

January 10, 2023

TOWN OF GRIFFITH TOWN COUNCIL MINUTES

Council President Rick Ryfa called the January 10, 2023, meeting to order at 7:07 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL:

James Marker
Lawrence Ballah - Absent
Rick Ryfa
Tony Hobson
Melissa Robbins

ALSO ATTENDING:

Gina Smith- Clerk Treasurer
Steve McDermott – Building Commissioner

NEW BUSINESS:

1. **Potential business contractor license suspension or revocation** for Performance Services Incorporation: Council President Rick Ryfa stated; The reason for this hearing is Performance Services had worked on two different school buildings without pulling permits, using in one case licensed contractor who unfortunately were not bonded with the Town. Representing the Building Department, Attorney Estrada. Attorney Estrada, from Burke Costanza & Carberry, spoke on behalf of Building Commissioner Steve McDermott stating we are here today because of multiple violations of Town Ordinances by Performance Services, Inc., also known as PSI, beginning of late November, early December we've been in communication with PSI regarding failure to pull permits on a project, specifically at Griffith High School auditorium, where they are replacing seats, doing some electrical work etc. Throughout the month we've been in discussions with them, there has been some pushback, around the 23rd of December we received the documents finally substantially compiled with the documents required for a permit in an agreement that they would pull the permits. Finally on Monday, January 9, 2023, we received an exemption from the State of Indiana regarding what is known as a Construction Design Review, which their stance was it wasn't needed and we continued to ask weather the state provided, which we finally received. On behalf of the Building Commissioner McDermott this is a serious issue, we need to inspect work we need to know what is going on in all buildings in the Town of Griffith. As you are aware the Winchester Intermediate School in Chesterton, which set ablaze because of work done by other contractors, there is a history of things going wrong in Towns at buildings of school districts, it is a grave concern that we have inspections and permits pulled. Attorney Estrada stated he spoke with Counsel for PSI today quite a bit and what we have agreements today is to continue the hearing, to continue discussions with PSI and to get these issues remedies without a hearing on the suspension or revocation license. Estrada felt like we did a lot of work today and over the last month there's been some commitment to inspections by the end of the week so on behalf of their request Attorney Estrada is agreeing to continuance of todays hearing. Council President Rick Ryfa asked if anyone from the Council have anything? Council Member Jim Marker stated just to confirm that continuance was requested by PSI, Attorney Estrada stated PSI are here this evening if they would like to speak but it was their request for attorney prep, and because of the substantial

movement we have had, Attorney Estrada agreed to it. Council Member Jim Marker had another question, did the school or PSI restrict access for inspections in the past since November going forward, Attorney Estrada stated since November going forward and he didn't want to get any evidence into the record, but to answer Jim Marker's question there was no inspections of the property because permits weren't pulled. The work is pretty much done without an inspection that's an issue. There was email correspondence during that time for inspections but there was nothing coordinated. Council Member Jim Marker stated permits requested on the seventh of

December, correct? So, since December 7th did, we request access and denied? Attorney Estrada stated since December 7th we wouldn't inspect because we didn't have the agreements or the scope until the 23rd. Council Member Melissa Robbins asked if we continue this hearing will PSI be able to finish the paperwork and the stop work order will get lifted? Attorney Estrada stated yes, so the process hopefully will be this way, there are some fines and permit fees, the required paperwork for permits that have been submitted, there is an agreement that permits are needed despite the position prior, if they get everything done for general permit, pay the fees, renew their license for 2023, pay the fines in this period of continuance and the inspection goes well PSI could continue with the work without any issues during this time.

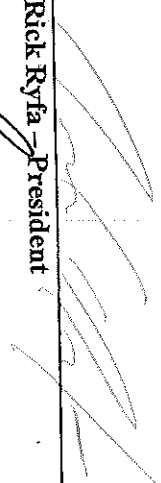
Council President Rick Ryfa reiterate just so people can kind of grasp what is happening, is when you do work at your home a lot of the bigger projects would require permits, which could trigger an inspection and what does more than anything else it requires the contractor to list his or the general contractor to list his contracts with other vendors or contractors and that means they have to be licensed and bonded in town, if you are bonded in town and you hire a roofer and the guy skips town with your deposit we've got a bond holding against it, you have protection as a homeowner same as with the schools and more importantly the tax payers if something happened on the work and they did some serious welding work at Ready when they didn't pull the permit there if something happened and the contractor wasn't bonded, we had no way of going after them. We the Town the taxpayers and the schools would be out, so that it's not to make money or cause problems it's protecting each and everyone of us who owns property in Griffith. As far as the fees we had previously negotiated a 75% reduction of fees. Estrada stated basically if they pay the fines the fees and renew their license and an inspection is completed by Building Commissioner McDermott we will issue the permits, the 75% reduction that is a policy decision the Town needs to make as of right now it's our stance that the expiration has gone by for that reduction because the final document was not given until 2023, if the Town wants to reduce for the School Corp and its contractor that would be your decision as long as they pay it. Ryfa stated he would be in favor of we are not going to approve the 75% reduction we will do that at our regular meeting on Tuesday, January 17, 2023. Ryfa would instruct Attorney Estrada to negotiate on behalf of the permit fees at the 25 cost, if those settlements don't go through as hoped then we can discuss later. Council President Rick Ryfa entertained a motion for this particular instance to authorize 75 reduction in fees, Council Member Tony Hobson made that motion, seconded by Council Member Jim Marker, all in favor, Council Member Jim Marker added discussion, asked if this would also reduce their penalty, Estrada stated no the fines are the fines the application, the permit fees are the permit fees, Marker stated they are based off each other that's why asking, Estrada stated the valuation are based off of the same, the value of each are based off of the valuation of the project but the fines are not based off of the application fee, no other discussion, all in favor, motion carried. Council President Rick Ryfa asked if anything else, Council Member Jim Marker asked if there anyway we can reduce or look into reducing the fees for the penalty, Marker absolutely agreed they should pay for attorney fees that is warranted, but for him \$25,000.00 a little too high, that is just his personal opinion, a school here in town to our fellow government. Ryfa stated not to

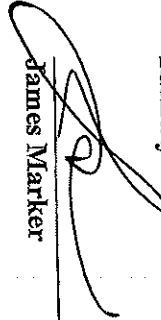
interrupt but he doesn't believe the schools are paying the fines, it would be the contractor that has to pay the fines for failing to pull a permit. Marker stated the school will independently. Ryfa stated he would hope not. Estrada stated the fines are assessed against PSI. Ryfa asked in anyone from PSI would like to speak. Estrada stated he represented to opposing counsel today was about an agreement of continuance for attorney prep, they didn't send an attorney. They have two representatives here to show good faith compliance, they've been very helpful, Estrada stated he would hat to get into any substantive conversation with PSI because of that representation I made to opposing counsel, this is better set for the next hearing for negotiation for fees if I get direction from Mr. McDermott to reduce the fines out of good faith then we will do that. Estrada did not want to get PSI in a trick bag because we told them nothing will be done this evening but the agreement to continue.

Tony Kaikendahl, from PSI asked to speak, he was here along with Martin Sam, Tony stated we are here to represent PSI for this evening. Tony stated they definitely want the Town Council, the entire Town Personnel to know that we would like to find a remedy to this solution. A lot prepared per Council's conversation earlier, Tony supports what was said today as far as did not want to get into the weeds until time to properly prepare, he appreciated the ability to be able to continue this and work on agreeable settlement. We are here PSI has worked with the Town for quite some time and with the school, we would like to continue that path forward and the town has their commitment that we are going to work very hard and very closely with Council to do so. Council President Rick Ryfa stated back to the fines, are they requested by the Building Commissioner, Attorney Estrada stated they are, its not before the Town Council, the Town Ordinance, the state law is the Building Commissioner to address the amount of the fines and issue that finds. Council Member Tony Hobson stated it is important to note everybody understand that things are at a standstill, PSI and the attorney and the Building Commissioner have come together over the last two or three weeks and finally are seeing eye to eye and worked out a lot of the agreements that just need to be agreed upon, having to issue a continuance because if that agreement falls apart then there needs to be another meeting. If the agreement is taken care of within the next two weeks before the next case is set then there is not another case it is done, just like any other lawsuit, anything you want to say its best handled between them, can't go into all the details since this was set up like a trial otherwise it puts them in a bad position and puts us in a bad position. Introduce what is going on, right now sounds like there is a lot of good faith negotiating going on, they are going to reach an agreement, were probably not going to be sitting here again and they will continue on with their work as long as they comply with the Building Department. Getting into the weeds for them is bad interest and its bad interest for us too. Council President Rick Ryfa asked one last question, what is the value of the contract that we are talking about. Attorney Estrada responded at the very least on their end saying over 1.6 million. We are looking into we have it at 2 Million because of the Design Build Contract included in that but that is something we're working on. Ryfa asked that would be the fee PSI charges the school. Estrada stated yes that is correct. \$400,000.00 for PSI to charge the school 1.6 million for the actual work. Ryfa asked so they would do 1.6 Million of work, charge a fee of \$400,000.00, they don't want to pay the permit fee on the \$400,000.00. Estrada stated we are working on that. No other discussion from the Council. Council President Rick Ryfa Adjourned the meeting.

This meeting adjourned at 7:23 p.m.

COUNCIL MEMBERS OF THE TOWN OF GRIFFITH, LAKE COUNTY, INDIANA


Rick Ryfa - President


James Marker


Melissa Robbins


Lawrence Ballah - Vice President


Tony Hobson


Attest: Gina Smith - Clerk Treasurer