



City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
www.lathrupvillage.org | (248) 557-2600

TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: August 18, 2025
RE: RTU-2 Compressor Replacement

Background Brief: As the Council has noticed, at certain times, the heat on the second floor of City Hall has been unbearable this summer. This has been a constant, with harsher-than-normal working conditions for office staff, and high heat during other City meetings.

This is due to the 1st stage compressor in the rooftop unit (RTU) that serves the second floor having open windings, resulting in the compressor needing to be replaced to properly function. The City has a temporary solution for the unit by removing the 24V transformer that feeds compressor 1, so it is only functioning with compressor 2. However, this is not a long-term solution, and if compressor 2 fails due to being overworked, it would be recommended to replace the entire RTU.

The City requested a proposal from our maintenance provider (enclosed). Based on the higher-than-anticipated cost, the City did solicit quotes from five other commercial HVAC contractors. However, due to the nature of the issue, all five contractors required a service/diagnostic fee (ranging from \$150 - \$250) before submitting a formal quote.

To save some funding by not paying those diagnostic fees on top of the proposed fix, City staff is recommending that the Council approve the quote from Denny's Heating & Cooling for the RTU fix.

It appears that the current RTU was manufactured in February 2010. We placed a request to Denny's for a cost estimate to replace the entire unit, but they were unable to fulfill that request before the packet deadline. Based on research from the American Council for Energy-Efficient Economy, replacing this size RTU with something similar has a starting cost of ~\$30,000 before factoring in old unit removal/new unit installation or additional features.

Previous Action: N/A

Economic Impact: Unbudgeted cost of \$7,556 will be charged to 101-201-000-936 (Building & Grounds Equipment Maintenance)

Recommendation: I recommend approving the enclosed quote from Denny's.

Recommended Motion:

Moved by Council Member _____ seconded by Council Member _____
to approve Denny's Heating & Cooling RTU-2, 1st Stage Compressor replacement at an estimated cost of \$7,556.

Kelly Garrett
Mayor

Bruce Kantor
Mayor Pro-Tem

Jalen Jennings
Council Member

Jason Hammond
Council Member

Maria Mannarino
Council Member