passes. We will contact Lou to see if he will add his affirmative vote.**

There being no other business, Dave moved to end the meeting. All agreed.

Respectfully,  
Glenn Beachy  
Secretary, JIRC