CITY COUNCIL
MEETING AGENDA
1st and 3rd Thursday of the Month

Marc D. Tall, Mayor
Ronald J. Beauchamp, Mayor Pro-Tem
Patricia A. Baribeau, Council Member
Ralph B. Blasier, Council Member
Michael R. Sattem, Council Member

James V. O'Toole, City Manager
Robert S. Richards, CMC City Clerk
Ralph B. K. Peterson, City

City Council Chambers located at: City Hall – 410 Ludington Street – Room C101 – Escanaba MI 49829
The Council has adopted a policy to use a Consent Agenda, when appropriate. All items with an asterisk (*) are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event, the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Regular Meeting
Thursday, March 2, 2017 at 7:00 p.m.

CALL TO ORDER
ROLL CALL
INVOCATION/PLEDGE OF ALLEGIANCE - Pastor Scott Breault of New Life Assembly of God.
APPROVAL/CORRECTION(S) TO MINUTES - Regular Meeting - February 16, 2017, Special Meeting - February 22, 2017.
APPROVAL/ADJUSTMENTS TO THE AGENDA
CONFLICT OF INTEREST DECLARATION
BRIEF PUBLIC COMMENT
PUBLIC HEARINGS - None
NEW BUSINESS

1. First Reading - Ordinance No. 1176 - An Ordinance to Amend the City Zoning Map – 1900 South Lincoln Road - Planning Commission.
   Explanation: Administration is requesting the City Council consider this the first reading of Ordinance No. 1176, an ordinance to amend the City Zoning Map which would rezone 2.30 +/- acres located at 1900 South Lincoln Road from a Single-Family Residence “A” District land use to a Local Business “D” District land use. Additionally, Administration is requesting the City Council set March 16, 2017 for the second reading, public hearing and adoption of Ordinance No. 1176.

   Explanation: Administration is seeking Council approval to retain Crane Engineering of Kimberly, WI to provide and install a new raw sewage pump at the Waste Water Treatment Plant in an amount not to exceed $23,650. Funds for the pump replacement are budgeted in the current fiscal year budget.

3. Approval – Ludington Lift Station Control Replacement – Waste Water Plant.
   Explanation: Administration is seeking Council approval to retain K&M Industrial LLC of Escanaba, MI to provide and install a set of new digi-gauge controls to the Ludington Street Lift Station in an amount not to exceed $20,932.88. Funds for the new controls are budgeted in the current fiscal year budget.

4. Approval – Reduced Pressure Zone Assemblies – Waste Water Plant.
   Explanation: Administration is seeking Council approval to retain Johnson Controls of Appleton, WI to replace existing reduced pressure zone assemblies at the Waste Water Treatment Plant in an amount not to exceed $14,117.77. Funds for the new reduced pressure zone assemblies are not included in the current fiscal year budget. However, replacement of the assemblies are required by the Michigan Department of Environmental Quality.

APPOINTMENTS
BOARD, COMMISSION, AND COMMITTEE REPORTS
GENERAL PUBLIC COMMENT
ANNOUNCEMENTS
ADJOURNMENT

Respectfully Submitted

James V. O'Toole
City Manager
CITY COUNCIL
MEETING AGENDA
1st and 3rd Thursday of the Month

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Regular Meeting Addendum
Thursday, March 2, 2017 at 7:00 p.m.

NEW BUSINESS

5. Approval – North Substation Change Orders – Electric Department.
   Explanation: Administration is seeking Council approval of two (2) change orders for Energis High Voltage Resources, Inc. of Green Bay WI in an amount not to exceed $65,583. The change orders are needed to install panels in the control house and install and terminate all interior cables. Additionally, the change orders will allow for testing, commissioning, and start-up of the new North Substation. This expense is included in the current fiscal year budget.

APPOINTMENTS
BOARD, COMMISSION, AND COMMITTEE REPORTS
GENERAL PUBLIC COMMENT
ANNOUNCEMENTS
ADJOURNMENT

Respectfully Submitted

[Signature]
James V. O'Toole
City Manager
The meeting was called to order by the Honorable Mayor Marc D. Tall at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ralph B. Blasier (Arrived at 7:05 p.m.) Ronald J. Beauchamp, and Michael R. Sattem.

Absent: None

Also Present: City Manager James V. O’Toole, City Department Heads, media, and members of the public.

City Clerk Robert S. Richards, gave the invocation and led Council in the Pledge of Allegiance.

Sattem moved, Beauchamp seconded, CARRIED UNANIMOUSLY, to approve Regular Meeting minutes from February 2, 2017, and Special Meeting minutes from January 31, 2017, as submitted.

ADJUSTMENTS TO THE AGENDA

Sattem moved, Beauchamp seconded, CARRIED UNANIMOUSLY, to approve the agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

UNFINISHED BUSINESS – None

PUBLIC HEARINGS

Public Hearing – Citizen Participation – 2017/18 Fiscal Year Budget Preparation.

A public hearing was conducted to facilitate input from citizens for the City’s next fiscal year budget. This was the second of five (5) scheduled public hearings.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no public comment, Mayor Tall closed the public hearing.
Public Hearing – Five (5) Year Community Recreation Plan and Resolution of Adoption.

A public hearing was conducted on a proposed five (5) Year Community Recreation Plan. Upon completion of the public hearing, Administration sought adoption of the plan through resolution.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no public comment, Mayor Tall closed the public hearing.

PH-2 Resolved by Council Member Beauchamp, seconded by Council Member Baribeau;

CITY OF ESCANABA FIVE-YEAR RECREATION PLAN

RESOLUTION OF ADOPTION

WHEREAS, the City of Escanaba Recreation Department has prepared a Five-Year Recreation Plan which recognizes the various recreation needs of the City of Escanaba; and

WHEREAS, a Five-Year Recreation Plan is required to be eligible to apply for recreation grants administered by the Department of Natural Resources, Grants Management; and

WHEREAS, the draft Five-Year Recreation Plan for the community has been available thirty days prior to a scheduled public hearing; and

WHEREAS, the Escanaba City Council has conducted a Public Hearing on February 16, 2017, to accept public comment regarding the Escanaba Five-Year Recreation Plan; and

NOW THEREFORE, BE IT RESOLVED, the Escanaba City Council adopts the City of Escanaba 2017-2021 Recreation Plan as the official recreation planning document.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Baribeau, Sattem, Tall
Nays: None

RESOLUTION DECLARED ADOPTED.

NEW BUSINESS

Approval – City of Escanaba Marketing and Branding Plan – City Manager’s
Office.

Administration sought Council approval of the recently completed “City of Escanaba Marketing and Branding Plan” which outlined how we as a community would promote and market ourselves as part of the MEDC Redevelopment Ready Certification Program. City Manager reviewed meetings held and recommendations.

NB-1 Sattem moved, Beauchamp seconded, CARRIED UNANIMOUSLY, to approve of the recently completed “City of Escanaba Marketing and Branding Plan” which outlines how we as a community would promote and market ourselves as part of the MEDC Redevelopment Ready Certification Program.

Upon a call of the role, the vote was as followings:

Ayes: Sattem, Beauchamp, Baribeau, Tall
Abstain: Blasier
Nays: None

MOTION CARRIED.

Approval – Electrical Distribution Line Tree Trimming – Electric Department.

Administration sought Council approval to retain Bugle Contracting of Cornell, MI in an amount not to exceed $25,000 to complete needed tree trimming near power lines in various locations throughout our electrical distribution system. Funds for this request were included in the current year operating budget. Electric Superintendent Furmanski briefly reviewed the scope of work.

NB-2 Baribeau moved, Blasier seconded, to approve to retain Bugle Contracting of Cornell, MI in an amount not to exceed $25,000 to complete needed tree trimming near power lines in various locations throughout our electrical distribution system.

Upon a call of the roll, the vote was as follows:

Ayes: Baribeau, Blasier, Sattem, Beauchamp, Tall
Nays: None

MOTION CARRIED.

Approval – Electrical Distribution Pole Replacement Program – Electric Department.

Administration sought Council approval to retain Fox Power of Gladstone, MI in an amount not to exceed $97,600 to replace 39 electrical distribution poles throughout our electrical distribution system. Funds for this request were included in the current fiscal year operating budget. Electric Superintendent Furmanski briefly reviewed the
NB-3  Blasier moved, Sattem seconded, to approve to retain Fox Power of Gladstone, MI in an amount not to exceed $97,600 to replace 39 electrical distribution poles throughout our electrical distribution system.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Sattem, Baribeau, Beauchamp, Tall
Nays: None

MOTION CARRIED.

Discussion – City Manager Search.

City Manager O’Toole provided an update concerning the City Manager replacement process. The following items were discussed:

- 53 applications were received, with 2 applicants asking to be withdrawn;
- Council Members individually rated and scored each applicant. Information was then compiled on to a Master Scoring Roster;
- Manager O’Toole then made the following recommendations on how to proceed:
  - to extend offers to interview the Top 5 candidates from the Consolidated Master Scoring Roster without naming them pending the release of their confidentiality request;
  - authorize the City Manager to contact the Top 5 candidates for a release of the confidentiality restraint so that the City Council can publicly release the names of the candidates on Wednesday, February 22, 2017;
  - with release of the confidentiality restraints, basic background checks would be performed and interviews finalized.

After further discussion, Blaiser moved, Beauchamp seconded, to approve and proceed with Manager O’Toole’s recommendations

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Beauchamp, Sattem, Baribeau, Tall
Nays: None

MOTION CARRIED.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES – None

BOARD, COMMISSION, AND COMMITTEE REPORTS

Council Members reviewed City Board and Commission meetings each attended
since the last City Council Meeting.

GENERAL PUBLIC COMMENT

City resident Peggy Schumann, commented on her businesses and advised she was vested in the community. Also as president of the Downtown Business Association, Ms. Schumann commented on events downtown. As part of their events, she would like to close more streets as part of their events.

ANNOUNCEMENTS – None

Hearing no further public comment, the Council adjourned at 7:26 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: ______________________

Marc D. Tall, Mayor
Pursuit to a special meeting notice posted February 7, 2017, the meeting was called to order by the Honorable Mayor Marc D. Tall at 8:00 a.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ralph B. Blasier, Ronald J. Beauchamp, and Michael R. Sattem.

Absent: None

Also Present: City Manager James V. O’Toole, City Department Heads, media, and members of the public.

Manager O’Toole asked to add an update on the City Manager Search.

Beauchamp moved, Sattem seconded, CARRIED UNANIMOUSLY, to approve the agenda as amended.

CONFLICT OF INTEREST DECLARATION – None

NEW BUSINESS

Discussion – Fiscal Year 2015-16 City Audit.

A representative from the Accounting Firm of Rehmann Robinson, Michael Sparling, provided an overview of the June 30, 2016 independent audit of the City of Escanaba’s financial statements prepared in accordance with generally accepted accounting principles in the United States and the Single Audit Act. (See Attachment – A) Council discussed the following items:

- Reviewed various accounting adjustments and changes based on GASB 68;
- Over all, the City of Escanaba financial situation was favorable.

Discussion – Pension Funding Review and Update.

City Treasurer Robert Valentine and members of the Public Safety Retirement Board David Schaff and Anthony LaPlant, reviewed the current status of pension funding and provided estimates of future funding requirements. (See Attachment – B) Council discussed the following items:

- Public Safety Retirement Fund and MERS performance scenarios;
- MERS plan assumptions and plan funding levels since 2009;
- Rehmann Robinson representative Michael Sparling, also provided an brief overview of the Public Safety Retirement Fund as of June 30, 2016. (See Attachment – B)
City Council Minutes

City Manager update

Manager O'Toole provided an update on the City Manager Update. He advised the City received 53 applications. Council Members independently scored the applications. Of the top 5 applicants, two have withdrawn their application. The remaining three have sign off on their confidentiality release.

After discussion, Beauchamp moved, Blasier seconded, to interview three of the 5 and possibly others at a later time.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Blasier, Sattem, Baribeau, Tall
Nays: None

MOTION CARRIED.

Manager O'Toole stated the three applicants for initial interviews were:

Darce Long of Amery, Wisconsin;
Jeff Thornton of Negaunee, Michigan;
William Yost of L'Anse, Michigan.

After reviewing Council schedules for initial interviews, it was Council consensus to offer travel expenses for the initial interviews.

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS – None

Hearing no further public comment, the Council adjourned at 9:56 a.m.

Respectfully submitted,

Robert S. Richards
City Clerk

Approved: ____________________________________

Marc D. Tall, Mayor
City of Escanaba
2016 Audit Results
February 22, 2017

Audit Opinion

- Unmodified Opinion — Financial statements are fairly presented, in all material respects, in conformity with Generally Accepted Accounting Principles.

Financial Highlights
Financial Highlights - Capital Assets, Net

- Additions:
  - Governmental Activities: $734,653
  - Business-type activities $5,413,277
  - Consolidation total $5,364,602

Capital Asset Additions

- Governmental Activities:
  - Land $180,147
  - Land improvements 16,756
  - Infrastructure 247,933
  - Buildings & improvements 46,787
  - Vehicles & Equipment 230,230

- Business-type Activities:
  - Construction in Progress $715,794
  - Land improvements 17,847
  - Buildings & improvements 110,486
  - Transmission & Dist. Systems 404,418
  - Other Machinery & Equipment 154,244

Financial Highlights - GASB 68

- What to know?
  - Implemented in fiscal year 2015.
  - Governments are required to report a net pension liability.
  - Liability is limited to the government-wide financial statements and proprietary funds.

Financial Highlights - GASB 68

Net Pension Liability at June 30:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>NonCurrent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>$51,812,837</td>
<td>$54,313,246</td>
<td>$106,126,083</td>
</tr>
<tr>
<td>Business-type</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>$51,812,837</td>
<td>$54,313,246</td>
<td>$106,126,083</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$51,812,837</td>
<td>$54,313,246</td>
<td>$106,126,083</td>
</tr>
</tbody>
</table>
Financial Highlights

E.D.A. Revolving Loan Fund - Actual Revenues & Expenditures vs. Budget

$50,000
$100,000
$150,000
$200,000
$250,000
$300,000
$350,000
$400,000

$150,000
$100,000
$50,000
$0
Revenues
Expenditures
\[ \text{Original & Final Budget} \]

E.D.A. Revolving Loan Fund

On June 25, 2015, the City entered into an agreement with the U.S. Department of Commerce to terminate financial assistance related to the E.D.A. Revolving loan fund. As a result, the City reported reimbursement costs as a special items expenditure/expense and a liability of $1,160,474.

Insurance Proceeds

During the year ended June 30, 2015, the City reported an insurance settlement receivable and related revenue of approximately $2,000,000 related to a loss that occurred at the Enscene Power Plant on February 2, 2015.

Commitments & Contingencies

The City has guaranteed a Delta County Brownfield Authority Michigan Department of Environmental Quality Loan (MEDCO) of $450,000 for the remediation and development of a Brownfield area within the City. The City is an interested party in a lawsuit related to the loan and could be required to pay as much as $50,000 if the outcome is unfavorable to the Delta County Brownfield Authority.

The City has entered into two separate agreements related to the construction of a Meijer's store and the North Electric Utility Substation totaling $3,800,000, with approximately $3,600,000 remaining as of June 30, 2016.
Internal Control Levels of Deficiency

- Deficiency
- Significant Deficiency
- Material Weakness
- Other Matters

Findings and Other Matters

Material Weaknesses

- Financial Statement Findings:
  - Material audit adjustments were required to reconcile certain financial statement accounts including receivables, unearned revenue, net pension liabilities and equity.
  - Management relying on auditors to produce GAAP financial statements.

- Federal Award Finding:
  - Non-compliance of the EDA Revolving Loan Fund Award Termination

Other Matters

- Non-disbursement for tax collection in a timely manner.
- Lack of review and approval for manual journal entries.

Prior Period Adjustments (PPA)

- Net effect of Net Pension Liability (NPL) PPA resulted in an increase in govt activities and a decrease in business-type activities NPL of $2,149,292, respectively.
- Correction for omission of accrued revenue sharing receivable, resulting in an increase to beginning General Fund balance by $214,913 and a decrease to beginning net position of govt activities by $12,075.
- Correction to decrease beginning net position of govt activities by $117,422 resulting from improperly recognizing revenue in 2015.
- Increased beginning net position of the Electrical Utility Fund and business-type activities by $1,416,951 for revenue that should have been recognized and reported in 2015.

Questions
Thank You For Your Business
CITY OF ESCANABA

DEFINED BENEFIT PLAN
FUNDING PROGRESS REPORT

PRESENTED TO CITY COUNCIL

2/22/2017
VALUATION SUMMARY

The following summarizes the results of the actuarial valuation performed on the Public Safety Retirement plan as of 6/30/2016.

Table of Comparative Results

The principal results of this actuarial valuation and a comparison with the preceding year's results are summarized below:

<table>
<thead>
<tr>
<th>Valuation Results as of</th>
<th>6/30/2016</th>
<th>6/30/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active members</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Average reported compensation</td>
<td>$ 73,918</td>
<td>$ 71,848</td>
</tr>
<tr>
<td><strong>Retired and disabled members</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>43</td>
<td>41</td>
</tr>
<tr>
<td>Annual Allowances</td>
<td>$ 36,575</td>
<td>$ 34,164</td>
</tr>
<tr>
<td><strong>Survivors and beneficiaries of deceased members</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Annual Allowances</td>
<td>$ 11,900</td>
<td>$ 12,043</td>
</tr>
<tr>
<td><strong>Terminated vested</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Annual Allowances</td>
<td>$ 23,670</td>
<td>$ 25,732</td>
</tr>
<tr>
<td><strong>Total number</strong></td>
<td>80</td>
<td>83</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial Value of Assets (AVA)</td>
<td>$ 26,380,651</td>
<td>$ 26,315,991</td>
</tr>
<tr>
<td>Market Value of Assets</td>
<td>$ 26,380,651</td>
<td>$ 26,315,991</td>
</tr>
<tr>
<td><strong>Actuarial Accrued Liability (AAL)</strong></td>
<td>$ 32,800,145</td>
<td>$ 31,497,277</td>
</tr>
<tr>
<td>Unfunded Actuarial Accrued Liability (AAL - AVA)</td>
<td>$ 6,419,494</td>
<td>$ 5,181,286</td>
</tr>
<tr>
<td><strong>Funded Ratio (AVA/AAL)</strong></td>
<td>80.43%</td>
<td>83.55%</td>
</tr>
<tr>
<td><strong>Total Normal Cost on valuation date</strong></td>
<td>$ 527,501</td>
<td>$ 596,859</td>
</tr>
</tbody>
</table>
DERIVATION OF EMPLOYER CONTRIBUTION

The following chart summarizes the derivation of the City's contribution to the Public Safety Retirement Plan for the current fiscal year and the fiscal year beginning 7/1/2017. As participants retire and are replaced by defined contribution participants, the funding dollars will represent an increasingly larger percentage of payroll.

<table>
<thead>
<tr>
<th>Contribution for Fiscal Year Ending</th>
<th>6/30/2018</th>
<th>6/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Employer Contribution:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollar Amounts*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of Projected UAAL</td>
<td>626,191</td>
<td>500,033</td>
</tr>
<tr>
<td>Projected Normal Cost</td>
<td>538,502</td>
<td>627,051</td>
</tr>
<tr>
<td>Minus: Projected Member Contributions</td>
<td>(110,706)</td>
<td>(128,915)</td>
</tr>
<tr>
<td>Projected administration expenses</td>
<td>14,482</td>
<td>7,251</td>
</tr>
<tr>
<td>Total ADEC</td>
<td>1,068,469</td>
<td>1,005,420</td>
</tr>
<tr>
<td>As Rates of Projected Member Compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of Projected UAAL</td>
<td>33.94%</td>
<td>23.27%</td>
</tr>
<tr>
<td>Projected Normal Cost</td>
<td>29.19%</td>
<td>29.19%</td>
</tr>
<tr>
<td>Minus: Projected Member Contributions</td>
<td>-6.00%</td>
<td>-6.00%</td>
</tr>
<tr>
<td>Projected administration expenses</td>
<td>0.78%</td>
<td>0.34%</td>
</tr>
<tr>
<td>Total ADEC</td>
<td>57.91%</td>
<td>46.79%</td>
</tr>
<tr>
<td>Projected Member Compensation</td>
<td>1,845,099</td>
<td>2,148,586</td>
</tr>
</tbody>
</table>
HISTORICAL EMPLOYER CONTRIBUTIONS

The following chart depicts historical employer contributions as determined by the plan’s actuary.

<table>
<thead>
<tr>
<th>Fiscal Year Begin.</th>
<th>Valuation Date June 30</th>
<th>Valuation</th>
<th>Employer Contribution Computed as Percentage of Payroll</th>
<th>Actual Employer Contribution Made</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
<td>$1,774,041</td>
<td>57.91%</td>
<td>$1,068,469 Estimated</td>
</tr>
<tr>
<td>2016</td>
<td>2015 (2)</td>
<td>2,011,746</td>
<td>46.79%</td>
<td>1,005,420 Estimated</td>
</tr>
<tr>
<td>2015</td>
<td>2014 (1)(2)</td>
<td>2,059,527</td>
<td>47.26%</td>
<td>969,387</td>
</tr>
<tr>
<td>2014</td>
<td>2013</td>
<td>2,006,852</td>
<td>49.70%</td>
<td>1,033,739</td>
</tr>
<tr>
<td>2013</td>
<td>2012 (2)</td>
<td>1,973,456</td>
<td>51.40%</td>
<td>1,056,517</td>
</tr>
<tr>
<td>2012</td>
<td>2011 (2)</td>
<td>2,012,773</td>
<td>46.38%</td>
<td>931,056</td>
</tr>
<tr>
<td>2011</td>
<td>2010</td>
<td>1,928,918</td>
<td>41.61%</td>
<td>844,170</td>
</tr>
<tr>
<td>2010</td>
<td>2009</td>
<td>1,846,469</td>
<td>38.92%</td>
<td>807,281</td>
</tr>
<tr>
<td>2009</td>
<td>2008</td>
<td>1,885,535</td>
<td>30.38%</td>
<td>601,037</td>
</tr>
<tr>
<td>2008</td>
<td>2007</td>
<td>1,799,708</td>
<td>29.71%</td>
<td>573,788</td>
</tr>
<tr>
<td>2007</td>
<td>2006</td>
<td>1,635,787</td>
<td>29.08%</td>
<td>542,028</td>
</tr>
<tr>
<td>2006</td>
<td>2005 (1)</td>
<td>1,827,151</td>
<td>26.40%</td>
<td>489,661</td>
</tr>
<tr>
<td>2005</td>
<td>2004</td>
<td>1,867,349</td>
<td>24.69%</td>
<td>465,237</td>
</tr>
<tr>
<td>2004</td>
<td>2003 (2)</td>
<td>1,708,691</td>
<td>21.67%</td>
<td>418,035</td>
</tr>
<tr>
<td>2003</td>
<td>2002 (1)</td>
<td>1,681,701</td>
<td>12.07%</td>
<td>219,191</td>
</tr>
<tr>
<td>2002</td>
<td>2001</td>
<td>1,751,910</td>
<td>6.63%</td>
<td>123,468</td>
</tr>
<tr>
<td>2001</td>
<td>2000 (1)</td>
<td>1,646,791</td>
<td>5.89%</td>
<td>107,352</td>
</tr>
<tr>
<td>2000</td>
<td>1999 (1)</td>
<td>1,616,208</td>
<td>6.19%</td>
<td>108,776</td>
</tr>
<tr>
<td>1999</td>
<td>1998 (2)</td>
<td>1,389,053</td>
<td>5.00%</td>
<td>147,644</td>
</tr>
<tr>
<td>1998</td>
<td>1997</td>
<td>1,427,748</td>
<td>13.77%</td>
<td>222,301</td>
</tr>
<tr>
<td>1997</td>
<td>1996</td>
<td>1,426,762</td>
<td>15.56%</td>
<td>247,934</td>
</tr>
<tr>
<td>1996</td>
<td>1995 (1)</td>
<td>1,437,103</td>
<td>18.30%</td>
<td>267,961</td>
</tr>
<tr>
<td>1995</td>
<td>1994</td>
<td>1,320,029</td>
<td>13.28%</td>
<td>198,120</td>
</tr>
<tr>
<td>1994</td>
<td>1993</td>
<td>1,214,345</td>
<td>13.39%</td>
<td>186,531</td>
</tr>
<tr>
<td>1993</td>
<td>1992 (1)</td>
<td>1,208,532</td>
<td>13.74%</td>
<td>180,929</td>
</tr>
<tr>
<td>1992</td>
<td>1991</td>
<td>1,204,260</td>
<td>12.70%</td>
<td>171,035</td>
</tr>
<tr>
<td>1991</td>
<td>1990</td>
<td>1,106,816</td>
<td>15.19%</td>
<td>182,251</td>
</tr>
<tr>
<td>1990</td>
<td>1989</td>
<td>908,180</td>
<td>25.89%</td>
<td>207,725</td>
</tr>
<tr>
<td>1989</td>
<td>1988</td>
<td>733,203</td>
<td>25.42%</td>
<td>204,929</td>
</tr>
</tbody>
</table>

Notes
(1) Amounts shown for these years are after changes in benefit provisions.
(2) Amounts shown for these years are after changes in actuarial assumptions or methods.
### HISTORICAL FUNDING

The following chart depicts the historical funding levels for the Public Safety Retirement Plan.

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Valuation Assets</th>
<th>Actuarial Accrued Liability (AAL)</th>
<th>Unfunded Actuarial Accrued Liability (UAAL)</th>
<th>Valuation Payroll</th>
<th>Assets as Percentage of AAL</th>
<th>IAAL as Percentage of Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30</td>
<td>$26,300,651</td>
<td>$32,600,145</td>
<td>$6,419,484</td>
<td>$1,774,041</td>
<td>80%</td>
<td>362%</td>
</tr>
<tr>
<td>2015 (3)</td>
<td>26,315,991</td>
<td>31,497,277</td>
<td>5,181,286</td>
<td>2,011,746</td>
<td>84%</td>
<td>258%</td>
</tr>
<tr>
<td>2014 (1)</td>
<td>25,576,016</td>
<td>30,438,199</td>
<td>4,822,081</td>
<td>2,059,527</td>
<td>84%</td>
<td>236%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29,392,027</td>
<td>5,155,732</td>
<td>2,006,852</td>
<td>60%</td>
<td>457%</td>
</tr>
<tr>
<td>2012 (2)</td>
<td>18,837,368</td>
<td>28,422,726</td>
<td>9,655,357</td>
<td>1,973,456</td>
<td>66%</td>
<td>489%</td>
</tr>
<tr>
<td>2011 (2)</td>
<td>18,419,661</td>
<td>26,707,530</td>
<td>8,287,669</td>
<td>2,012,773</td>
<td>66%</td>
<td>412%</td>
</tr>
<tr>
<td>2010</td>
<td>17,031,177</td>
<td>24,631,990</td>
<td>6,800,813</td>
<td>1,926,918</td>
<td>72%</td>
<td>353%</td>
</tr>
<tr>
<td>2009</td>
<td>17,314,203</td>
<td>23,803,294</td>
<td>5,889,081</td>
<td>1,946,469</td>
<td>75%</td>
<td>302%</td>
</tr>
<tr>
<td>2008</td>
<td>20,322,502</td>
<td>22,641,034</td>
<td>2,538,543</td>
<td>1,885,353</td>
<td>89%</td>
<td>135%</td>
</tr>
<tr>
<td>2007</td>
<td>19,668,269</td>
<td>21,645,071</td>
<td>2,158,022</td>
<td>1,799,708</td>
<td>90%</td>
<td>120%</td>
</tr>
<tr>
<td>2006</td>
<td>18,635,314</td>
<td>20,681,115</td>
<td>2,045,801</td>
<td>1,835,767</td>
<td>90%</td>
<td>111%</td>
</tr>
<tr>
<td>2005 (1)</td>
<td>18,381,587</td>
<td>19,474,567</td>
<td>3,093,000</td>
<td>1,827,151</td>
<td>94%</td>
<td>60%</td>
</tr>
<tr>
<td>2004</td>
<td>18,431,090</td>
<td>18,863,057</td>
<td>451,977</td>
<td>1,867,349</td>
<td>98%</td>
<td>24%</td>
</tr>
<tr>
<td>2003 (2)</td>
<td>18,787,603</td>
<td>18,293,107</td>
<td>-</td>
<td>1,708,691</td>
<td>103%</td>
<td>0%</td>
</tr>
<tr>
<td>2002 (1)</td>
<td>19,274,620</td>
<td>16,562,195</td>
<td>-</td>
<td>1,681,701</td>
<td>116%</td>
<td>0%</td>
</tr>
<tr>
<td>2001</td>
<td>19,330,612</td>
<td>15,133,840</td>
<td>-</td>
<td>1,751,610</td>
<td>126%</td>
<td>0%</td>
</tr>
<tr>
<td>2000 (1)</td>
<td>18,621,940</td>
<td>13,367,008</td>
<td>-</td>
<td>1,640,791</td>
<td>130%</td>
<td>0%</td>
</tr>
<tr>
<td>1999 (1)</td>
<td>17,296,136</td>
<td>12,253,051</td>
<td>-</td>
<td>1,616,208</td>
<td>141%</td>
<td>0%</td>
</tr>
<tr>
<td>1998 (2)</td>
<td>15,608,864</td>
<td>10,891,008</td>
<td>-</td>
<td>1,389,053</td>
<td>143%</td>
<td>0%</td>
</tr>
<tr>
<td>1997</td>
<td>14,106,937</td>
<td>12,091,082</td>
<td>-</td>
<td>1,427,749</td>
<td>117%</td>
<td>0%</td>
</tr>
<tr>
<td>1996</td>
<td>12,837,306</td>
<td>11,353,247</td>
<td>-</td>
<td>1,428,762</td>
<td>113%</td>
<td>0%</td>
</tr>
<tr>
<td>1995 (1)</td>
<td>11,570,657</td>
<td>10,620,045</td>
<td>-</td>
<td>1,437,103</td>
<td>105%</td>
<td>0%</td>
</tr>
<tr>
<td>1994</td>
<td>11,148,999</td>
<td>9,483,954</td>
<td>-</td>
<td>1,320,029</td>
<td>116%</td>
<td>0%</td>
</tr>
<tr>
<td>1993</td>
<td>10,553,262</td>
<td>9,002,132</td>
<td>-</td>
<td>1,214,345</td>
<td>117%</td>
<td>0%</td>
</tr>
<tr>
<td>1992 (1)</td>
<td>9,704,074</td>
<td>8,296,243</td>
<td>-</td>
<td>1,208,832</td>
<td>117%</td>
<td>0%</td>
</tr>
<tr>
<td>1991</td>
<td>9,043,120</td>
<td>7,745,732</td>
<td>-</td>
<td>1,204,260</td>
<td>117%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Notes:**
1. Amounts shown for these years are after changes in benefit provisions.
2. Amounts shown for these years are after changes in actuarial assumptions or methods.
3. Valuation assets is smoothed market value of assets. In 2014, 2015 and 2016 it is market value of assets.
## HISTORICAL ASSETS REVENUES AND EXPENSES

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Market Value of Assets Beginning of Year</th>
<th>Revenues</th>
<th>Expenses</th>
<th>Market Value of Assets End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>26,315,961</td>
<td>148,193</td>
<td>968,387</td>
<td>350,665</td>
</tr>
<tr>
<td>2014</td>
<td>25,576,018</td>
<td>124,797</td>
<td>1,033,739</td>
<td>1,126,473</td>
</tr>
<tr>
<td>2013</td>
<td>22,160,017</td>
<td>123,571</td>
<td>1,026,517</td>
<td>3,747,259</td>
</tr>
<tr>
<td>2012</td>
<td>18,765,223</td>
<td>120,447</td>
<td>931,056</td>
<td>2,624,851</td>
</tr>
<tr>
<td>2011</td>
<td>18,598,655</td>
<td>121,726</td>
<td>844,170</td>
<td>704,781</td>
</tr>
<tr>
<td>2010</td>
<td>16,458,177</td>
<td>124,448</td>
<td>807,281</td>
<td>3,910,036</td>
</tr>
<tr>
<td>2009</td>
<td>14,945,399</td>
<td>116,679</td>
<td>601,037</td>
<td>2,422,443</td>
</tr>
<tr>
<td>2008</td>
<td>18,539,247</td>
<td>115,872</td>
<td>573,786</td>
<td>(3,019,468)</td>
</tr>
<tr>
<td>2007</td>
<td>20,586,618</td>
<td>112,258</td>
<td>542,028</td>
<td>(1,469,267)</td>
</tr>
<tr>
<td>2006</td>
<td>18,333,419</td>
<td>139,259</td>
<td>489,681</td>
<td>2,816,681</td>
</tr>
<tr>
<td>2005</td>
<td>17,684,037</td>
<td>113,059</td>
<td>465,237</td>
<td>1,134,019</td>
</tr>
<tr>
<td>2004</td>
<td>16,844,490</td>
<td>114,685</td>
<td>418,035</td>
<td>1,315,775</td>
</tr>
<tr>
<td>2003</td>
<td>15,687,656</td>
<td>108,960</td>
<td>213,191</td>
<td>1,892,841</td>
</tr>
<tr>
<td>2002</td>
<td>15,506,561</td>
<td>90,071</td>
<td>123,488</td>
<td>916,165</td>
</tr>
<tr>
<td>2001</td>
<td>17,550,887</td>
<td>94,536</td>
<td>107,352</td>
<td>(1,336,951)</td>
</tr>
<tr>
<td>2000</td>
<td>18,596,626</td>
<td>67,865</td>
<td>108,776</td>
<td>(376,034)</td>
</tr>
<tr>
<td>1999</td>
<td>18,723,543</td>
<td>105,534</td>
<td>147,844</td>
<td>444,531</td>
</tr>
<tr>
<td>1998</td>
<td>18,851,612</td>
<td>80,720</td>
<td>222,301</td>
<td>1,395,781</td>
</tr>
<tr>
<td>1997</td>
<td>15,742,123</td>
<td>77,671</td>
<td>247,934</td>
<td>2,556,320</td>
</tr>
<tr>
<td>1996</td>
<td>14,197,346</td>
<td>73,221</td>
<td>267,991</td>
<td>2,039,285</td>
</tr>
<tr>
<td>1995</td>
<td>11,967,667</td>
<td>74,611</td>
<td>196,120</td>
<td>1,725,788</td>
</tr>
<tr>
<td>1994</td>
<td>11,660,232</td>
<td>73,384</td>
<td>196,531</td>
<td>606,807</td>
</tr>
<tr>
<td>1993</td>
<td>11,282,816</td>
<td>65,836</td>
<td>188,929</td>
<td>629,398</td>
</tr>
<tr>
<td>1992</td>
<td>10,026,503</td>
<td>67,413</td>
<td>171,935</td>
<td>1,454,471</td>
</tr>
<tr>
<td>1991</td>
<td>9,045,516</td>
<td>60,484</td>
<td>168,347</td>
<td>1,120,044</td>
</tr>
<tr>
<td>1990</td>
<td>8,447,590</td>
<td>59,987</td>
<td>162,251</td>
<td>695,058</td>
</tr>
<tr>
<td>1989</td>
<td>7,540,457</td>
<td>63,648</td>
<td>192,172</td>
<td>966,235</td>
</tr>
</tbody>
</table>

**Notes:**
1. Benefit payments include refunds of member contributions.
2. Investment income excludes $27,000 in miscellaneous income for 1995.
4. Adjustment of $130,053 subtracted from July 1, 1997 market value of assets.
6. Administrative expenses include fiduciary insurance amounts since 1997.
# SCENARIO ANALYSIS

## If Investments Outperform Our Assumptions

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Assumptions</th>
<th>Net Present Value (NPV)</th>
<th>Internal Rate of Return (IRR)</th>
<th>Payback Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## If Investments Underperform Our Assumptions

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Assumptions</th>
<th>Net Present Value (NPV)</th>
<th>Internal Rate of Return (IRR)</th>
<th>Payback Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## If Investments Perform As Assumed

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Assumptions</th>
<th>Net Present Value (NPV)</th>
<th>Internal Rate of Return (IRR)</th>
<th>Payback Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The City's Public Safety Retirement Plan was closed to new participants on 6/30/2014. Prior to closure, plan actuaries prepared an estimate of future funding payments through year 2039...see blue line below. Projections were updated as of 6/30/2016 through year 2025 as depicted by the red line below.
# Valuation Summary

The following chart summarizes the MERS valuation results under various assumed rates of return. 7.75% is the current assumed rate of return.

<table>
<thead>
<tr>
<th>12/31/2016 Valuation Results</th>
<th>Assumed Future Annual Smoothed Rate of Investment Return</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower Future Annual Returns</td>
</tr>
<tr>
<td></td>
<td>5.75%</td>
</tr>
<tr>
<td>Accrued Liability</td>
<td>$44,244,760</td>
</tr>
<tr>
<td>Valuation Assets</td>
<td>$21,072,131</td>
</tr>
<tr>
<td>Unfunded Accrued Liability</td>
<td>$23,172,649</td>
</tr>
<tr>
<td>Funded Ratio</td>
<td>48%</td>
</tr>
<tr>
<td>Monthly Normal Cost</td>
<td>$30,193</td>
</tr>
<tr>
<td>Monthly Amortization Payment</td>
<td>$172,954</td>
</tr>
<tr>
<td>Total Employer Contribution</td>
<td>$203,147</td>
</tr>
</tbody>
</table>
SCENARIO ANALYSIS

The following chart depicts projected future employer contributions under three different return scenarios incorporating two options for phase in of assumption changes. The City of Escanaba currently operates under the five year phase in option.

<table>
<thead>
<tr>
<th>Valuation Year Ending 12/31</th>
<th>Fiscal Year Beginning 7/1</th>
<th>Actuarial Accrued Liability</th>
<th>Valuation Assets</th>
<th>Funded Percentage</th>
<th>Computed Annual Employer Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WITH 5-YEAR PHASE-IN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2017</td>
<td>$35,663,560</td>
<td>$21,072,131</td>
<td>59%</td>
<td>$1,472,520</td>
</tr>
<tr>
<td>2016</td>
<td>2018</td>
<td>36,650,657</td>
<td>21,048,117</td>
<td>58%</td>
<td>1,657,392</td>
</tr>
<tr>
<td>2017</td>
<td>2019</td>
<td>37,046,167</td>
<td>20,856,425</td>
<td>56%</td>
<td>1,855,794</td>
</tr>
<tr>
<td>2018</td>
<td>2020</td>
<td>37,399,626</td>
<td>20,660,719</td>
<td>56%</td>
<td>2,063,400</td>
</tr>
<tr>
<td>2019</td>
<td>2021</td>
<td>37,625,116</td>
<td>20,516,400</td>
<td>55%</td>
<td>2,274,912</td>
</tr>
<tr>
<td>2020</td>
<td>2022</td>
<td>37,733,495</td>
<td>21,056,278</td>
<td>56%</td>
<td>2,358,600</td>
</tr>
<tr>
<td><strong>NO 5-YEAR PHASE-IN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2017</td>
<td>$35,663,560</td>
<td>$21,072,131</td>
<td>59%</td>
<td>$1,667,064</td>
</tr>
<tr>
<td>2016</td>
<td>2018</td>
<td>36,650,657</td>
<td>21,048,117</td>
<td>58%</td>
<td>1,782,096</td>
</tr>
<tr>
<td>2017</td>
<td>2019</td>
<td>37,046,167</td>
<td>20,856,425</td>
<td>56%</td>
<td>1,912,752</td>
</tr>
<tr>
<td>2018</td>
<td>2020</td>
<td>37,399,626</td>
<td>20,660,719</td>
<td>56%</td>
<td>2,063,400</td>
</tr>
<tr>
<td>2019</td>
<td>2021</td>
<td>37,625,116</td>
<td>20,516,400</td>
<td>55%</td>
<td>2,274,912</td>
</tr>
<tr>
<td>2020</td>
<td>2022</td>
<td>37,733,495</td>
<td>21,056,278</td>
<td>56%</td>
<td>2,358,600</td>
</tr>
<tr>
<td><strong>WITH 5-YEAR PHASE-IN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2017</td>
<td>$39,669,893</td>
<td>$21,072,131</td>
<td>53%</td>
<td>$2,032,452</td>
</tr>
<tr>
<td>2016</td>
<td>2018</td>
<td>40,576,160</td>
<td>20,847,081</td>
<td>52%</td>
<td>2,147,520</td>
</tr>
<tr>
<td>2017</td>
<td>2019</td>
<td>40,845,728</td>
<td>20,757,292</td>
<td>51%</td>
<td>2,275,812</td>
</tr>
<tr>
<td>2018</td>
<td>2020</td>
<td>41,162,985</td>
<td>20,920,570</td>
<td>51%</td>
<td>2,419,896</td>
</tr>
<tr>
<td>2019</td>
<td>2021</td>
<td>41,340,225</td>
<td>21,056,025</td>
<td>51%</td>
<td>2,578,512</td>
</tr>
<tr>
<td>2020</td>
<td>2022</td>
<td>41,390,596</td>
<td>21,840,423</td>
<td>53%</td>
<td>2,666,544</td>
</tr>
<tr>
<td><strong>NO 5-YEAR PHASE-IN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2017</td>
<td>$44,244,780</td>
<td>$21,072,131</td>
<td>48%</td>
<td>$2,437,764</td>
</tr>
<tr>
<td>2016</td>
<td>2018</td>
<td>44,900,055</td>
<td>20,645,966</td>
<td>46%</td>
<td>2,551,764</td>
</tr>
<tr>
<td>2017</td>
<td>2019</td>
<td>45,331,740</td>
<td>20,573,364</td>
<td>45%</td>
<td>2,677,368</td>
</tr>
<tr>
<td>2018</td>
<td>2020</td>
<td>45,596,640</td>
<td>20,960,314</td>
<td>46%</td>
<td>2,820,396</td>
</tr>
<tr>
<td>2019</td>
<td>2021</td>
<td>45,708,328</td>
<td>21,296,653</td>
<td>47%</td>
<td>2,982,060</td>
</tr>
<tr>
<td>2020</td>
<td>2022</td>
<td>45,661,902</td>
<td>22,213,661</td>
<td>49%</td>
<td>3,089,052</td>
</tr>
</tbody>
</table>
## HISTORICAL ASSETS INCOME AND BENEFIT PAYMENTS

<table>
<thead>
<tr>
<th>Year Ended 12/31</th>
<th>Employer Contributions</th>
<th>Employee Contributions</th>
<th>Investment Income</th>
<th>Benefit Payments</th>
<th>Employee Contribution Refund</th>
<th>Net Transfers</th>
<th>Valuation Asset Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Required</td>
<td>Additional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>$430,000</td>
<td>$0</td>
<td>$1,110,769</td>
<td>$(1,130,644)</td>
<td>$0</td>
<td>$0</td>
<td>$18,259,522</td>
</tr>
<tr>
<td>2006</td>
<td>$0</td>
<td>$0</td>
<td>$1,534,073</td>
<td>$(1,310,686)</td>
<td>$(194)</td>
<td>$(291,000)</td>
<td>$18,681,506</td>
</tr>
<tr>
<td>2007</td>
<td>$720,000</td>
<td>$0</td>
<td>$1,510,885</td>
<td>$(1,268,616)</td>
<td>$0</td>
<td>$40,301</td>
<td>$18,559,815</td>
</tr>
<tr>
<td>2008</td>
<td>$790,000</td>
<td>$0</td>
<td>$604,226</td>
<td>$(1,441,399)</td>
<td>$0</td>
<td>$(5,043)</td>
<td>$19,754,903</td>
</tr>
<tr>
<td>2009</td>
<td>$810,000</td>
<td>$0</td>
<td>$720,323</td>
<td>$(1,494,600)</td>
<td>$0</td>
<td>$(2,999)</td>
<td>$19,846,810</td>
</tr>
<tr>
<td>2010</td>
<td>$908,995</td>
<td>$0</td>
<td>$976,907</td>
<td>$(1,825,078)</td>
<td>$0</td>
<td>$0</td>
<td>$20,195,960</td>
</tr>
<tr>
<td>2011</td>
<td>$1,019,050</td>
<td>$0</td>
<td>$960,017</td>
<td>$(1,723,933)</td>
<td>$(80,018)</td>
<td>$5,600</td>
<td>$20,342,746</td>
</tr>
<tr>
<td>2012</td>
<td>$1,050,472</td>
<td>$0</td>
<td>$654,518</td>
<td>$(1,924,400)</td>
<td>$0</td>
<td>$37,034</td>
<td>$20,318,523</td>
</tr>
<tr>
<td>2013</td>
<td>$1,001,446</td>
<td>$0</td>
<td>$1,410,489</td>
<td>$(2,600,077)</td>
<td>$0</td>
<td>$0</td>
<td>$20,547,142</td>
</tr>
<tr>
<td>2014</td>
<td>$1,094,512</td>
<td>$0</td>
<td>$1,140,057</td>
<td>$(2,008,357)</td>
<td>$0</td>
<td>$0</td>
<td>$20,881,154</td>
</tr>
<tr>
<td>2015</td>
<td>$1,200,868</td>
<td>$0</td>
<td>$1,000,750</td>
<td>$(2,103,851)</td>
<td>$0</td>
<td>$0</td>
<td>$21,072,103</td>
</tr>
</tbody>
</table>
## HISTORICAL FUNDING

<table>
<thead>
<tr>
<th>Valuation Date December 31</th>
<th>Actuarial Accrued Liability</th>
<th>Valuation Assets</th>
<th>Percent Funded</th>
<th>Unfunded (Overfunded) Accrued Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$18,783,991</td>
<td>$15,615,958</td>
<td>83%</td>
<td>$3,168,033</td>
</tr>
<tr>
<td>2002</td>
<td>$19,826,046</td>
<td>$15,834,089</td>
<td>80%</td>
<td>$3,994,957</td>
</tr>
<tr>
<td>2003</td>
<td>$21,330,198</td>
<td>$16,789,939</td>
<td>79%</td>
<td>$4,540,259</td>
</tr>
<tr>
<td>2004</td>
<td>$23,586,755</td>
<td>$17,612,343</td>
<td>75%</td>
<td>$5,974,412</td>
</tr>
<tr>
<td>2005</td>
<td>$26,331,412</td>
<td>$18,228,522</td>
<td>69%</td>
<td>$8,102,880</td>
</tr>
<tr>
<td>2006</td>
<td>$26,931,887</td>
<td>$18,081,596</td>
<td>69%</td>
<td>$8,250,291</td>
</tr>
<tr>
<td>2007</td>
<td>$28,323,479</td>
<td>$19,569,915</td>
<td>69%</td>
<td>$8,753,564</td>
</tr>
<tr>
<td>2008</td>
<td>$29,283,966</td>
<td>$19,754,963</td>
<td>67%</td>
<td>$9,529,003</td>
</tr>
<tr>
<td>2009</td>
<td>$29,926,075</td>
<td>$19,844,840</td>
<td>66%</td>
<td>$10,083,235</td>
</tr>
<tr>
<td>2010</td>
<td>$30,655,393</td>
<td>$20,106,664</td>
<td>66%</td>
<td>$10,548,729</td>
</tr>
<tr>
<td>2011</td>
<td>$31,680,101</td>
<td>$20,342,748</td>
<td>64%</td>
<td>$11,337,353</td>
</tr>
<tr>
<td>2012</td>
<td>$32,641,685</td>
<td>$20,318,323</td>
<td>62%</td>
<td>$12,323,362</td>
</tr>
<tr>
<td>2013</td>
<td>$32,672,697</td>
<td>$20,547,182</td>
<td>63%</td>
<td>$12,125,515</td>
</tr>
<tr>
<td>2014</td>
<td>$33,286,955</td>
<td>$20,881,164</td>
<td>63%</td>
<td>$12,405,791</td>
</tr>
<tr>
<td>2015</td>
<td>$35,863,580</td>
<td>$21,072,131</td>
<td>59%</td>
<td>$14,791,429</td>
</tr>
</tbody>
</table>
TYING IT ALL TOGETHER

The following chart depicts current combined pension contributions from all three plans, along with projected future contributions through the fiscal year ending 6/30/2023.

<table>
<thead>
<tr>
<th>Year</th>
<th>MERS DB</th>
<th>PSO</th>
<th>DC</th>
<th>TOTAL</th>
<th>INCREASE</th>
<th>CUMULATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/2017</td>
<td>1,329,744</td>
<td>1,133,983</td>
<td>162,898</td>
<td>2,626,625</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2017/2018</td>
<td>1,472,520</td>
<td>1,068,469</td>
<td>182,098</td>
<td>2,723,087</td>
<td>96,462</td>
<td>96,462</td>
</tr>
<tr>
<td>2018/2019</td>
<td>1,657,392</td>
<td>1,049,646</td>
<td>201,298</td>
<td>2,908,336</td>
<td>185,249</td>
<td>281,711</td>
</tr>
<tr>
<td>2019/2020</td>
<td>1,855,704</td>
<td>1,062,666</td>
<td>220,498</td>
<td>3,138,868</td>
<td>230,532</td>
<td>512,243</td>
</tr>
<tr>
<td>2020/2021</td>
<td>2,063,400</td>
<td>1,045,024</td>
<td>239,698</td>
<td>3,348,122</td>
<td>209,754</td>
<td>721,497</td>
</tr>
<tr>
<td>2021/2022</td>
<td>2,274,912</td>
<td>1,039,458</td>
<td>258,898</td>
<td>3,573,268</td>
<td>225,146</td>
<td>946,643</td>
</tr>
<tr>
<td>2022/2023</td>
<td>2,358,600</td>
<td>980,296</td>
<td>278,098</td>
<td>3,616,994</td>
<td>43,725</td>
<td>990,369</td>
</tr>
<tr>
<td>2023/2024</td>
<td></td>
<td></td>
<td></td>
<td>894,143</td>
<td>297,298</td>
<td></td>
</tr>
<tr>
<td>2024/2025</td>
<td></td>
<td></td>
<td></td>
<td>890,469</td>
<td>316,498</td>
<td></td>
</tr>
<tr>
<td>2025/2026</td>
<td></td>
<td></td>
<td></td>
<td>873,913</td>
<td>335,698</td>
<td></td>
</tr>
<tr>
<td>2026/2027</td>
<td></td>
<td></td>
<td></td>
<td>880,580</td>
<td>354,898</td>
<td></td>
</tr>
</tbody>
</table>

3,548,925
Audit Opinion

- Unmodified Opinion – Financial statements are fairly presented, in all material respects, in conformity with Generally Accepted Accounting Principles.
### Financial Highlights

**City of Escanaba Public Safety Officer Retirement System - Net Position**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td>$58,912,519</td>
<td>$58,409,401</td>
<td>$58,409,401</td>
</tr>
<tr>
<td>Liabilities</td>
<td>$58,912,519</td>
<td>$58,409,401</td>
<td>$58,409,401</td>
</tr>
<tr>
<td>Net Position</td>
<td>($58,912,519)</td>
<td>($58,409,401)</td>
<td>($58,409,401)</td>
</tr>
<tr>
<td>Restricted</td>
<td>$22,310,302</td>
<td>$22,310,302</td>
<td>$22,310,302</td>
</tr>
<tr>
<td>Restricted</td>
<td>$22,310,302</td>
<td>$22,310,302</td>
<td>$22,310,302</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$22,010,501</td>
</tr>
</tbody>
</table>

### Changes in Net Pension Liability

**City of Escanaba Public Safety Officers Retirement System**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning</td>
<td>$33,833,400</td>
<td>$33,333,800</td>
<td>$32,333,800</td>
</tr>
<tr>
<td>Beginning</td>
<td>$33,833,400</td>
<td>$33,333,800</td>
<td>$32,333,800</td>
</tr>
<tr>
<td>Net Change</td>
<td>($5,093,501)</td>
<td>($5,093,501)</td>
<td>($5,093,501)</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$28,740,024</td>
<td>$28,240,014</td>
<td>$27,240,300</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$28,740,024</td>
<td>$28,240,014</td>
<td>$27,240,300</td>
</tr>
</tbody>
</table>

### Plan Membership as of June 30

**Plan Membership 2016:**
- 53 Retiree and beneficiaries currently receiving benefits
- 1 Terminated vested member
- 30 Active plan members

**Plan Membership 2016:**
- 53 Retiree and beneficiaries currently receiving benefits
- 2 Terminated vested members
- 28 Active plan members
Allocation of Invested Assets as of June 30

Asset Class and target allocation for 2016:
- U.S. Large Cap 31.71%
- U.S. Small Cap 22.00%
- Int'l Equity 5.46%
- U.S. Corp. Bonds 17.63%
- U.S. Gov't Bonds 8.81%
- High Yield Bonds 8.61%
- Real Estate 4.76%
- 100.00%

Asset Class and target allocation for 2015:
- U.S. Large Cap 22.01%
- U.S. Mid Cap 16.57%
- U.S. Small Cap 11.47%
- Global Equity US 4.07%
- Aggregate Bonds 13.77%
- Short U.S. Credit 12.80%
- U.S. High Yield 9.44%
- REIT 5.37%
- 100.00%

Internal Control Levels of Deficiency

Deficiency  Significant Deficiency  Material Weakness

Other Matters

Questions
Thank You For Your Continued Business
February 24, 2017

TO: Escanaba City Council  
FROM: James V. O’Toole, City Manager  
SUBJ: Zoning Ordinance Amendment – Zoning District Change  

1900 South Lincoln Road.

Mr. and Mrs. Blaine DeGrave are owners of a parcel of property located at 1900 South Lincoln Road. As the property owners they are requesting the property be rezoned from a Single-Family Residential “A” District use to a Local Business “D” District Use. The DeGrave’s are of the opinion that the property is not well suited for a single-family residential dwelling use due to highway traffic and associated noise. The DeGrave’s have attempted to sell the property for over 10 years and have received little to no interest from any prospective buyers. As a means of full disclosure, Mr. Blaine DeGrave is an employee of the City of Escanaba.

On February 9, 2017, the Escanaba Planning Commission conducted a public hearing on the DeGrave’s request for a zoning district change. I have included the minutes in the background information package. Upon completion of the public hearing, the Planning Commission recommended the City Council approve the request for rezoning based upon:

1. The proposed request to change from a Single-Family Residential “A” District use to a Local Business “D” District Use is consistent with the adopted Future Land Use Map of the 2016 Community Master Plan.
2. The use of the property if rezoned should accommodate a wide range of retail goods and neighborhood services available to the neighborhood and the community.

Additionally, if the rezoning is approved by the City Council, the Planning Commission placed a condition of approval on the property that no additional driveway and/or access points from South Lincoln Road be allowed.

Administration is requesting the City Council set the matter for second reading and adoption of Ordinance No. 1176 for March 16, 2017.
ORDINANCE NO. 1176

AN ORDINANCE TO AMEND SECTION 401.4, ZONING MAP OF ORDINANCE No.1028, CITY ZONING MAP ORDINANCE, AS CODIFIED UNDER THE CODE OF ORDINANCES

THE CITY OF ESCANABA ORDAINS:

Chapter I

Section 101. The zoning map referred to in section 401.4 of Ordinance No. 1028 is hereby amended as follows:

101.1 From Residential "A" District to Local Business "D" District, as follows:

Part of the NE ¼ of the NE ¼ of Section 1, Township 38 North, Range 23 West, described as follows: Commencing at the Northeast corner of said NE 1/4; thence South 50 feet on the East line of said NE ¼ of the NE ¼; thence West and parallel with the North line of said NE ¼ of the NE ¼ a distance of 50 feet to the point of beginning; thence South and parallel with the Est line 669.02 feet; thence West 150 feet; thence North 669.06 feet; thence East 150 feet to the point of beginning. EXCEPT that part, if any, lying within the right-of-way of Highway M-35.

Chapter II

SAVINGS CLAUSE

Section 201. If any section, subsection, sentence, clause, or phrase of this ordinance is, for any reason, held to be unconstitutional or unlawful such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or unlawful.

Chapter III

CONFLICTING ORDINANCES

Section 301. All ordinances or parts of ordinances or resolutions heretofore passed or adopted, which may conflict or be inconsistent with the provisions of this ordinance are hereby repealed.

Chapter IV

EFFECTIVE DATE

Section 401. This ordinance shall become effective ten (10) days after the passage and publication.

APPROVED: Ralph B.K. Peterson, City Attorney

APPROVED: Marc D. Tall, Mayor
ATTEST:

Robert S. Richards, CMC/City Clerk
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan, at a Regular Meeting held on the XXXX day of , 2017, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on XXXXXXX, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Robert S. Richards, CMC/City Clerk
A meeting of the Escanaba Planning Commission was held on Thursday, February 9, 2017, at 6:00 p.m. in Room C101 at City Hall, 410 Ludington Street, Escanaba, MI 49829.

PRESENT: Chairperson Kel Smyth, Secretary Roy Webber, Deputy Secretary Brian Black, Commissioners Tom Warstler, James Hellerman, Paul Caswell, and Richard Clark

ALSO PRESENT: City Manager Jim O’Toole, Executive Assistant Lisa Glish, City Council Liaison Ronald Beauchamp, Owners of 1900 South Lincoln Road: Blaine and Charlene DeGrave, and Richard Smith from CUPPAD

ABSENT: Vice-Chairperson Christine Williams

Vice-Chairperson Kel Smyth called the meeting to order at 6:00 p.m.

ROLL CALL

Executive Assistant Lisa Glish conducted roll call.

APPROVAL/CORRECTION OF THE JANUARY 12, 2017 PLANNING COMMISSION MEETING MINUTES

A motion was made by Commissioner Warstler, seconded by Secretary Webber, to approve the January 12, 2017 Planning Commission meeting minutes as submitted. Ayes were unanimous.

APPROVAL/ADJUSTMENTS TO THE FEBRUARY 9, 2017 PLANNING COMMISSION MEETING AGENDA

A motion was made by Commissioner Warstler, seconded by Commissioner Hellerman, to approve the January 12, 2017 Planning Commission meeting minutes as submitted. Ayes were unanimous.

CONFLICT OF INTEREST DECLARATIONS

Commissioner Caswell stated that Mr. Blaine DeGrave’s family’s business built a home for him twenty (20) years prior, though he did not feel as though this was a conflict of interest.

City Manager Jim O’Toole stated that Mr. Blaine DeGrave is an employee of the City of Escanaba, and that Mr. DeGrave owned the property located at 1900 South Lincoln Road prior to when his employment began.

UNFINISHED BUSINESS

None.
PUBLIC HEARING


City Manager Jim O'Toole stated that Mr. and Mrs. Blaine R. DeGrave, owners of 2.30 +/- acres located at 1900 South Lincoln Road is requesting the Planning Commission consider an amendment of the zoning ordinance to rezone the 2.30 +/- acres from a Residence “A” Single-family Dwelling Use to a Local Business “D” District Use.

City Manager O’Toole read the Staff Position Paper into record as follows:

CITY OF ESCANABA
REQUEST OF ZONING DISTRICT
CHANGE/AMENDMENT
CASE NO. PC-020917-01

REFERENCE: 1900 South Lincoln Road, Escanaba, Michigan.

DATE: February 9, 2017

PROPERTY OWNER/APPLICANT ADDRESS:

Blaine and Charlene DeGrave
8176 30th Road
Rapid River, MI 49878

TYPE/DESCRIPTION OF REQUEST:

In accordance with Section 103 Changes and Amendments of Escanaba’s Zoning Ordinance, the applicant is requesting the property consisting of 2.30 +/- acres located at 1900 South Lincoln Road be rezoned from a Single-Family Residence “A” District land use to a Local Business “D” District Use.

LEGAL DESCRIPTION:

SEC 1 T38N R23W E 200 FT NE 1/4 NE 1/4 EXC S 600 FT & EXC PAR 50 FT WIDE ON & E SIDES FOR R/W 18TH AVENUE SOUTH & M-35 AC #1

CURRENT ZONING:

Single-Family Residence “A” District.

ORDINANCE:

Ordinance No.1028 Escanaba Zoning Ordinance

COMPLIANCE WITH CHANGE AND AMENDMENT REQUIREMENTS:

1. Section 103.2. Procedure. Mr. and Mrs. Blaine DeGrave are the owners of the property under consideration for rezoning. As the property owners, they are requesting the property located at 1900 South Lincoln Road be rezone from a Single-family Residential “A” District Use to a Local Business “D” District Use. The DeGrave’s are of the
opinion that the property is not well suited for a single-family residential dwelling due to highway traffic and associated noise. The DeGrave’s have also stated that they have marketed the property “For Sale” as residential property for over ten (10) years and have received little to no interest from perspective buyers. As a means of full disclosure, Mr. Blaine DeGrave is an employee of the City of Escanaba.

2. Section 103.3. Public Hearing. As required by the City Zoning Ordinance the planning Commission must conduct a public hearing on any proposed changes to the Zoning Map.


4. Section 103.3.2. Notice Applicability. All persons to whom real property is assessed within 300 feet of the property and at least one (1) occupant of each dwelling unit or spatial area owned or leased by different persons within 300 feet of the property were sent notice of the proposed change and public hearing on January 23, 2017.

5. Section 103.4. Notice. Within the written notice there was a description of the proposed zoning, a description of the subject property, the time and location of the public hearing and when and where written comments will be received.

6. Section 103.5. Protest. If a protest of the proposed amendment is presented to the City Council at or before final action is taken on the amendment and it is properly signed by the owners of at least 20% of the area of land included in the proposed change, excluding publicly owned land, or by the owners of at least 20% of the area of and included within an area extending out at least 100 feet from any point on the boundary of land included in the proposed change, excluding publicly owned land, then such amendment shall be passed only upon four (4) affirmative votes of the City Council.

STAFF FINDINGS, COMMENT, GENERAL PLAN GOALS AND CONDITIONS OF APPROVAL:

1. Staff is recommending approval of the rezoning for the following reasons:

   A. The proposed request to change from a Single-family Residential “A” District Use to a Local Business “D” District Use is consistent with the adopted Future Land Use Map of the 2016 Community Master Plan. In the 2016 Plan the property has been recommended to support rezoning to a “General Business District”.

   B. The use of the property if rezoned should accommodate a wide range of retail goods and neighborhood services available to the community.

   C. Staff is recommending, if rezoned, a condition of approval be placed on the property which would not allow any additional driveway and/or access points from South Lincoln Road.

ENFORCEMENT HISTORY:

None.
OTHER CONSIDERATIONS:

None.

BACK-UP INFORMATION:

1. Application for Zoning Land Use Approval
2. Site Plan Diagram
3. Assessor’s Property Information Card
4. 300' radius property owner/tenant notification letter
5. 300' radius labels

City Manager O'Toole then reviewed the type of uses allowed in a Local Business “D” District as:

1. Professional office, studio, barber shop or beauty shop, provided that no mechanical or electrical equipment is used which will create a nuisance to the adjacent neighborhood.
2. Grocery store.
3. Bakeries, retail, including manufacturing of goods on premises.
4. Barber and beauty shops.
5. Clinics, medical, dental and optical.
7. Dry cleaning and laundry establishments, up to 4,500 square feet on a lot.
8. Florists, retail.
10. Locksmiths and gunsmiths.
11. Studios for artists, designers, photographers, musicians, sculptors, gymnasts, potters, wood and leather craftsmen, glass blowers, weavers, silversmiths, and designers of ornamental and precious jewelry.
12. Real estate office.

City Manager O'Toole then reviewed the history of the property’s use which was 20-25 years prior it was used by DeGrave Quality Homes to sell Wausau Manufactured Homes, which was considered Retail Office Use. He then noted that that use was allowed under a Zoning Board of Appeals process due to the Zoning Ordinance did not list anything for this use at that time.

Chairman Kel Smyth invited Mr. Blaine DeGrave to approach the podium.

Mr. Blaine DeGrave introduced himself and his wife, Charlene, as the owners of the property located at 1900 South Lincoln Road. Mr. DeGrave stated for the record that he is employed by the City of Escanaba as the City Code Compliance Inspector. He also stated that he, and his family, owned the property prior to his employment with the City. Mr. DeGrave went onto state that they were there to ask for the property to be rezoned from a Residential “A” District to a Local Business “D” District, in which they feel would assist them in being able to sell the property.

Mr. DeGrave went onto explain that they have had the property For Sale for the past ten (10) years, using two different realtors (State Wide and Premier). He stated that the only two interests that they have received on the property have been from business owners (one wanted to develop it as a maid service Main Office and the other for a retail florist location).
He stated the he feels that due to the high volume of traffic noise and safety concerns along the highway (M-35) this property is not suitable for a single-family residence. He noted that 660 feet of this property is directly along the highway.

Mr. DeGrave went onto state that he feels this property would benefit being zoned in a transitional way due to the Zoning District directly north being Mixed Use Residential/Commercial and the Zoning District directly south being Light Manufacturing.

Commissioner Hellerman questioned why the Residential Property that is west of the proposed property is not also being looked at to be rezoned. City Manager O'Toole replied that those properties could be looked at for rezoning at the request of the Property Owner(s).

City Manager O'Toole commented that he feels the proposed property would benefit from being “Formed Based” which means that the Developer would have to present the project in its entirety for approval in general terms.

Secretary Webber questioned Mr. DeGrave if he had been in previous contact about the letter that was sent to the Commission concerning this property. Mr. DeGrave stated that he had not.

Chairperson Smyth opened the floor for Public Comment.

Mitchell Hahn, owner of 2313 18th Avenue South and 2323 18th Avenue South, addressed the Planning Commission. He explained that his properties are the two biggest properties behind the property proposed for rezoning. He stated that he does not have any concern with the proposed property changing zoning types as long as his property remains the same and his taxes do not increase.

City Manager O’Toole read the following letter into record that was submitted by Todd and Tonya LaFave, owners of 1919 South Lincoln Road:

January 8, 2017

Todd and Tonya LaFave
2893 14th Road
Escanaba MI 49829

Escanaba Planning Commission
Escanaba, MI 49829

Re: Comments regarding Request of Zoning District Change-Residence “A” Single-Family Dwelling Use to a Local Business “D” District Use- 1900 South Lincoln Road

To Whom It May Concern:

Please read and include this correspondence at your Feb. 9, 2017 public hearing regarding the above mentioned request.

We own a residence located at 1919 South Lincoln Road. We ARE NOT in favor, nor do we support the re-zoning of the property at 1900 S. Lincoln Road, Escanaba, Michigan, to a Local Business "D" District Use. We feel this would directly jeopardize the quality and safety of our residential property and its occupants.

Sincerely,

[Signature]

Todd and Tonya LaFave
Chairperson Smyth closed the floor, and welcomed comment from Commissioners.

Secretary Webber commented that he is in the favor of the request and agrees that it would be beneficial to make the property a transitional zoning area. Commissioner Hellerman stated that he agreed with Secretary Webber.

Deputy Secretary Black questioned the location of the LaFave’s property compared to the DeGrave’s property. City Manager O’Toole replied that it is across the highway on the end of the block. Deputy Secretary Black then asked if it is known if that property is a rental property. City Manager O’Toole and Mr. DeGrave both commented that that property is a rental property.

Commissioner Warstler stated he would make a motion to approve this project due to the support in the Staff recommendation, the consistency with the Future Land Use Map, the consistency with good planning practices, and the belief that there will be minimal impact to adjoining properties.

A motion was made by Commissioner Warstler, seconded by Secretary Webber, to recommend Council approval to rezone the property from a Single-Family Residential “A” District to a Local Business “D” District based upon 1.) The proposed request to change from a Single-Family Residential “A” District use to a Local Business “D” District Use is consistent with the adopted Future Land Use Map of the 2016 Community Master Plan; and 2.) The use of the property if rezoned should accommodate a wide range of retail goods and neighborhood services available to the neighborhood and the community. Additionally, if the rezoning is approved by the City Council, the Planning Commission places a condition of approval on the property that no additional driveway and/or access points from South Lincoln Road be allowed. Ayes were unanimous.

NEW BUSINESS

1. Discussion — Redevelopment Ready Community Certification — Zoning Ordinance Review.

City Manager O’Toole stated in accordance with the best practice standards of the MEDC Redevelopment Ready Program, the Planning Commission will review and discuss the recently completed review of Escanaba’s Zoning Ordinance by the Central Upper Peninsula Planning and Development Regional Commission (CUPPAD). CUPPAD’s review of the Ordinance was completed so as to determine that the Escanaba Zoning Ordinance aligns with the goals of the Master Plan and to determine if the community has a zoning plan that may need changes with respect to the Future Land Use Map and any ordinance text to implement the Master Plan.

City Manager O’Toole introduced Richard Smith from CUPPAD. Jim went onto explain that Mr. Smith has done a review of the City’s Zoning Ordinance and has made some comments and recommendations. Jim stated that Mr. Smith was there to review his findings, and that he would then suggest that some of the findings be added to the Planning Commission 2017 Work Plan. Mr. O’Toole noted that this is one of the final steps that the City needs to take to receive its Redevelopment Ready Community Certification.

Richard Smith explained that he is an employee for CUPPAD as a Community Planner. He went onto state that he was asked to review the City of Escanaba’s Zoning Ordinance, in which he reported in his findings through a letter in which he reviewed with the Planning Commission. The letter reads as such (see next page):
CITY OF ESCANABA
REQUEST OF ZONING DISTRICT
CHANGE/AMENDMENT
CASE NO. PC-020917-01

REFERENCE: 1900 South Lincoln Road, Escanaba, Michigan.

DATE: February 9, 2017

PROPERTY OWNER/APPLICANT ADDRESS:

Blaine and Charlene DeGrave
8176 30th Road
Rapid River, MI 49878

TYPE/DISCRITION OF REQUEST:

In accordance with Section 103 Changes and Amendments of Escanaba’s Zoning Ordinance, the applicant is requesting the property consisting of 2.30 +/- acres located at 1900 South Lincoln Road be rezoned from a Single-Family Residence “A” District land use to a Local Business “D” District Use.

LEGAL DESCRIPTION:

SEC 1 T38N R23W E 200 FT NE 1/4 NE 1/4 EXC S 600 FT & EXC PAR 50 FT WIDE ON & E SIDES FOR R/W 18TH AVENUE SOUTH & M-35 AC #1

CURRENT ZONING:

Single-Family Residence “A” District.

ORDINANCE:

Ordinance No.1028 Escanaba Zoning Ordinance

COMPLIANCE WITH CHANGE AND AMENDMENT REQUIREMENTS:

1. Section 103.2. Procedure. Mr. and Mrs. Blaine DeGrave are the owners of the property under consideration for rezoning. As the property owners, they are requesting the property located at 1900 South Lincoln Road be rezone from a Single-family Residential “A” District Use to a Local Business “D” District Use. The DeGrave’s are of the opinion that the property is not well suited for a single-family residential dwelling due to highway traffic and associated noise. The DeGrave’s have also stated that they have marketed the property “For Sale” as residential property for over ten (10) years and have received little to no interest from perspective buyers. As a means of full disclosure, Mr. Blaine DeGrave is an employee of the City of Escanaba.

2. Section 103.3. Public Hearing. As required by the City Zoning Ordinance the planning Commission must conduct a public hearing on any proposed changes to the Zoning Map.


4. Section 103.3.2. Notice Applicability. All persons to whom real property is assessed within 300 feet of the property and at least one (1) occupant of each dwelling unit or spatial area owned or
leased by different persons within 300 feet of the property were sent notice of the proposed change and public hearing on January 23, 2017.

5. Section 103.4. Notice. Within the written notice there was a description of the proposed zoning, a description of the subject property, the time and location of the public hearing and when and where written comments will be received.

6. Section 103.5. Protest. If a protest of the proposed amendment is presented to the City Council at or before final action is taken on the amendment and it is properly signed by the owners of at least 20% of the area of land included in the proposed change, excluding publicly owned land, or by the owners of at least 20% of the area of and included within an area extending out at least 100 feet from any point on the boundary of land included in the proposed change, excluding publicly owned land, then such amendment shall be passed only upon four (4) affirmative votes of the City Council.

**STAFF FINDINGS, COMMENT, GENERAL PLAN GOALS AND CONDITIONS OF APPROVAL:**

1. Staff is recommending approval of the rezoning for the following reasons:

   A. The proposed request to change from a Single-family Residential “A” District Use to a Local Business “D” District Use is consistent with the adopted Future Land Use Map of the 2016 Community Master Plan. In the 2016 Plan the property has been recommended to support rezoning to a “General Business District”.

   B. The use of the property if rezoned should accommodate a wide range of retail good and neighborhood services available to the community.

   C. Staff is recommending, if rezoned, a condition of approval be placed on the property which would not allow any additional driveway and/or access points from South Lincoln Road.

**ENFORCEMENT HISTORY:**

None.

**OTHER CONSIDERATIONS:**

None.

**BACK-UP INFORMATION:**

1. Application for Zoning Land Use Approval

2. Site Plan Diagram

3. Assessor’s Property Information Card

4. 300' radius property owner/tenant notification letter

5. 300' radius labels
January 17, 2017

Dear Sir/Madam:

Below is a brief description of the history of the land located at 1900 South Lincoln Road, Escanaba, MI hereafter known as “the property”, and its ownership.

My name is Blaine R. DeGrave and along with my wife, Charlene M. DeGrave, we are the current owners of the property which is listed above. I am employed as the City of Escanaba’s Code Compliance Official and work in the Community Preservation and Development office located in City Hall. I have been employed in this capacity since 2006.

The property was purchased by my family in 1994 and was zoned Residential “A” which is designated for the purpose of residential homes. At the time of the purchase a variance was requested and subsequently granted to allow for the use as a site to establish an office and model home in which my family ran our construction business. Prior to working for the City and after the passing of my father in June 2005, I was the part owner of the family run business, DeGrave Quality Homes, which my father had started in 1973. We designed sold and constructed panelized and modular homes through Wausau Homes Inc. and successfully ran this business on this property until the downturn of the housing industry and recession of 2006-2007. It was at this time in which the business was dissolved and I took the position I currently hold with the City of Escanaba.

Since the closing of our family business, the property has been for sale through several local real estate agents. In those 10 years the inquiries I have received for the property have been for business/commercial uses only. I firmly believe that the use of this property as a residential lot for the construction of a residential home is not the best use. The property parallels M-35 and due to traffic noise and vehicle traffic it makes this area unsuitable and undesirable as residential property.

Sincerely,

[Signature]

Blaine R. DeGrave
Property Owner
Attachment 2

Zoning Amendment Purpose: The Zoning Amendment is requested for the purpose of (describe in detail):

To have zoning in place for potential business entities such as professional offices, medical clinics, real estate offices or such.

Explanation: The property parallels 660 ft. of Hwy. M-35 (South Lincoln Rd). The noise levels and speeds from vehicles along this path do not make this property favorable for residential housing which is the classification it is under. (Zoning District “A” Residential) The property has been for sale for the last 10 years since the closing of our family construction business and the only inquires for the property have been commercial in nature. I am requesting that the property be reclassified as Zoning District “D” Local Business. This is in line with the Master plans future classification for this property.
CITY OF ESCANABA
CHANGE OF ZONING DISTRICT/
COMPREHENSIVE PLAN AMENDMENT APPLICATION

PROPERTY OWNER:* Name: Blaine R. DeGreve
* If contract purchase, please provide copy of contract
Address: 8776 30th Rd
City: Rapid River State: MT Zip: 49878
Phone: (906) 280-1818 Cell: Same

OWNER REPRESENTATIVE:
Name: 
Address: 
City: State: Zip: 
Phone: Cell: 

DESCRIPTION OF PROPERTY:
Address: 1900 South Lincoln Rd
Sheet: 22 Block: Map #1 Lot: 
Existing Zoning Classification: Residential "A"
Proposed Zoning District: ** "D" General Business District
Existing Comp. Plan Designation: 
Total land area to be rezoned: See Attachment 1

ZONING AMENDMENT PURPOSE:
The Zoning Amendment is being requested for the purpose of (describe in detail)
See Attachment 2

NAMES AND ADDRESSES OF ADJACENT PROPERTY OWNERS: (Use separate sheet for additional names)
North: Dagena's Real Estate
South: Delta County Airport
East: 171-35
West: Mitchell Hahn 406 So. 16th St

CERTIFICATION: I certify that the information contained herein is true and accurate.

Signed: Blaine R. DeGreve

FOR STAFF USE

Checklist:
☐ Adjacent Property Owners
☒ Completed Application 12/19/16
☐ Fees Paid 12/19/16
☐ Survey of Property
☒ Property Located on Tax Map 12/19/16

NOTIFICATION OF PLANNING COMMISSION HEARING DATE

Application of , located at , to rezone property from to will be heard by the Planning Commission on in the City Council Chambers, 410 Ludington Street, Escanaba, MI 49829, at 6:00pm. The Applicant or their representative must be present at the meeting. A staff report on the application will be available at this office five days prior to the meeting.

Signature of Person Accepting Application: ___________________________ Date: ___________________________
CHANGE OF ZONING DISTRICT/
COMPREHENSIVE PLAN AMENDMENT APPLICATION PROCEDURE

(Cross-Reference: Zoning Ordinance – Section 103 Changes and Amendments)

The City of Escanaba Community Preservation Department uses a three (3) step application process, which must be followed in order for a zoning amendment to be acted upon by the City.

STEP 1. Initial Contacts with City Offices
The zoning amendment must be reviewed with the city staff (by appointment) prior to submission of materials for Planning Commission review. This initial discussion is to insure both the applicant and the City staff have a proper understanding of what is being requested by the applicant and to review the steps and approvals that are necessary to make the change.

STEP 2. Official Submission
An official submission of a zoning amendment can only occur after the City Administration has determined Step 1 to be completed. All required material to be submitted for approval must be complete and accurate. The proposed zoning amendment submission materials will be checked for completeness and accuracy. Failure to provide all required material and fees in accordance with the submission procedures, or incomplete submitted material might cause the entire submission to be rejected, returned or delayed.

MATERIALS REQUIRED FOR THE SUBMISSION OF A ZONING AMENDMENT
- One completed “Zoning Amendment Application Packet”.
- The required submission fee (See the attached “Fee Schedule”).
- Two (2) copies of a proposed zoning map which must include an accurate legal description of all lands proposed to be rezoned and identification of the pertinent existing and proposed zoning districts and labels.

Upon notice from the City that the application materials are complete, the applicant may be requested to submit additional copies of the final zoning map prior to the Planning Commission meeting. Additional copies may also be required for the future City Council meeting.

Procedurally, the Community Preservation Department will publish a newspaper notice of Public Hearing at least fifteen (15) days prior to the Planning Commission meeting so that each public entity, public utility company and each railroad company owning or operating any public utility or railroad within the district has an opportunity to comment on the proposed application. For properties which are proposed for rezoning, notice of the proposed rezoning and hearing shall be given at least fifteen (15) days before the hearing to the owners of the property in questions; all persons to whom real property is assessed within three hundred (300) feet of the boundary of the property in question, and to at least one (1) occupant of each dwelling unit or spatial area owned or leased by different persons within three hundred (300) feet of the boundary of the property in question. After the Public Hearing, the Planning Commission will make a recommendation on the zoning amendment request to the City of Escanaba City Council. The City of Escanaba City Council will then consider the amendment at a future City Council Meeting.

STEP 3. City Council Review
After the Planning Commission has recommended a zoning district change, the Escanaba City Council shall hold a Public Hearing to review and amend the Escanaba Zoning Ordinance if approved by the council. Only the applicant and agents listed on the Application will receive a copy of the City Administration recommendations and a copy of the Planning Commission agenda before the Planning Commission meeting date. Any other party wishing to obtain a copy of the recommendation/agenda can obtain a copy from the City of Escanaba Website (www.escanaba.org) or through the City of Escanaba Clerk’s Office.

SPOT ZONING
The zoning of a small area of land, or one or more properties, for a use that is not in harmony with the normal zoning plan for the area, especially if a small area is rezoned in a way that does not conform to the surrounding neighborhood will not be considered by the City of Escanaba. Spot zoning is normally invalid if the permitted use is very different from the surrounding area; the area involved is small; or it can be shown that the City of Escanaba has favored one land owner to the unreasonable detriment of the surrounding area, or so as to prejudice the intention of the Comprehensive Plan.
Parcel No.: 051-420-3501-200-004  Jurisdiction: City of Escanaba  County: Delta  Printed on: 05/20/2013

Grantor: DEGRAVE QUALITY HOMES INC  Grantee: DEGRAVE BLAINE & CHARLENE

DEGRAVE QUALITY HOMES INC  DEGRAVE BLAINE & CHARLENE  0  12/08/2010  WD  FAMILY  1007/830  0.
DEGRAVE  DEGRAVE  80,000  02/01/2006  WD  WD  836/443

Property Address: 1900 SOUTH LINCOLN ROAD

School: DISTRICT 21010  P.R.E. 0%

Owner's Name/Address: DEGRAVE BLAINE & CHARLENE 8176 30TH RD RAPID RIVER MI 49878

2013 Est TCV 43,500 TCV/TFA: 0.00

Land Value Estimates for Land Table 5: Res 5

X Improved  Vacant  * Factors *

Public Improvements

Dirt Road  Gravel Road  Paved Road
X  Storm Sewer  Sidewalk
X  Water  Sewer  Electric
X  Gas
X  Curb
X  Street Lights
Standard Utilities
Underground Utila.

Topography of Site
X  Level
Rolling
Low
High
Landscaped
Swamp
Woods
Pond
Waterfront
Ravine
Wetland
Flood Plain

Who  When  What

2013  21,750  0  21,750
2012  26,250  0  26,250
2011  26,250  0  26,250
2010  0  26,250  26,250

** Information herein deemed reliable but not guaranteed**
CHAPTER 5
RESIDENCE “A” DISTRICTS

SECTION 501
GENERAL PROVISIONS

501.1. Purpose. The single-family dwelling district is for the purpose of primarily accommodating conventional single-family dwellings.

501.2. Cross References, as amended.

A. Zoning and planning in home rules cities - MCLA 117.4i
B. Regulation of location of trades, buildings and uses by local authorities - MCLA 125.581
C. Regulation of buildings; authority to zone - MCLA 125.582
D. Regulation of congested areas - MCLA 125.583
E. Uses of land or structures not conforming to ordinances; powers of legislative bodies; acquisition of property - MCLA 125.583a

SECTION 502
PRINCIPAL USES PERMITTED BY RIGHT

502.1. General. The following uses of land and buildings, together with accessory uses, are allowed in the one-family district:

B. Accessory buildings and uses, including swimming pools, customarily incident to any of the above permitted uses.
C. Gardens, arboretums, nursery, or greenhouses without sales facilities.
B. Park, playground, school or college stadium or athletic field, golf course.
C. Telephone exchange where no public business offices and no repair, storage or garage facilities are maintained.
D. Special Care Facilities subject to the following conditions:

1. A special use permit must be approved by the Planning Commission.
2. The allowable number of total occupants shall not exceed six (6) within any 1500 foot radius.
3. Required area and lot sizes shall be the same as for other residential occupancy requirements within the zoning district.
4. All applicants for special use permits must demonstrate that there will be adequately trained personnel to staff or manage the type of facility being proposed.
5. In Residence A Districts, not more than six (6) permitted within any 1500 foot radius.
E. Home Occupations. As used in this chapter, a home occupation is an accessory use of the main dwelling that shall constitute either entirely or partially the livelihood of a person living in the dwelling, provided it complies with all applicable performance standards set forth in this chapter. Home Occupations subject to the following conditions:

1. A home occupation shall be conducted within the dwelling unit which is the bona fide residence of the principal practitioner of the occupation.
2. All business activity and storage shall take place within the interior of the dwelling unit.
3. No alterations to the exterior of the residential dwelling or yard that alters the residential character of the exterior premises is permissible.
4. The home occupation shall not generate vehicular traffic beyond eight-trip-ends per day.
5. Only off-street parking facilities customary for a residential use and located on the premises may be used.
6. No vehicles used in the conduct of the occupation may be parked, kept or otherwise be present on the premises, other than such as are customarily used for domestic or household purposes.
7. Home occupations shall be conducted solely by persons residing at the residence, and not more than two such persons shall be employed in the home occupation.
8. One (1) sign identifying a home occupation may be used provided is wall mounted on the principal residence and is not more than three (3) square feet with no side dimension exceeding thirty-six (36) inches.
9. No sale or rental of goods is allowed on the premises, except as secondary and incidental to the furnishing of a service.
10. Instruction in crafts and fine arts are recognized as allowable home occupations if they meet the above conditions.
11. The use shall not generate noise, vibration or odors detectable beyond the property line.

(a) **Permitted Home Occupations.** The following are permitted home occupations provided they do not violate any of the provisions of the “A” District, and that they are consistent with State and local licensing requirements.

(1) Beauty/barbershop, single chair.
(2) Bed and breakfast operation.
(3) Catering, home cooking and preserving.
(4) Family day care home.
(5) Computer programming and services.
(6) Contractor or decorator.
(7) Direct sale product distribution, e.g. Amway, Avon, Mary-Kay.
(8) Taxidermy.
(9) Dressmaking, sewing and tailoring.
(10) Drafting and graphic services.
(11) Flower arranging.
(12) Gardening, landscaping maintenance.
(13) Home crafts such as model making, rug weaving, lapidary work, jewelry making, woodworking and upholstery.
(14) Individual musical instrument instruction, provided that no instrument is amplified.
(15) Interior designers.
(16) Janitorial and cleaning services.
(17) Laundry and ironing services.
(18) Locksmith.
(19) Mail order catalog services.
(20) Office of minister, rabbi, or priest.
(21) Offices such as an accountant, architect, bookkeeper, broker, consultant, counselor, dentist, engineer, investment and financial planner, land surveyor, lawyer, physician, psychologist, psychiatrist and real estate broker.
(22) Office of a sales representative or manufacturer's representative.
(23) Painting, sculpturing, photography or writing.
(24) Repair service for small items.
(25) Secretarial services.
(26) Telephone answering or solicitation work.
(27) Tutoring or educational instruction.
(28) Similar types of businesses as approved by the Planning Commission.
(29) The above list is not exclusive.

(b) **Prohibited Home Occupations.** The following are prohibited as home occupations:

(1) Amusement or dance parlor.
(2) Funeral home or chapel.
(3) Health salons, gyms.
(4) Kennel or other boarding of animals.
(5) Medical or dental clinic, hospital.
(6) Motor vehicle repair, parts sales, upholstery.
(7) Motor vehicle sales.
(8) Motor vehicle fleet storage.
(9) Nursing home.
(10) Private club.
(11) Repair or testing of internal combustion engines.
(12) Restaurant.
(13) Tavern.
(14) Veterinary clinic or animal hospital.
(15) Similar types of businesses. The above list is not exclusive.

F. **Bed and Breakfast Establishment.** Bed and Breakfast Establishment subject to the following conditions:
1. The minimum size of a one-family residential dwelling for a Bed and Breakfast Establishment is two thousand (2,000) square feet of normal residential space, exclusive of garages and storage sheds.

2. All applicants for a bed and Breakfast Establishment license must demonstrate that the proposed establishment will comply with Escanaba's Bed and Breakfast Establishment ordinance.

I. Adult Foster Care Facilities. Adult Foster Care (state licensed residential facility as defined by MCLA 125.5836; MSA 5.2933(27)).

SECTION 503
USES ALLOWED BY SPECIAL LAND USE PERMIT

503.1. General. The following uses of land and buildings, together with accessory uses, are allowed in the Single-Family Districts if a special land use permit is issued according to the standards of this Chapter:

A. Clustered single-family dwellings.
B. Essential service building, publicly owned buildings.
C. Group day care homes.
D. Places of worship.
E. Schools.
F. Temporary dwelling units.
G. Churches, public or parochial schools, colleges, publicly owned and operated libraries, museum.
H. Community building or club, except where the principal activity thereof is a service customarily carried on as a business.
I. Nursery schools, child care centers, and similar institutions for children of pre-school age.
J. Fire and Police Stations.
K. Hospital, clinic, convent, home dormitory, or other buildings of like character, occupied, or to be occupied more or less permanently (but not including penal or correctional institutions).
L. Convenience Store.

SECTION 504
ACCESSORY USES PERMITTED IN A RESIDENCE A DISTRICT - WHEN LOCATED ON THE SAME LOT WITH THE PRINCIPAL USE

504.1. Allowed Uses. Uses customarily incident to any of the permitted uses and located on the same lot therewith, provided all area and yard requirements are met.

SECTION 505
SETBACKS

505.1. Front Yard Requirement. In a Residence A District there shall be a front yard on every lot.

505.1.1. Front Yard. Every front yard shall be at least twenty-five (25) feet or thirty-five percent (35%) of the depth of the lot (whichever is least restrictive) as measured at right angles from the front lot line to the nearest part of the principal building located on
the lot, provided however, that on lots located on the same side of the street and between the same consecutive intersecting streets as other lots of which at least fifty percent (50%) are occupied by uses wherein the depths of the front yard are other than that required above, the depth of the front yard shall be not less than the average depth of the front yards of such occupied lots. In no case are the provisions of this section to require a front yard depth in excess of 35 percent of the average depth of the lot nor less than 15 feet.

505.1.2. Front Yard Setback. The front yard setback shall not be used for off-street parking from April 2 to November 30, and shall remain as open space unoccupied and unobstructed from the ground upward except for landscaping, plant materials, or vehicle access drives.

505.2. Side Yard Requirement. In a Residence A District there shall be on each side of every lot a side yard.

505.2.1. Minimum Side Yard. The minimum side yard for residential structures shall be ten percent of the width of the lot with a total of twenty-five percent (25%) of the lot required for both side yards; provided, however, that no side yard shall have a width of less than four feet and this shall be increased by four (4) feet for each story by which a building erected on a lot exceeds 2 stories in height. And provided however that no minimum interior side yard shall be required to exceed fifteen (15) feet nor shall the total side yards be required to exceed forty-five (45) feet.

505.2.2. Side Yard Width. The width of a side yard abutting upon a street shall not be less than the minimum front yard depth required on an adjoining interior lot fronting upon such side street but this shall not reduce the buildable width of any lot of record at the time of passage of this ordinance to less than thirty (30) feet at the ground story level; provided, however, that in no case shall the width of said side yard be less than eight (8) feet.

505.2.3. Other Buildings. For any building other than a dwelling, in which persons congregate, or which is designed, arranged, remodeled, or normally used for the congregation of persons, in numbers in excess of fifty (50), or for any telephone exchange, police or fire station, the width of each side yard shall not be less than twelve (12) feet, and in addition thereto the width of each side yard shall be increased four (4) feet for each twenty-five (25) persons or major fraction thereof, in excess of fifty (50), for the accommodation of whom the building is designed, arranged, remodeled, or normally used, except that for portions of such building of fire resistant construction and entirely without movable windows or other openings, an increase of only two (2) feet for each twenty-five (25) persons or major fraction thereof in excess of fifty (50) shall be required.

505.3. Rear Yard Requirement. In a Residence A District there shall be a rear yard on every lot.

505.3.1. Minimum Rear Yard. The minimum rear yard shall be twenty (20) feet in depth as measured at right angles from the rear lot line to the nearest part of the principle building on each lot upon which a one (1) story principal building is located. On lots occupied by other than one story principal buildings, the minimum depth of the required rear yard shall be increased by four (4) feet for each additional story. The
depth of a rear yard abutting upon a street shall be not less than the depth of the front yard required for a building of the same size and kind on an adjoining lot fronting on such rear street.

505.3.2. Other Buildings. On a lot occupied by a building other than a dwelling, in which persons congregate, or which is designed, arranged, remodeled, or normally used for the congregation of persons in numbers in excess of fifty (50), the depth of the rear yard shall be increased by four (4) feet for each twenty-five (25) persons or major fraction thereof, in excess of fifty (50).

505.4. Through Lots and Corner Lot. Through lots and corners lots having a frontage on two streets shall provide the required setback on both streets.

505.5. Other Requirements.

505.5.1. Storage. Storage of a boat, motor home, camper, utility trailer or other recreational vehicle or equipment is limited to rear and side yard only. Storage shall mean parking the vehicle or equipment in an area unused for the purpose for which it was designed for a period of thirty (30) consecutive days or more.

505.5.2. Lots Along Railroad Right-of-Way or Property. Any lot created or recorded after October 1, 2003, that is adjacent to or along a railroad right-of-way, shall not be used for any residential purpose unless it has a depth of at least two hundred fifty (250) feet.

SECTION 506
ENCROACHMENTS INTO SETBACKS

506.1. Projections into Required Yards. Outside stairways, fire escapes, fire towers, chimneys, platforms, enclosed balconies/porches, boiler/furnace flues, eaves, sills, belt courses, cornices and other projections shall be considered part of the building, subject to the setback requirements of the building.

Exceptions:

A. Terraces, patios, decks, uncovered and unenclosed porches which do not extend more than thirty (30) inches above grade at the nearest side property line may project into a required side setback provided these projections are no closer than two (2) feet from the subject side property line.

B. An unenclosed balcony, porch or deck may project into a rear setback for a distance not exceeding twenty (20) feet.

C. Unenclosed porches/balconies may not extend more than eight (8) feet into the front yard.

D. Awnings, arbors and trellises, flagpoles, window air conditioner units and fences.

E. Bay windows may project into the required side yard, front yard or rear yard not more than eighteen (18) inches.

506.2. Handicap Ramp Procedure/Other Encroachments. The Code Official shall have the authority to approve a handicapped ramp or other encroachment into a yard, if the encroachment is required by law and there is no other reasonable location.
506.2.1. Neighbor Notification. Before granting any administrative approval, the Code Official shall take reasonable steps to inform the owners of the property abutting on that side of the location of the requested approval or on all sides, if all sides would be affected. The Code Official shall inform the relevant abutting owner(s) that the owner is entitled to object. The abutting owner shall have three (3) working days to make comments to the Code Official. The Code Official shall take into consideration any comments received.

506.2.2. Variance. If the Code Official determines that there is not a basis for administrative approval, then the applicant must seek a variance.

506.2.3. Administrative Denial. If any person who is deemed to have the status of an aggrieved person objects to the administrative approval with a stated reason before the Code Official's written decision, then the Code Official shall deny the request for an administrative approval and the applicant must file for a variance.

SECTION 507
LOT DENSITY

507.1. Area. No newly established lot shall have a depth of less than one hundred (100) feet or a depth in excess of four (4) times its width. The minimum width of lots on which no permanent dwellings have been erected at the time of the passage of this ordinance shall be sixty (60) feet. With Planning Commission approval and in accordance with the subsections 507.2. Planning Commission Approval-Irregular Lot, 507.3. Public Hearing Process-Irregular Lot, 507.3.1. Newspaper Notice, 507.3.2. Public Notice, 507.3.3. Notice Applicability, 507.3.4. Public Hearing-Notice Content, 507.4. Approval Standards-Irregular Lot, 507.5. Protest-Irregular Lot Approval, and 507.6. Appeal-Irregular Lot, an irregular lot with less than 60 feet of street frontage may have a permanent dwelling erected upon same provided the building construction complies with all other yard, height and setback requirements for the district and the essential character of the locality is not altered. In Original Plat Proprietor's Addition Subdivision, Proprietor's First Addition Subdivision, Selden Subdivision, S.H. Selden Addition, Cleary's Subdivision, Ludington Addition, Proprietor's Second Addition, Glazer's Addition, Cadyland Company Third Addition, Campbell's Second Addition, Campbell's Third Addition, Wells Addition, Brandso's Addition, Moore and Matthews Addition, I. Stephenson Company Plat, I. Stephenson Company First Addition, I. Stephenson Company Second Addition, the minimum width of lots at the time of passage of this Ordinance shall be fifty (50) feet provided all other yard requirements are met.

507.1.1. Square Footage. In a Residence A District no building containing a single family dwelling shall be erected or used on any lot less than six thousand (6,000) square feet in area.

507.1.2. Area Percentage. No buildings or structures hereafter erected shall occupy more than thirty-five percent (35%) of the area of the lot. The required lot area for a lot of record is to be measured within one hundred forty (140) feet of the front line. The required lot area of an irregular lot is to be measured within one hundred forty (140) feet of the building lot line.

507.2 Planning Commission Approval-Irregular Lot. It shall be the duty of the Planning
Commission to review all use requests for irregular lots. The application shall be accompanied by maps, drawings or other documentation in support of the request. The granting of an irregular lot use shall not exempt the applicant from having to comply with other relevant provisions of related ordinances.

507.3. Public Hearing Process - Irregular Lot. A hearing before the Planning Commission shall be conducted on all proposed irregular lot uses. The procedure for the Planning Commission public hearing shall be as follows:

507.3.1. Newspaper Notice. At least fifteen (15) days notice of the public hearing shall be given in an official newspaper of general circulation in the City.

507.3.2. Public Notice. At least fifteen (15) days notice of the time and place of the public hearing shall be mailed to each public entity, public utility company and to each railroad company owning or operating any public utility or railroad within the districts affected that registers its name and mailing address with the City Clerk for the purpose of receiving the notice. An affidavit of mailing shall be maintained.

507.3.3. Notice Applicability. For properties which are proposed for irregular lot use, notice of the proposed use and hearing shall be given at least fifteen (15) days before the hearing to:

A. The owners of the property in question;
B. All persons to whom real property is assessed within three hundred (300) feet of the boundary of the property in question; and
C. At least one (1) occupant of each dwelling unit or spatial area owned or leased by different persons within three hundred (300) feet of the boundary of the property in question. Where a single structure contains more than four (4) dwelling units or distinct spatial areas, notice may be given to the manager or owner of the structure with a request to post the notice at the primary entrance to the structure. Where the names of the occupant is not known, the term "occupant" may be used in making notification.

507.3.4. Public Hearing - Notice Content: The notice shall contain the following:

A. A description of the proposed irregular land use;
B. A description of the subject property;
C. The time and location of the public hearing; and
D. Then and where written comments will be received.

507.4 Approval Standards - Irregular Lot. An irregular lot use may be granted by the Planning Commission provided the following standards are met:

A. The essential character of the locality is not altered.
B. The development of the properly will be good for the general welfare of the neighborhood for the orderly development of the land in accordance with the goals and objectives as identified in the Community Comprehensive Plan.
C. There is a clear showing of an unnecessary hardship in that the property as a whole cannot reasonably be put to a use authorized by this Zoning Code.
D. The alleged difficulty is not solely economic, and is based on the reasonable use of the parcel of land.
E. The lot will have adequate accessibility, or an area available for public utilities and emergency and other vehicles.

507.5 Protest - Irregular Lot Approval. If a protest of a proposed irregular lot approval is presented to the Planning Commission at or before the public hearing date on the request and it is properly signed by the owners of at least twenty percent (20%) of the noticed area of land, included in the request, excluding publicly owned land then such request for irregular lot use approval shall be passed only by the affirmative vote of three-fourths of the members of the Planning Commission.

507.6. Appeal-Irregular Lot. Any person with standing, aggrieved, or affected by the decision of the Planning Commission concerning an irregular lot use approval/disapproval shall be permitted to appeal the decision to the Zoning Board of Appeals as outlined in Chapter 3 Board of Zoning Appeals.

SECTION 508
BUILDING HEIGHT

508.1. General. In a Residence A District, no dwelling shall exceed thirty-five (35) feet in height, and no building other than a dwelling shall exceed forty-five (45) feet in height.

Exceptions:

A. Steeples and Clock Towers may be erected to a height not exceeding twice the height of the attached building.
B. Parapet Walls may be used to screen existing equipment if the wall extends around the perimeter of the building and incorporates exterior building materials similar to those of the main building.

SECTION 509
ACCESSORY BUILDINGS/PRIVATE GARAGES

509.1. Distances. Accessory buildings other than private garages shall be at least ten (10) feet from any dwelling situated on the same lot and at least six (6) feet from any other building on adjacent lot or accessory building on the same lot.

509.2. Front Yard Space. Detached accessory buildings and/or private garages may not occupy front yard space.

509.3. Side Yard Space. Accessory buildings and/or private garages and portions thereof may occupy that portion of the side yard which is in excess of the said yard requirements.

509.4. Rear Yard Area. Accessory buildings and/or private garages and portions thereof may occupy up to fifty percent (50%) of the required rear yard space except, where a rear yard abuts for its full width upon a street, said buildings and portions thereof shall not occupy any of the required minimum rear yard space. On a corner lot, accessory buildings and/or private garages shall not occupy any part of that portion of the rear yard lying nearer to the street than the width of the side yard required for the same lot and abutting on such street.
509.5. Side yard Requirement. No portion of any accessory building and/or private garage shall approach nearer to a side lot line than three (3) feet except that on adjoining lots one story accessory buildings may be built up to the common lot line for a distance of not to exceed thirty (30) feet, provided, that such buildings on both sides of such common lot line are erected at the same time and are separated by a common or party wall of fire resistant construction. No portion of any private garage shall approach nearer to a rear lot line/alley right-of-way than five (5) feet.

509.6. Accessory Height. Accessory buildings other than a private garage shall not exceed twelve (12) feet in height from ground floor to mean height as defined in Chapter 1, General Provisions, Section 111. General Definitions. The height of a private garage shall not exceed eighteen (18) feet in height from ground floor to mean height as defined in Chapter 1, General Provisions, Section 111. General Definitions or the height of the principal building, whichever is less.

SECTION 510
PARKING

510.1. General Space Requirements. Parking space requirements for single-family dwellings are two (2) for each dwelling unit. All residential parking shall be located on the premises it is intended to serve.

510.1.1. Required parking spaces shall be in the dimension of ten (10) by twenty (20), shall be on a hard surface driveway or in a private garage and shall not be located in a required front yard.

510.2. Elderly Housing Requirements. Parking space requirements for elderly housing is one for each four (4) units, and one (1) for each employee. Should units revert to general occupancies, then two spaces per unit shall be provided.

510.3. Bed and Breakfast Establishment Requirements. Parking space requirements for bed and breakfast establishments are two parking spaces for use of the operator and family of the operator and one parking space per bed and breakfast sleepingroom.

510.4. Surface of Parking Area. Parking spaces and driveways shall be provided with a paved surface. The parking/driveway surface must be graded and drained so as to dispose of all surface water accumulation within the area. There must be a concrete curb at least four (4) inches above grade along the side or sides adjacent to the residential area up to a point two (2) feet from the sidewalk. A concrete or other suitable barrier must be placed parallel to the walk to prevent any parked vehicle from approaching closer than two (2) feet to the sidewalk.

SECTION 511
REPAIR/STORAGE OF VEHICLES AND MERCHANDISE

511.1 General. The repair of vehicles, and the storage of merchandise, motor vehicles or trucks is prohibited.
SECTION 512
CONVEYANCES WHICH CREATE NON-CONFORMING USE

512.1. General. No conveyance of land shall hereafter be made when, as a result of such conveyance, the land or structure of the grantor shall be caused thereby to become a non-conforming use or structure.

SECTION 513
LANDSCAPING REQUIREMENTS

513.1. General. Landscaping is required for all new buildings and additions over five hundred (500) square feet as defined in this Section. Said landscaping shall be completed within one year from the date of occupancy of the building.

513.2. Front Yards. Front yards required by this Ordinance shall be completely landscaped, except for those areas occupied by access driveways, walls and structures.

513.3. Street-Side Side Yards. All flanking street-side side yards shall be completely landscaped, except for those areas occupied by utilities, access driveways, paved walks, walls and structures.

513.4. Maintenance. All live landscaping required by this Ordinance shall be properly maintained. All dead or dying landscaping shall be replaced immediately and all sodded areas mowed, fertilized, and irrigated on a regular basis.

SECTION 514
FENCES AND WALLS

514.1. General. The following restriction shall apply to all fences and walls located within the zoned district, except for fences and walls surrounding public utility structures or radio, television, or microwave transmission or relay towers:

A. No person shall construct or cause to have constructed any fence or wall upon any property within the City without first having to obtain a permit.
B. Permit application shall contain all information required for the determination of whether the erection of such fence or wall will violate any Ordinance of the City.
C. No fence or wall located in the front yard shall be built to a height greater than four (4) feet above grade and six (6) feet above the grade in the side and rear yard area. On a corner lot fences and walls nearer the street than the established building line shall not exceed four (4) feet in height.
D. The capital of a fence post or column may extend up to two (2) feet above the maximum fence/wall height limit.
E. No partition fence or wall shall extend towards the street beyond two (2) feet from the established lot line, nor shall any fence or wall or portion thereof be erected in any area on or parallel to the front lot line except that it shall be located a minimum of two (2) feet behind the inside edge of the established sidewalk line.
F. No person being the owner, lessee, occupant or agent for the same, of any building in the City shall erect, cause to be erected, or maintain on or about
the walk or stairway to the entrance to such building, any railing, fence, guard or other projection on to which there shall be affixed or placed, or in any manner attached, any barbed wire construction, nor shall there be maintained, either partially or wholly, around any area adjacent to any street, alley, lane or public way, or in or along any street or sidewalk in front or adjacent to any public spaces or place, or nail or cause the same to be nailed or fastened, in any form, shape or manner, upon any partition form, any such barbed wire construction, nor shall any electrical current be charged through any fence whatsoever.

G. Any person within the corporate limits of the City erecting or maintaining any fence or hedge shall be fully responsible for the care and maintenance of the fence or hedge and shall assume full responsibility for any damaging arising due to the erection of such fence or hedge.

SECTION 515
SIGNS

515.1. General. All signs must be designed, installed, and maintained in accordance with the provisions of Chapter 3 Advertising Regulations; Signs., as amended, of the Code of Ordinances.
CHAPTER 9
LOCAL BUSINESS DISTRICT ("D")

SECTION 901
GENERAL

901.1. Purpose. The Local Business District is for the purpose of accommodating a wide range of retail goods and neighborhood services available to the community. These uses are intended to be developed compactly within a neighborhood and have coordinated access, preferably with limited driveways and shared parking facilities.

901.2. Cross References, as amended.

A. Zoning and planning in home rules cities MCLA 117.41
B. Regulation of location of trades, buildings and uses by local authorities MCLA 125.581
C. Regulation of buildings; authority to zone MCLA 125.582
D. Regulation of congested areas MCLA 125.583
E. Uses of land or structures not conforming to ordinances; powers of legislative bodies; acquisition of property MCLA 125.583a

SECTION 902
USES PERMITTED IN A LOCAL BUSINESS DISTRICT

902.1. General. In a Local Business District a building, structure, or premises may be erected or used for one or more of the following specified purposes:

A. Professional office, studio, barber shop or beauty shop, provided that no mechanical or electrical equipment is used which will create a nuisance to the adjacent neighborhood.
B. Grocery store.
C. Bakeries, retail, including manufacturing of goods on premises.
D. Barber and beauty shops.
E. Clinics, medical, dental and optical.
F. Clinics, veterinary.
G. Dry cleaning and laundry establishments, up to 4500 square feet on a lot.
H. Florists, retail.
I. Funeral homes.
J. Locksmiths and gunsmiths.
K. Studios for artists, designers, photographers, musicians, sculptors, gymnasts, potters, wood and leather craftsman, glass blowers, weavers, silversmiths, and designers of ornamental and precious jewelry.
L. Real estate office.

SECTION 903
USES ALLOWED BY SPECIAL LAND USE PERMIT

903.1. General. The following uses of land and buildings, together with accessory uses, are allowed in the Local Business District if a special land use permit is issued according to the standards of this ordinance.
A. Public garages, repair shops, gasoline service stations, and other motor fueling filling stations.

B. The Planning Commission may authorize principle and other uses not stated in the district where the land is located, provided that such uses are consistent with the neighborhood, intent of this Chapter, and the standards set forth herein.

SECTION 904
ACCESSORY USES PERMITTED IN A LOCAL BUSINESS DISTRICT WHEN LOCATED ON THE SAME LOT WITH THE PRINCIPAL USE

904.1. Accessory Uses. The following uses are permitted in a Local Business District when located on the same lot with the principal use.

A. Living quarters of persons employed on the premises, and not rented or otherwise used as a separate dwelling.

B. Uses customarily incident to any of the permitted uses and located on the same lot therewith.

C. Private and community garages for the storage of vehicles only.

SECTION 905
SETBACKS

905.1. Front Yard Requirement. This front yard lot shall be at least twenty-five (25) feet or thirty-five percent (35%) of the depth of the lot (whichever is least restrictive) as measured at right angles from the front lot line to the nearest part of the principal building located on the lot, provided, however, that on lots located on the same side of the street and between the same consecutive intersecting streets as other lots of which at least fifty percent (50%) are occupied by uses wherein the depths of the front yard are other than that required above, the depth of the front yard shall not be less than the average depth of the front a yards of such occupied lots. In no case are the provisions of this section to require a front yard depth in excess of thirty-five percent (35%) of the average depth of the lot nor less than fifteen (15) feet.

905.1.1. Principal Use. When the non-conforming principal use is of a residential nature the requirements of the nearest Residential District shall apply.

905.2. Side Yard Requirement. In a Local Business District there shall be two side yards on each lot. The minimum side yard shall be at least ten percent (10%) of the width of the lot, with a total of twenty-five percent (25%) of the width of the lot required for both side yards, provided, however, that no side yard shall be less than four (4) feet in width and that the minimum width of each side lot shall be increased by four (4) feet for each story by which the building exceeds two (2) stories in height.

905.2.1. Side Yard Width. The width of a side yard abutting upon a street shall not be less than the minimum front yard depth required on an adjoining interior lot fronting upon such side street but this shall not reduce the buildable width of any lot of record at the time of the passage of this ordinance to less than thirty (30) feet at the ground story level; provided, however, that in no case shall the width of said side yard be less than eight (8) feet.
905.3. Rear Yard Requirement. The minimum rear yard shall be twenty (20) feet in depth as measured at right angles from the rear lot line to the nearest part of the principal building on each lot upon which a one story principal building is located. On lots occupied by other than one story principal buildings, the minimum depth of the required rear yard shall be increased by four (4) feet for each additional story.

905.3.1. Depth. The depth of a rear yard abutting upon a street shall not be less than the depth of the front yard required for a building of the same size and kind on an adjoining lot fronting on such rear street.

905.4. Through Lots and Corner Lot. Through lots and corner lots having a frontage on two streets shall provide the required setback on both streets.

SECTION 906
ENCROACEMENTS INTO SETBACKS

906.1. Projections Into Required Yards. Outside stairways, fire escapes, fire towers, chimneys, platforms, enclosed balconies/porches, boiler/furnace flues, eaves, sills, belt courses, cornices and other projections shall be considered part of the building, subject to the setback requirements of the building.

Exceptions:

A. Terraces, patios, decks, uncovered and unenclosed porches which do not extend more than thirty (30) inches above grade at the nearest side property line may project into a required side setback provided these projections are no closer than two (2) feet from the subject side property line.

B. Awnings, arbors and trellises, flagpoles, window air conditioner units and fences.

C. Bay windows may project into the required side yard, front yard or rear yard not more than eighteen (18) inches.

906.2. Handicap Ramp Procedure/Other Encroachments. The Code Official shall have the authority to approve a handicapped ramp or other encroachment into a yard, if the encroachment is required by law and there is no other reasonable location.

906.2.1. Neighbor Notification. Before granting any administrative approval, the Code Official shall take reasonable steps to inform the owners of the property abutting on that side of the location of the requested approval or on all sides, if all sides would be affected. The Code Official shall inform the relevant abutting owner(s) that the owner is entitled to object. The abutting owner shall have three working days to make comments to the Code Official. The Code Official shall take into consideration any comments received.

906.2.2. Variance. If the Code Official determines that there is not a basis for administrative approval, then the applicant must seek a variance.

906.2.3. Administrative Denial. If any person who is deemed to have the status of an aggrieved person objects to the administrative approval with a stated reason before the Code Official's written decision, then the Code Official shall deny the request for an administrative approval and the applicant must file for a variance.
SECTION 907
LOT DENSITY

907.1. Area. The minimum width of lots on which no permanent dwellings have been erected at the time of the passage of this ordinance shall be sixty (60) feet. An irregular lot with less than sixty (60) feet of street frontage may not have a permanent dwelling erected upon same. In Original Plat Proprietor’s Addition Subdivision, Proprietor’s First Addition Subdivision, Selden Subdivision, S.H. Selden Addition, Cleary’s Subdivision, Ludington Addition, Campbell’s Second Addition, Proprietor’s Second Addition, Glazer’s Addition, Cadyland Company Third Addition, Campbell’s Second Addition, Campbell’s Third Addition, Wells Addition, Brandso’s Addition, Moore and Matthews Addition, I. Stephenson Company Plat, I. Stephenson Company First Addition, I. Stephenson Company Second Addition, the minimum width of lots at the time of passage of this Ordinance shall be fifty (50) feet provided all other yard requirements are met. No buildings or structures hereafter erected shall occupy more than seventy-five percent (75%) of the area of the lot required lot area for a lot of record is to be measured within one hundred forty (140) feet of the front line

SECTION 908
BUILDING HEIGHT

908.1. General. In a Local Business District, no building or structure shall exceed three (3) stories, nor shall exceed thirty-five (35) feet in height.

Exceptions:

A. Steeples and Clock Towers may be erected to a height not exceeding twice the height of the attached building.

B. Parapet Walls may be used to screen existing equipment may be erected if the wall extends around the perimeter of the building and incorporates exterior building materials similar to those of the main building.

SECTION 909
ACCESSORY BUILDINGS/PRIVATE GARAGES

909.1. General. The following is a list of Accessory Buildings/Private Garages requirement for a Local Business District:

A. Accessory buildings other than private garages shall be at least ten (10) feet from any dwelling situated on the same lot and at least six (6) feet from any other building on adjacent lot or accessory building on the same lot.

B. Accessory buildings and/or private garages may not occupy front yard space.

C. Accessory buildings and/or private garages and portions thereof may occupy that portion of the side yard which is in excess of the said yard requirements.

D. Accessory buildings and/or private garages and portions thereof may occupy up to fifty percent (50%) of the required rear yard space except, where a rear yard abuts for its full width upon a street, said buildings and portions thereof shall not occupy any of the required minimum rear yard space. On a corner lot, accessory buildings and/or private garages shall not occupy any part of that portion of the rear yard lying nearer to the street than the width of the side yard required for the same lot and abutting on such street.
E. No portion of any accessory building and/or private garage shall approach nearer to a side lot line than three (3) feet except that on adjoining lots one story accessory buildings may be built up to the common lot line for a distance of not to exceed thirty (30) feet, provided, that such buildings on both sides of such common lot line are erected at the same time and are separated by a common or party wall of fire resistant construction. No portion of any private garage shall approach nearer to a rear lot line/alley right-of-way than five (5) feet.

F. Accessory buildings other than a private garage shall not exceed twelve (12) feet in height from ground floor to mean height as defined in Chapter 1, General Provisions, Section 111, General Definitions. The height of a private garage shall not exceed 18 feet in height from ground floor to mean height as defined in Chapter 1, General Provisions, Section 111, General Definitions or the height of the principal building, whichever is less.

SECTION 910
PARKING

910.1. General. Requirements for parking, loading, and driveways are contained in Chapter 17, Parking and Circulation Requirements.

SECTION 911
REPAIR/STORAGE OF VEHICLES AND MERCHANDISE

911.1. General. The repair of vehicles, and the storage of merchandise, motor vehicles or trucks is prohibited unless a special land use permit is issued by the Planning Commission.

SECTION 912
LANDSCAPING REQUIREMENTS

912.1. General. Landscaping is required for all new buildings and additions over 500 square feet as defined in this Section. Said landscaping shall be completed within one year from the date of occupancy of the building.

912.2. Front Yards. Front yards required by this Ordinance shall be completely landscaped, except for those areas occupied by access driveways, walls and structures.

912.3. Street-Side Yards. All flanking street-side side yards shall be completely landscaped, except for those areas occupied by utilities, access driveways, paved walks, walls and structures.

912.4. Maintenance. All live landscaping required by this Ordinance shall be properly maintained. All dead or dying landscaping shall be replaced immediately and all sodded areas mowed, fertilized, and irrigated on a regular basis.

SECTION 913
FENCES AND WALLS

913.1. General. The following restriction shall apply to all fences and walls located within the zoned district, except for fences and walls surrounding public utility structures or radio, television, or microwave transmission or relay towers:
A. No person shall construct or cause to have constructed any fence or wall upon any property within the City without first having to obtain a permit.

B. Any person desiring to build or to cause to be built a fence or wall upon their property or property owned by the City shall first apply to the City for a permit. Such application shall contain any and all information required for the determination of whether the erection of such fence or wall will violate any Ordinance of the City.

C. No fence or wall located in the yard shall be built to a height greater than four (4) feet above grade in the front yard and six (6) feet in the side and rear yard area. On a corner lot fences and walls nearer the street than the established building line shall not exceed four (4) in height.

D. The capital of a fence post or column may extend up to two (2) feet above the maximum fence/wall height limit.

E. No partition fence or wall shall extend towards the street beyond two (2) feet from the established lot line, nor shall any fence or wall or portion thereof be erected in any area on or parallel to the front lot line except that it shall be located a minimum of two (2) feet behind the inside edge of the established sidewalk line.

F. No person being the owner, lessee, occupant or agent for the same, of any building in the City shall erect, cause to be erected, or maintain on or about the walk or stairway to the entrance to such building, any railing, fence, guard or other projection on which there shall be affixed or placed, or in any manner attached, any barbed wire construction, nor shall there be maintained, either partially or wholly, around any area adjacent to any street, alley, lane or public way, or in or along any street or sidewalk in front or adjacent to any public space or place, or nail or cause the same to be nailed or fastened, in any form, shape or manner, upon any partition form, any such barbed wire construction, nor shall any electrical current be charged through any fence whatsoever.

G. Any person within the corporate limits of the City erecting or maintaining any fence or wall between the edge of the established lot line and the inside edge of the sidewalk or where any sidewalk would normally be, shall be fully responsible for the care and maintenance of the fence or wall and shall assume full responsibility for any damaged arising due to the erection of such fence or wall.

SECTION 914
SIGNS

914.1. General. All signs must be designed, installed, and maintained in accordance with the provisions of Chapter 3 Advertising Regulations; Signs., as amended, of the Code of Ordinances.

SECTION 915
CONVEYANCES WHICH CREATE NON-CONFORMING USE

915.1. General. No conveyance of land shall hereafter be made when, as a result of such conveyance, the land or structure of the grantor shall be caused thereby to become a non-conforming use or structure.
The minutes of a rescheduled meeting of the Zoning Board of Appeals was held on September 28, 1993, in the Council Chambers of the Catherine Bonifas Civic Center, 225 North 21st Street, Escanaba, Michigan, at 5:10 p.m.

MEMBERS PRESENT: Chris Economos, Dennis Renken, Todd Hurley, Arlene Larson Ex-officio Garth Rigg

MEMBERS ABSENT: None

BUELL, PRISCILLA MAY REQUEST, 805 South 19th Street

Brian LaCrosse, grandson of Priscilla May Buell, appeared on behalf of Mrs. Buell to present a request for a hearing on an appeal for a variance from the side yard requirements in a Residence "A" District to permit the erection of a carport up to the south lot line at 805 South 19th Street. Mr. LaCrosse pointed out that this property does not abut an alley and the requested carport would be up to a common lot line with Mrs. Buell and the property south of her.

There was some discussion of the relative inaccessibility and this use of the alley behind Mrs. Buell's house and some of the other peculiarities of the location.

Motion was entered by Chris Economos, seconded by Dennis Renken, that a hearing be granted on this appeal at the next regular meeting of the Zoning Board of Appeals.

Ayes - unanimous

The Board asked that some kind of markers be put on the lot even, if necessary, painted on the concrete parking pad in this location so they could get a specific idea of where the proposed carport would be located.

DEGRAVE QUALITY HOMES, 1900 South Lincoln Road

W.H. DeGrave and Rick DeGrave appeared to present an appeal for a permit to set a temporary structure at approximately 1900 South Lincoln Road. Mr. DeGrave is asking for a permit to set model homes on temporary foundations for display purposes only at this location. Mr. DeGrave further explained that it was their intent to place at least one model home in this location and as future business developed, to increase this up to three display homes. He explained to the Board that these would be set on a concrete slab with temporary supports and skirting so that they could be shown for display. No utilities would be supplied to these structures other than electrical power to at least one of them to provide lighting in the display.
The Board asked if the lot would be landscaped and they stated that there would be grass planted around the buildings but there would not be a full scale landscaping of the parcel.

Chairman Hurley asked if there had been any communication on this and Mr. Rigg noted that James Christensen and Leonard Gerou, nearby property owners, had appeared on September 21 when the Board had failed to obtain a quorum to inquire more specifically into the plans for this property and to express their concern with the way it might be developed.

Motion was then entered by Chris Economos, seconded by Dennis Renken, to grant a permit to use the land at approximately 1900 South Lincoln Road for two years for one display model home provided that for any change of models on this property, that a maximum of one month would occur between the removal of one model and the placement of a new model home on the lot. With the understanding that if the DeGraves wished to place more model homes on this lot in the future, that they could return to the Board to request such permission.

Ayes - unanimous

MARENGER, NORMAN APPEAL, North 16th Street

Mr. & Mrs. Marenger appeared before the Board to present an appeal for a variance from the front/side yard requirements in a Light Manufacturing District on North 16th Street north of 7th Avenue North to permit the erection of a 30' x 50' residential storage building on this property with the building being set closer to the street lot line than allowed by the Zoning Ordinance.

Mr. Marenger presented sketches of his proposed layout and letters from neighbors indicating that they had no problem with the use.

After some discussion of the location of the structure, Chairman Hurley asked Mr. Rigg the exact nature of this appeal.

Mr. Rigg stated that the primary variance was from the front yard requirement facing the southeast but also noted that it needed to be clear that this would be approved for a residential-type storage building being placed on a lot without a principal structure on the lot.

Motion was then entered by Dennis Renken, seconded by Arlene Larson, to grant the variance from the front yard set-back to permit the erection of a building as indicated in the drawings presented by Mr. Marenger which would place it within ten feet of the lot line at North 16th Street.

Ayes - unanimous.
Mr. LaMarch appeared before the Board to present an appeal for a variance from the maximum area of a lot which may be occupied to permit the erection of a 20' x 28' addition to his detached garage at 329 North 15th Street. This addition would cause the structures on this lot to exceed the allowable area by approximately 492 square feet. Mr. LaMarch showed some photos and the Board had in hand a sketch of the layout of the lot indicating that the addition would not approach any closer to either side line and would still be within at least 10 feet from the alley lot line.

Chairman Hurley asked Mr. Rigg if there had been any communications and Mr. Rigg stated that Elsie Roberts and Pat Brunette who live in this area had appeared on September 21 when the Board had failed to reach a quorum to inquire of Mr. LaMarch's plans. Their concern appeared to be more that Mr. LaMarch might approach closer to a side lot line toward their property and did not appear to have a great problem with any addition to the rear of his garage.

Motion was then entered by Arlene Larson, seconded by Dennis Renken, to grant a variance to permit Mr. LaMarch to exceed the allowable area of his lot as proposed in his appeal.

Ayes - unanimous

Ms. Dion and Gerald Seymour appeared before the Board to appeal for a variance from the maximum area of a lot which may be occupied by structures on her lot at 525 North 19th Street. Ms. Dion has erected a detached garage on this lot which causes the structures on this lot to exceed the area allowed in the Zoning Ordinance. She is asking for a variance from the Zoning Ordinance so she will not have to remove the garage which has already been erected:

Ms. Dion and Mr. Seymour reviewed the action taken on this lot to begin the erection of a garage and explained some of the confusion over applying for a permit and assumptions that a permit had been approved upon the issuing of a receipt of payment toward a permit.

Mr. Rigg reviewed his action in the application process, noting that work had begun on the foundation before a permit was applied for, that he had understood from the contractor that no superstructure would probably be built until next year. Upon reviewing the permit and determining that the proposed building would exceed buildable area, a notice was sent out on July 20, 1993, notifying Ms. Dion that the proposed garage would exceed the allowable buildable area. Upon receipt of the notice, she had replied to Mr. Rigg that the garage had already been erected before she received the notice.

The Board asked Mr. Rigg whether he felt there had been a deliberate attempt to circumvent the zoning in this action. Mr. Rigg stated he felt there had no deliberate
attempt to circumvent the zoning. He felt it had been primarily a matter of mis-
communication and misunderstanding.

Motion was then entered by Chris Economos, seconded by Arlene Larson, to allow the
garage to remain and be occupied in excess of the allowable buildable area due to the
ambiguities involved in the process of applying for the permit and due to the fact that
there had not been any intentional attempt to circumvent the Zoning Ordinance.

Ayes - unanimous

Motion was then entered by Chris Economos, seconded by Dennis Renken, that the meeting be
adjourned. The meeting was adjourned at 6:10 p.m.

[Signature]
Todd Hurley, Chairman

Garth Rigg
January 23, 2017

Escanaba Planning Commission
Escanaba, Michigan 49829


Dear Property Owner/Occupant of «Property_Address»:

A regular scheduled meeting of the Escanaba Planning Commission has been scheduled for February 9, at 6:00 p.m. at the Escanaba City Hall, 410 Ludington Street. The following item will be on the agenda:

**Public Hearing – Request of Zoning District Change/Amendment**

Mr. Blaine R. DeGrave, owner of 2.30 +/- acres located at 1900 South Lincoln Road is requesting the Planning Commission consider an amendment of the zoning ordinance to rezone the 2.30 +/- acres from a Residence “A” Single-Family Dwelling Use to a Local Business “D” District Use.

You are cordially invited to attend this meeting should you have any interest in this request, questions, or comments. If you have comments, but are unable to attend this meeting, please submit your written comments to the City of Escanaba Planning Commission prior to February 9, 2017. All written and signed comments will be read into the public record. After the public hearing, the Planning Commission could recommend the request to the City Council. If so, the City Council will then consider the amendment at a future City Council meeting.

The City of Escanaba will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/听得 upon a five (5) day notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling the City of Escanaba at (906) 786-9402. A copy of the various referenced plans can be viewed at City Hall, Second Floor, 410 Ludington Street, Escanaba, MI, Monday through Friday, 7:30 a.m. to 4:00 p.m.

Sincerely,

James V. O’Toole, City Manager on
Behalf of Escanaba Planning Commission

PROOF OF SERVICE – MAILING
This document was enclosed in sealed envelope, first class postage fully prepaid, and deposited in the U.S. Government Mail.
Addressee(s): Assessed Property Owner/Occupant
300' Radius of 1900 South Lincoln Road
Mailing Date: January 23, 2017
Attested To By: Lisa Glish
City of Escanaba - City Hall

Mission Statement:
Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.
The City of Escanaba is an equal opportunity employer and provider.
<table>
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<th>Property Address</th>
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<th>First Name</th>
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Dagenais Real Estate Inc  
1505 N Lincoln Rd  
Escanaba, MI 49829

UP Enterprises LLC  
1505 N Lincoln Rd  
Escanaba, MI 49829

Blaine & Charlene DeGrave  
8176 30th Rd  
Rapid River, MI 49878

Raquel Torro Zelenak  
1907 S Lincoln Rd  
Escanaba, MI 49829

Todd & Mary Hurley  
1125 Lake Shore Dr  
Escanaba, MI 49829

Brent Dagenais  
1915 S Lincoln Rd  
Escanaba, MI 49829

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Escanaba, MI 49829

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2022 13th Ave S  
Escanaba, MI 49829

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1808 22nd Ave S  
Escanaba, MI 49829

Delta County Airport  
C/O Delta County  
310 Ludington St - Ste 171  
Escanaba, MI 49829

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C/O Delta County  
310 Ludington St - Ste 171  
Escanaba, MI 49829

Casey S & Victoria C Schroeder  
2241 18th Ave S  
Escanaba, MI 49829

Casey S & Mislinski V Schroeder  
2241 18th Ave S  
Escanaba, MI 49829

Mitchell Hahn  
406 S 16th St  
Escanaba, MI 49829

David J Gerou  
1501 N Oracle Rd - Apt 1023  
Tucson, AZ 85705

Mitchell Hahn  
406 S 16th St  
Escanaba, MI 49829

Delta County Airport  
C/O Delta County  
310 Ludington St - Ste 171  
Escanaba, MI 49829

Dagenais Real Estate Inc  
1505 N Lincoln Rd  
Escanaba, MI 49829

Dagenais Real Estate Inc  
1505 N Lincoln Rd  
Escanaba, MI 49829

City of Escanaba  
Po Box 948  
Escanaba, MI 49829
CITY OF ESCANABA
PLANNING COMMISSION PUBLIC
HEARING NOTICE

At a regularly scheduled meeting of the Escanaba Planning
Commission on February 9, 2017, at 6:00 p.m. in the
Council Chambers of the Escanaba City Hall, 410
Ludington Street, Escanaba, MI 49829, the following
public hearing will be conducted:

Public Hearing - Request of Zoning District
Change/Amendment

Mr. Blaine R. DeGrave, owner of 2.30 +/- acres located at
1900 South Lincoln Road is requesting the Planning
Commission consider an amendment of the zoning
ordinance to rezone the 2.30 +/- acres from a
Residence "A" Single-family Dwelling Use to a Local
Business "D" District Use.

The public is cordially invited to attend this meeting
should you have any questions, comments or concerns on
any of the proposed amendments. If you have questions,
comments or concerns, but are unable to attend this
meeting, please submit your written concerns to the City
of Escanaba, City Manager's Office, P.O. Box 948, 410
Ludington Street, Escanaba, MI 49829 prior to February
9, 2017. All written correspondence will be read into the
public record. A copy of the application to rezone along
with proposed zoning ordinance amendments can be
viewed at City Hall, 410 Ludington Street, Escanaba, MI
49829 or at www.escanaba.org in the Land
Development Toolbox tab.

Escanaba Planning Commission

Escanaba Daily Press
Mon, Jan. 23, 2017
Memo

To: Jim O'Toole, City Manager
From: Jeff Lampl, W & WWTP Supt
Date: 2/22/17
Re: Raw Sewage Pump Replacement

Jim:

I have sent out the necessary Bids to replace one of our Raw Sewage Pumps. I have listed each contractor who has submitted a bid. Attached you will find the complete bid tabulation and each vendors proposal.

Crane Engineering; Kimberly, WI $23,650.00
K&M Industrial LLC; Escanaba, MI $37,215.00
Industrial Services Group, Inc: Ishpeming, MI $49,985.38

After reviewing all the information submitted by the vendors, I would like to recommend the purchasing of Crane’s pump indicated within their bid.

We will not replace either the line shaft or motor at this time, however any repairs needed to line shaft have been included in the costs above.

With your approval I would like to award this work to Crane Engineering of Kimberly WI to provide and install a new Raw Sewage Pump as per the specifications' listed in the RFP at a cost not to exceed $23,650.00.

Money is budgeted an available for this activity.

Pc: Melissa Becotte, City Controller
# CITY OF ESCANABA

## RECORD OF BIDS

**DATE BIDS OPENED:** February 7, 2017  
**DESCRIPTION OF ITEM:** WWTP Raw Sewage Pump Bld-2017

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**PRESENT:**

[Signature]

---

**Notes:**
- Check for completeness.
BIDDER'S PROPOSAL

Escanaba WWTP Raw Sewage Pump – 2016

DATE: 2/17/16

City of Escanaba
Escanaba, Michigan 49829

We, the undersigned, agree to furnish the City of Escanaba, Michigan ALL MATERIALS AND LABOR TO REPLACE THE EXISTING #2 Raw Sewage Pump AT THE ESCANABA WASTEWATER TREATMENT PLANT, in accordance with the attached minimum specifications, which are part of this proposal, at the following price:

BID: 1. Bid amount to replace the #2 Raw Sewage Pump at the Wastewater Treatment Plant as specified: $23,650

ANY REQUIRED REPAIRS TO EXISTING LINE SHAFT SHALL BE INCLUDED IN THE BID ABOVE.

Additional Bid: 2. Bid amount to replace #2 Raw Sewage pump motor at the WWTP as specified: $13,000

3. Bid amount to replace #2 Raw Sewage pump line shaft at the WWTP as specified: $6,000

Total Proposal Cost $42,650

Specify Output of pump and/or motor proposed:

@ 40 Hz 0.72 MGD

@ 60 Hz 3.60 MGD

CERTIFIED CHECK, CASHIER’S CHECK OR BIDDER’S BOND ENCLOSED IN THE AMOUNT OF: (Not less than the 10% of total) $5,000 (must be included to qualify)

SUBMITTED BY:
FIRM: CRANE ENGINEERING
ADDRESS: 707 PO Box 80

BY: ERIC FINNELL
PRINTED: ERIC FINNELL
TITLE: FIELD SALES MANAGER
PHONE: 928 733 4425 FAX: 928 733 0211
BIDDER'S PROPOSAL

Escanaba WWTP Raw Sewage Pump – 2016

DATE: __2-7-17__

City of Escanaba
Escanaba, Michigan 49829

We, the undersigned, agree to furnish the City of Escanaba, Michigan ALL MATERIALS AND LABOR TO REPLACE THE EXISTING #2 Raw Sewage Pump AT THE ESCANABA WASTEWATER TREATMENT PLANT, in accordance with the attached minimum specifications, which are part of this proposal, at the following price:

BID: 1. Bid amount to replace the #2 Raw Sewage Pump at the Wastewater Treatment Plant as specified: $37,215.00

ANY REQUIRED REPAIRS TO EXISTING LINE SHAFT SHALL BE INCLUDED IN THE BID ABOVE

Additional Bid: 2. Bid amount to replace #2 Raw Sewage pump motor at the WWTP as specified: $9,100.00

3. Bid amount to replace #2 Raw Sewage pump line shaft at the WWTP as specified: $_________________

Total Proposal Cost $46,315.00

Specify Output of pump and/or motor proposed: @ 40 Hz 3,600 MGD
@ 51 Hz 6,000 MGD
@ 60 Hz 3,024 MGD

CERTIFIED CHECK, CASHIER'S CHECK OR BIDDER'S BOND ENCLOSED IN THE AMOUNT OF: (Not less the 10% of total) $4,700.00 (must be included to qualify)

SUBMITTED BY:
FIRM: K & M INDUSTRIAL
ADDRESS: 80 DELTA AVE, HUGO, MINNESOTA
BY: __________
PRINTED: Richard Johnston
TITLE: PROJECT MANAGER
PHONE: 906 420 8770 FAX: __________

Page 8 of 8
BIDDER'S PROPOSAL

Escanaba WWTP Raw Sewage Pump – 2016

DATE: Feb 6, 2017

City of Escanaba
Escanaba, Michigan 49829

We, the undersigned, agree to furnish the City of Escanaba, Michigan ALL MATERIALS AND LABOR TO REPLACE THE EXISTING # 2 Raw Sewage Pump AT THE ESCANABA WASTEWATER TREATMENT PLANT, in accordance with the attached minimum specifications, which are part of this proposal, at the following price:

BID: 1. Bid amount to replace the #2 Raw Sewage Pump at the Wastewater Treatment Plant as specified: $49,985.38

ANY REQUIRED REPAIRS TO EXISTING LINE SHAFT SHALL BE INCLUDED IN THE BID ABOVE.

2. Bid amount to replace #2 Raw Sewage pump motor at the WWTP as specified: $3,643.35

3. Bid amount to replace #2 Raw Sewage pump line shaft at the WWTP as specified: $2,845.00

Total Proposal Cost $56,303.73

Specify Output of pump and/or motor proposed:
@ 40 Hz 2.00 MGD
@ 60 Hz 3.02 MGD
Min. Flow 1.0 MGD

CERTIFIED CHECK, CASHIER'S CHECK OR BIDDER'S BOND ENCLOSED IN THE AMOUNT OF: (Not less than the 10% of total)
S $5,685

(must be included to qualify)

SUBMITTED BY:
FIRM: Industrial Services Group Inc.
ADDRESS: 5547 N. Shoreline Drive, Sturgeon Bay, WI 54295
BY: Paragraph
PRINTED: Frank Leonard
TITLE: Manager
PHONE: 920-851-2821 FAX: 

Page 8 of 8
Memo

To: Jim O'Toole, City Manager
From: Jeff Lampi, W & WWTP Supt.
Date: 2/22/17
Re: Ludington Lift Station Control's Replacement

Jim:

I have sent out the necessary Bids to replace the controls at the Ludington Lift Station. Only one bid was received to do this work. Attached you will find the complete bid tabulation of the vendor's proposal.

K&M Industrial LLC; Escanaba, MI

$20,932.88

After reviewing all the information submitted, I recommend we procuring the services of K&M Industrial of Escanaba as indicated within their bid to conduct this work.

With your approval I would like to award this work to K&M Industrial of Escanaba MI to provide and install a set of new digi-gauge controls as per the specifications' listed in the RFP at a cost not to exceed $20,932.88.

Money is budgeted and available for this activity.

Cc: Melissa Becotte, City Controller
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<th>NAME OF BIDDER</th>
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</table>

DATE BIDS OPENED: February 21, 2017
DESCRIPTION OF ITEM: Primary Sludge Pump Bid

PRESIDENT: [Signature]

[Signature]
BIDDER'S PROPOSAL

RFP: ESCANABA WWTP LUDINGTON LIFT STATION PUMP CONTROL– 2017

DATE: 2-21-17

City of Escanaba
Escanaba, Michigan 49829

We, the undersigned, agree to furnish the City of Escanaba, Michigan ALL MATERIALS AND LABOR TO REPLACE THE EXISTING PUMP CONTROL SYSTEM WITH TWO (2) DIGI-GAUGES AT THE ESCANABA LUDINGTON LIFT STATION, in accordance with the attached minimum specifications, which are part of this proposal, at the following price:

BID:

Bid amount to furnish and install two (2) Digi-gauge Triplex pump controls with all accessories as specified $20,932.88

Amount of Bid Bond enclosed: 100 $2,100.00

Please include the following items with the bid:

Contractor's written plan to fulfill the bid requirements, including date of installation
Proof of Insurance coverage

SUBMITTED BY:

FIRM: K&H INDUSTRIAL
ADDRESS: 80 DREAME GLADSTONE MI

BY: Richard Johnson

PRINTED: Richard Johnson
TITLE: Project Mgr.
PHONE: 906-420-0680 FAX: 906-420-8773
Memo

To: Jim O'Toole, City Manager
From: Jeff Lampi, W & WWTP Supt.
Date: 2/22/17
Re: Repair / Replace Reduced Pressure Zone Assemblies (RPZ)

Jim,

As you know the DEQ conducted the Sanitary Survey last fall. A long list of items were addressed that required corrective action. One of these items was the repair or replacement of our Reduced Pressure Zone Assemblies (RPZ). Currently our RPZ is not operational, and needs maintenance or replacement. Every plumber who has looked at it recommends replacement, as the parts for it will be very hard to find due to its age.

I have been working on getting a qualified plumber to do this replacement work for several years, and they are all very reluctant to commit to this work. I believe its because this work will need to be conducted during a complete Water Plant shut down, which only a short eight (8) to ten (10) hour window.

We had invited seven (7) different plumbers to bid on this work, but only one showed up. I have attached minutes from our “on-site” pre-bid meeting.

Johnson Controls was the only vendor to show up and they only submitted a bid after much discussion.

I have outlined each proposal below, as well attaching both documents:

Proposal #1: Replace RPZ in existing location. $14,117.77
Proposal #2: Replace RPZ with two new 4" RPZ’s $24,753.78

I would like your approval to retain the services of Johnson Controls of Appleton WI to perform this work at a cost not to exceed $14,117.77. I don’t believe there is enough available money budgeted for this work, but it is a requirement of the DEQ to complete this work.

PC. Melissa Becotte, City Controller
Escanaba WTP RPZ Replacement
Meeting Minutes

Prior to on site meeting:

January 12, 2017
Vendors listed below were contacted via email:

- Frazer Mechanical
- King Plumbing & Heating
- Up Plumbing & Heating
- Berger & King
- Dehooghe & Viau Plumbing & Heating
- B & B Plumbing
- Eichhorn G & Sons

January 26, 2017
Present: Jeff Lampi, Supt.; Patty Franks, Chief of Operations; Rebecca Kleiman, Secretary; Ben Eichhorn, Johnson Controls.

Location Escanaba Water Treatment Plant

Meeting Began – 1:00 pm
Short Discussion
Visited RPZ locations in WTP
Regrouped in breakroom
Discussed any questions
Meeting Adjourned – 1:45 pm

The Following Four (4) Bid/Quotes Were Requested:

I. Provide Bid replacement of 4" RPZ in existing location

II. Provide Bid for reengineered or replacement of RPZ with new valves & dual parallel RPZ’s in RPZ Room

- Must be completed within eight (8) hours
- Must be completed during plant shut down
  - Start time 10 or 11 pm

III. Bid or Pass on Fire System RPZ Addition

IV. RPZ Testing at the Water and Wastewater Plants

- Can be scheduled anytime
Proposal

TO: ESCANABA WATER TREATMENT PLANT

ATTN: JEFF LAMPI

We propose to furnish the materials and/or perform the work below for the net price of: $14,117.77

For the above price this proposal includes:

PROPOSAL# 1

THIS PROPOSAL IS TO CHANGE OUT EXISTING 4" RPZ WITH NEW 4" RPZ AND STRAINER. ALSO WE WILL BE INSTALLING A 2" DRAIN LINE OFF NEW RPZ TO BASEMENT FLOOR TO STOP ANY WATER DRIPPING INTO FILTRATE WATER TANK.

WE WILL BUILD TEMPOARY SHELTER WHEN REMOVING EXISTING RPZ SO CONTAMINATION INTO DRINKING WATER DOES NOT OCCUR FROM RUST, PAINT ETC.

DUE TO THE LIMITED SPACE AVAILABLE IN THIS SPOT A SPECIAL ORDER RPZ WILL HAVE TO BE MADE WITH A THREE TO FOUR WEEK LEAD TIME.

ORIGINALLY IT WAS THOUGHT WE COULD SHUT VALVES OFF AND INSTALL NEW RPZ BUT EXISTING VALVES ARE WAFER VALVES AND THERE IS NO WAY TO ISOLATE AND UNBOLT SO WE WILL NEED TO DO THIS JOB ON A NITE SHUT DOWN.

This proposal DOES NOT include:

1. Labor or material not specifically described above is excluded from this proposal.
2. Unless otherwise stated, any and all overtime labor is excluded from this proposal.
3. Applicable taxes or special freight charges are excluded from this proposal.

Important: This proposal incorporates by reference the Terms and Conditions attached

This proposal is hereby accepted and Johnson Controls is authorized to proceed with the work, subject to credit approval by Johnson Controls, Inc. Milwaukee, WI.

This proposal is valid through: 3/15/2017
ESCANABA WASTE WATER TREATMENT PLANT

Signature: ____________________________
Name: ______________________________
Title: _______________________________
Date: _______________________________
PO: _________________________________

Signature: ____________________________
Name: Dan Ostola
Title: Service Manager
Date: ________________________________

(IMPORTANT): This proposal incorporates by reference the terms and conditions which are attached to this document. All work is to be performed Monday through Friday during normal JCI business hours unless otherwise noted. This proposal, or any accepted alternates, are hereby accepted and Johnson Controls is authorized to proceed with the work; subject, however, to credit approval by Johnson Controls, Inc., Milwaukee, Wisconsin.
TERMS AND CONDITIONS

By accepting this proposal, Purchaser agrees to be bound by the following terms and conditions:

1. SCOPE OF WORK. This proposal is based upon the use of straight time labor only. Plastering, patching, and painting are excluded. In-line duct and piping devices, including, but not limited to valves, dampers, humidifiers, wells, taps, flow meters, orifices, etc., if required hereunder to be furnished by Johnson, shall be distributed and installed by others under Johnson’s supervision but at no additional cost to Johnson. Purchaser agrees to provide Johnson with required field utilities (electricity, toilets, drinking water, project hoist, elevator service, etc.) without charge. Johnson agrees to keep the job site clean of debris arising out of its own operations. Purchaser shall not be charged Johnson for any costs of expenses without Johnson’s written consent. Unless specifically noted in the statement of the scope of work or services undertaken by JCI under this agreement, JCI’s obligations under this agreement expressly exclude any language or provision of the agreement elsewhere contained which may authorize or empower the Purchaser to change, modify, or alter the scope of work or services to be performed by JCI shall not operate to compel JCI to perform any work relating to Hazards without JCI’s express written consent.

2. INVOICE AND PAYMENTS. Johnson may invoice Purchaser monthly for all materials delivered to the job site or to an off-site storage facility and for all work performed on-site and off-site. Purchaser shall pay Johnson at the time Purchaser signs this agreement an advance payment equal to 10% of the contract price, which advance payment shall be credited against the final payment (but not any progress payment) due hereunder and purchaser Johnson additional amounts invoiced upon receipt of the invoice. Waivers of lien will agree to be paid furnished upon request, as the work progresses, to the extent payments are received. If Johnson’s Invoice is not paid within 30 days of its issuance, it is delinquent.

3. MATERIALS. If the materials or equipment included in this proposal become temporarily or permanently unavailable for reasons beyond the control and without the fault of Johnson, then in the case of such temporary unavailability, the time for performance of the work shall be extended to the extent thereof, and in the case of permanent unavailability, Johnson shall (a) be excused from furnishing said materials or equipment, and (b) be reimbursed for the difference between the cost of the materials or equipment permanently unavailable and the cost of a reasonably available substitute therefor.

4. EQUIPMENT WARRANTY. Johnson Controls, Inc (JCI) warrants that equipment manufactured or labeled by Johnson Controls, Inc. shall be free from defects in material and workmanship arising from normal usage for a period of one year. Only if JCI installs or furnishes a piece of equipment under this Agreement, and that equipment is covered by a warranty from a manufacturer other than JCI, JCI will transfer the benefits of that manufacturer’s warranty to Customer. All transportation charges incurred in connection with the warranty for equipment and/or materials not installed by JCI shall be borne by Customer. These warranties shall not extend to any equipment that has been abused, altered, misused or repaired by Customer or third parties without the supervision of and prior written approval of JCI, or if JCI serial numbers or warranty date decals have been removed or altered. Customer must promptly report any failure of the equipment to JCI in writing.

5. LABOR WARRANTY. Johnson Controls, Inc. (JCI) warrants its workmanship or that of its agents (Technicians) in relation to installation of equipment for a period of ninety (90) days from date of installation. Customer shall bear all labor costs associated with repair of failed equipment still under JCI’s equipment warranty or the original manufacturer’s warranty, but outside the terms of this express labor warranty. All warranty labor shall be executed on normal business days during JCI normal business hours. These warranties do not extend to any equipment which has been repaired by others, abused, altered, or misused in any way, or which has not been properly and reasonably maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE. UNDER NO CIRCUMSTANCES SHALL JCI BE LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES ARISING FROM OR RELATING TO ANY DEFECT IN MATERIAL OR WORKMANSHIP OF EQUIPMENT OR THE PERFORMANCE OF SERVICES.

6. LIABILITY. Johnson shall not be liable for any special, indirect, or consequential damages arising in any manner from the equipment or material furnished or the work performed pursuant to this agreement.

7. TAXES. The price of this proposal does not include duties, sales, use, excise, or other taxes, unless required by federal, state, or local law. Purchaser shall pay, in addition to the stated price, all taxes not legally required to be paid by Johnson or, alternatively, shall provide Johnson with acceptable tax exemption certificates. Johnson shall provide purchaser with any tax payment certificate upon request and after completion and acceptance of the work.

8. DELAYS. Johnson shall not be liable for any delay in the performance of the work resulting from or attributed to acts of circumstance beyond Johnson’s control, including but not limited to: acts of God, fire, riots, labor disputes, conditions of the premises, acts or omissions of the Purchaser, Owner, or other Contractors or delays caused by suppliers or subcontractors of Johnson, etc.

9. COMPLIANCE WITH LAWS. Johnson shall comply with all applicable federal, state, and local laws and regulations, and shall obtain all temporary licenses and permits required for the prosecution of the work. Licenses and permits a permanent nature shall be procured and paid for by the Purchaser.
10. DISPUTES. All disputes involving more than $15,000.00 shall be resolved by arbitration in accordance with the rules of the American Arbitration Association. The prevailing party shall recover all legal costs and attorneys fees incurred as a result. Nothing here shall limit any rights under construction lien laws.

11. INSURANCE. Insurance coverage in excess of Johnson’s standard limits will be furnished when requested and required. No credit will be given or premium paid by Johnson for insurance afforded by others.

12. INDEMNITY. The Parties hereto agree to indemnify each other from any and all liabilities, claims, expenses, losses or damages, including attorney’s fees which may arise in connection with the execution of the work herein specified and which are caused, by the negligent act or omission of the indemnifying Party.

13. OCCUPATIONAL SAFETY AND HEALTH. The Parties hereto agree to notify each other Immediately upon becoming aware of an inspection under, or any alleged violation of the, Occupational Safety and Health Act relating in any way to the project or project site.

14. ENTIRE AGREEMENT. This proposal, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings.

15. CHANGES. No change or modification of any of the terms and conditions stated herein shall be binding upon JCI unless accepted by JCI in writing.
Proposal

TO: ESCANABA WATER TREATMENT PLANT

ATTN: JEFF LAMPI

We propose to furnish the materials and/or perform the work below for the net price of: $24,753.78

For the above price this proposal includes:

PROPSAL #2

THIS QUOTE IS FOR REMOVAL OF EXISTING 4" RPZ IN FILTRATE ROOM AND REMOVAL OF EXISTING 2.5" IN WATER MAIN RISER ROOM. EXISTING 6" PIPING FEEDING 4" RPZ WILL BE CUT OFF AT WALL ON EACH SIDE.

WE WILL PRE FAB, SET HANGERS, RUN ANOTHER 21" INCH DRAIN FROM THE NEW RPZ DOWN STAIRS TO BASEMENT AND AS MUCH AS WE CAN PRIOR TO THE 8 HR SHUT DOWN AT NIGHT.

WE WILL INSTALL TWO NEW 4" RPZ IN WATER MAIN RISER ROOM, ONE LOCATED CLOSE TO WHERE EXISTING 2.5" RPZ WAS AND OTHER DIRECTLY ACROSS FROM IT ON ADJACENT WALL. PIPING WILL BE COMPOSED OF 6" AND 4" 304 STAINLESS STEEL WELDED AND VICTAULIC PIPING FITTINGS.

NOTE: THE VALVES QUOTED IN THIS QUOTE CAN BE DELIVERED IN A ONE WEEK.

This proposal DOES NOT include:
1. Labor or material not specifically described above is excluded from this proposal.
2. Unless otherwise stated, any and all overtime labor is excluded from this proposal.
3. Applicable taxes or special freight charges are excluded from this proposal.

Important: This proposal incorporates by reference the Terms and Conditions attached

This proposal is hereby accepted and Johnson Controls is authorized to proceed with the work, subject to credit approval by Johnson Controls, Inc. Milwaukee, WI.

This proposal is valid through: 3/15/2017
ESCANABA WASTE WATER TREATMENT PLANT

Signature: __________________________
Name: __________________________
Title: __________________________
Date: __________________________
PO: __________________________

Signature: __________________________
Name: Dan Ostola
Title: Service Manager
Date: __________________________

(IMPORTANT) This proposal incorporates by reference the terms and conditions which are attached to this document. All work is to be performed Monday through Friday during normal JCI business hours unless otherwise noted. This proposal, or any accepted alternates, are hereby accepted and Johnson Controls is authorized to proceed with the work; subject, however, to credit approval by Johnson Controls, Inc., Milwaukee, Wisconsin.
TERMS AND CONDITIONS

By accepting this proposal, Purchaser agrees to be bound by the following terms and conditions:

1. SCOPE OF WORK. This proposal is based upon the use of straight time labor only. plastering, patching, and painting are excluded. In-line duct and piping devices, including, but not limited to valves, dampers, humidifiers, wells, taps, flow meters, orifices, etc., if required hereunder to be furnished by Johnson, shall be distributed and installed by others under Johnson’s supervision but at no additional cost to Johnson. Purchaser agrees to provide Johnson with required field utilities (electricity, toilets, drinking water, project hoist, elevator service, etc.) without charge. Johnson agrees to keep the job site clean of debris arising out of its own operations. Purchaser shall not be charged Johnson for any costs or expenses without Johnson’s written consent. Unless specifically noted in the statement of the scope of work or services undertaken by JCI under this agreement, JCI’s obligations under this agreement expressly exclude any language or provision of the agreement elsewhere contained which may authorize or empower the Purchaser to change, modify, or alter the scope of work or services to be performed by JCI shall not operate to compel JCI to perform any work relating to Hazards without JCI’s express written consent.

2. INVOICE AND PAYMENTS. Johnson may invoice Purchaser monthly for all materials delivered to the job site or to an off-site storage facility and for all work performed on-site and off-site. Purchaser shall pay Johnson at the time Purchaser signs this agreement an advance payment equal to 10% of the contract price, which advance payment shall be credited against the final payment (but not any progress payment) due here in under and Purchaser Johnson additional amounts invoiced upon receipt of the invoice. Waiver of lien will agree to pay be furnished upon request, as the work progresses, to the extent payments are received. If Johnson’s invoice is not paid within 30 days of its issuance, it is delinquent.

3. MATERIALS. If the materials or equipment included in this proposal become temporarily or permanently unavailable for reasons beyond the control and without the fault of Johnson, then in the case of such temporary unavailability, the time for performance of the work shall be extended to the extent thereof, and in the case of permanent unavailability, Johnson shall (a) be excused from furnishing said materials or equipment, and (b) be reimbursed for the difference between the cost of the materials or equipment permanently unavailable and the cost of a reasonably available substitute therefore.

4. EQUIPMENT WARRANTY. Johnson Controls, Inc (JCI) warrants that equipment manufactured or labeled by Johnson Controls, Inc. shall be free from defects in material and workmanship arising from normal usage for a period of one year. Only if JCI installs or furnishes a piece of equipment under this Agreement, and that equipment is covered by a warranty from a manufacturer other than JCI, JCI will transfer the benefits of that manufacturer’s warranty to Customer. All transportation charges incurred in connection with the warranty for equipment and/or materials not installed by JCI shall be borne by Customer. These warranties shall not extend to any equipment that has been abused, altered, misused or repaired by Customer or third parties without the supervision of and prior written approval of JCI, or if JCI serial numbers or warranty date decals have been removed or altered. Customer must promptly report any failure of the equipment to JCI in writing.

5. LABOR WARRANTY. Johnson Controls, Inc. (JCI) warrants its workmanship or that of its agents (Technicians) in relation to installation of equipment for a period of ninety (90) days from date of installation. Customer shall bear all labor costs associated with replacement of failed equipment still under JCI’s equipment warranty or the original manufacturer’s warranty, but outside the terms of this express labor warranty. All warranty labor shall be executed on normal business days during JCI normal business hours. These warranties do not extend to any equipment which has been repaired by others, abused, altered, or misused in any way, or which has not been properly and reasonably maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE. UNDER NO CIRCUMSTANCES SHALL JCI BE LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES ARISING FROM OR RELATING TO ANY DEFECT IN MATERIAL OR WORKMANSHIP OF EQUIPMENT OR THE PERFORMANCE OF SERVICES.

6. LIABILITY. Johnson shall not be liable for any special, indirect, or consequential damages arising in any manner from the equipment or material furnished or the work performed pursuant to this agreement.

7. TAXES. The price of this proposal does not include duties, sales, use, excise, or other taxes, unless required by federal, state, or local law. Purchaser shall pay, in addition to the stated price, all taxes not legally required to be paid by Johnson or, alternatively, shall provide Johnson with acceptable tax exemption certificates. Johnson shall provide purchaser with any tax payment certificate upon request and after completion and acceptance of the work.

8. DELAYS. Johnson shall not be liable for any delay in the performance of the work resulting from or attributed to acts of circumstance beyond Johnson’s control, including but not limited to; acts of God, fire, riots, labor disputes, conditions of the premises, acts or omissions of the Purchaser, Owner, or other Contractors or delays caused by suppliers or subcontractors of Johnson, etc.

9. COMPLIANCE WITH LAWS. Johnson shall comply with all applicable federal, state, and local laws and regulations, and shall obtain all temporary licenses and permits required for the prosecution of the work. Licenses and permits a permanent nature shall be procured and paid for by the Purchaser.
10. DISPUTES. All disputes involving more than $15,000.00 shall be resolved by arbitration in accordance with the rules of the American Arbitration Association. The prevailing party shall recover all legal costs and attorneys fees incurred as a result. Nothing here shall limit any rights under construction lien laws.

11. INSURANCE. Insurance coverage in excess of Johnson’s standard limits will be furnished when requested and required. No credit will be given or premium paid by Johnson for insurance afforded by others.

12. INDEMNITY. The Parties hereto agree to indemnify each other from any and all liabilities, claims, expenses, losses or damages, including attorney’s fees which may arise in connection with the execution of the work herein specified and which are caused, by the negligent act or omission of the indemnifying Party.

13. OCCUPATIONAL SAFETY AND HEALTH. The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of the, Occupational Safety and Health Act relating in any way to the project or project site.

14. ENTIRE AGREEMENT. This proposal, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings.

15. CHANGES. No change or modification of any of the terms and conditions stated herein shall be binding upon JCI unless accepted by JCI in writing.
MEMORANDUM

To: Jim O'Toole

From: Mike Furmanski

Date: 27FEB17

Re: North Substation

I would like to seek Council approval for 2 change orders which would allow Energis High Voltage Resources, Inc. of Green Bay, WI to complete the North Substation.

The first change order is to install the panels in the control house and install and terminate all interior cables. This also includes installation of the battery system, eye wash station, and meters 1 and 2. This change order has an estimated cost of $26,850.00.

The other change order is for testing, commissioning, and start-up of the North Substation. This includes testing and inspecting the main power transformer, instrument transformers, 69kV SF6 gas circuit breaker, 15 kV vacuum circuit breaker, 69 kV switch, 4 reclosers, 4 recloser controls, station transformer, arresters, 15 kV disconnect switches, ground grid, battery system, relays, alarms, and wiring checks. This also includes functional testing and in-service tests. This change order has an estimated cost of $38,733.00.

This work could not be bid out with the other phases of the project as we did not know what would be included with the building. Now that we will be using a steel building with control panels provided by Energis, we feel it makes perfect sense to allow Energis to complete the project. Another benefit of using Energis going forward is that we do not have to coordinate things between multiple contractors. This work is in the current budget as part of the North Substation project.
Mike Furmanski  
Escanaba Electric Utility  
1711 Sheridan Road  
Escanaba, MI  49829  

RE: 106072 EEU NorthSub Panel Modification-Installation (rev01)  

Dear Mike,  

We are pleased to offer you the following time and material estimate to perform modifications and relay panel installations at the North Substation.  

**Scope of Services**  

Energis to travel to the North Substation in Escanaba, MI, to perform modifications and relay panel installation.  

- Install two (2) relay panels that Energis is building under a different job/work order.  
  - Panel 2S.  
  - Panel 3S.  
- Install one (1) owner-supplied panel, Panel 1S.  
  - Pick-up panel at owner’s storage facility.  
  - Move it to the control house.  
  - Make modifications to the panel in the field using drawings provided by the owner’s engineer.  
- Install all interior cables per the cable schedule, terminate at MTC/relay panels/load centers/junction boxes/meters as required per the issued for Construction prints provided by the owner’s engineer.  
- Supply all materials to complete the installation, except control cable which will be owner-furnished.  
- Install, but not supply:  
  - Battery rack, batteries, spill containment.  
  - Battery charger.  
  - Eye wash station.  
  - Termination cabinet.  
  - Meter #1 and meter #2.  
- Does not include installation of HVAC equipment.  
- Does not include testing, commissioning, check-out, or start-up.
- Does not include setting the control house.
- Delays outside of Energis' controls will be billed on a time and material basis.

**Estimate: $26,850.00**

If you have any questions, please feel free to call me on my cell number below.

Sincerely,

**Olko Behr-Hagedorn**

Project Manager
Energis High Voltage Resources, Inc.
Cell 715-584-2501
Terms & Conditions

1. Acceptance and Disclaimer Provisions. No Proposal shall be binding upon Seller until accepted in writing by an authorized representative of Buyer. Seller's performance of its obligations under this Proposal is conditioned upon Buyer's acceptance of the terms and conditions set forth herein (the "Terms") and Buyer's agreement to be bound by and comply with the Terms. These Terms, the terms on the face of this document and all referenced attachments constitute the entire agreement between Buyer and Seller, and no amendment or modification of this Proposal shall be binding on Seller unless signed by an authorized representative of Seller. The failure of Seller to object to provisions contained in any purchase order, proposal or other document of Buyer shall not be construed as a waiver by Seller of the Terms or an acceptance of any such provisions. Any conflicting or additional terms or conditions set forth by Buyer in a purchase order, proposal or other document are not binding upon Seller, and Seller hereby expressly objects thereto.

2. Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HERIN, SELLER MAKES NO WARRANTY OF ANY KIND WHATSOEVER, AND SELLER EXPRESSLY DISCLAIMS ANY WARRANTIES IMPLIED BY LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3. Deliveries and Shipment. Unless otherwise agreed to in writing signed by Seller: (a) any goods ordered by Buyer shall be delivered F.O.B. point of shipment, with delivery to the initial carrier constituting delivery to Buyer; (b) title to the goods and risk of damage or loss shall pass to Buyer upon delivery to the initial carrier; (c) transportation costs shall be paid by Buyer; and (d) Buyer shall have sole responsibility for filing any claims with any carrier for delay, loss or damage. Dates of delivery or performance of services are estimates only and are based on time receipt from Buyer of all information required by Seller to provide the goods or services. Seller shall not be liable for any delay beyond its reasonable control or caused by accident, bad weather, embargo, act of Buyer or third parties, labor disputes, transportation shortages, national emergency, civil disorders, non-supply of carriers, delays of carriers or delivery agents, inability to obtain labor, materials or manufacturing facilities, acts of God or government restrictions, prohibitions or requirements. In the event of any such delay, Seller's time period for delivery of goods or performance of services shall be extended accordingly. REGARDLESS OF THE CAUSE, SELLER SHALL HAVE NO LIABILITY FOR PENALTIES OF ANY NATURE AS A RESULT OF A DELAY. During any period of shortage due to the delayed or similar causes, Seller may provide his supply of goods and services among its internal demand and its customers in whatever manner it chooses.

4. Limitation of Liability. Seller shall not be liable under any theory of relief, including, without limitation, breach of warranty, breach of contract, tort (including negligence), strict liability, or otherwise, arising out of or related to this Proposal or Seller's acts or omissions for: (a) incidental or consequential damages of any nature, including, without limitation, loss of profits, damage to property or loss of use; or (b) any damage or loss in excess of the purchase price actually paid by Buyer. Any action by Buyer must be commenced within one (1) year after the cause of action has accrued.

5. Changes and Substitutions. Any changes requested by Buyer are effective unless accepted in writing by an authorized representative of Seller. Any changes accepted by Seller which affect the specifications or scope of work of this Proposal shall be charged to Buyer, as appropriate, at an amount equal to the difference in price. Seller may furnish substitute for substitutes for goods unaesthetic due to regulations of governmental authorities or unavailability of materials from suppliers. Details of design, construction and services in this Proposal are approximate and subject to meeting the needs of Buyer. If changes are made to the design, size of service or services in this Proposal are determined after Buyer's acceptance of this Proposal, Buyer shall be charged any additional costs.

6. Prices and Payment. Unless other terms have been expressly stated by Seller in writing, Seller's prices: (a) are F.O.B. point of shipment; (b) do not include customs duties or any domestic or foreign sales, use, excise or similar taxes unless added at existing law rates (with Buyer to be charged for same, unless Buyer has provided written invoice for any tax); (c) are valid for thirty (30) days from the proposal date; and (d) do not include costs for installation of goods. All quoted prices are subject to error or calculated for clerical errors. Unless otherwise noted on the face hereof, payment terms shall be net thirty (30) days from the date of invoice. Pro-rata payments shall become due with partial shipments of goods or partial delivery of services. Seller shall charge one and one-half percent (1 1/2%) per month on any unpaid balance due. Seventy (70) days following the invoice date, any delay in delivery or performance of an installation shall not relieve Buyer of its obligation to accept and make payment for remaining instalments. If Buyer is notified by Seller that the goods are ready for shipment and there is an unreasonable delay in shipment for reasons beyond Seller's control (including Buyer's failure to provide shipping instructions), the date of completion shall be treated as the date of shipment for payment purposes, and completed goods shall be held at Buyer's risk of loss or damage, with Buyer paying all storage and insurance expenses. Seller may, at its option, decline to deliver goods or provide services, except for cash, or stop delivery to Buyer whenever, for any reason, Seller doubts Buyer's financial responsibility or stability.

7. SAFETY. BUYER SHALL TAKE ALL NECESSARY PRECAUTIONS, PROVIDE, PROMULGATE AND ENFORCE GENERAL SAFETY REGULATIONS AND EXTINGUISHING MATERIALS, AND ENFORCE ALL SYSTEMS ELECTRICAL INTERFACES TO SAFETY. BUYER SHALL FOLLOW SELLER'S SAFETY REQUIREMENTS. BUYER WILL MAKE ITS LOCAL MEDICAL FACILITIES AND RESOURCES AVAILABLE TO SELLER PERSONNEL WHO NEED MEDICAL ATTENTION, DURING THE DURATION OF THEIR NEEDS. IF, IN SELLER'S OPINION, THE SAFETY REGULATIONS OF THIS PROPOSAL AT THE SELLER'S SITE IS, OR COULD BE, DANGEROUS TO THE SELLER'S PERSONNEL, THEN SELLER MAY REQUIRE THE USE OF FULL PERSONAL PROTECTIVE EQUIPMENT. BUYER WILL PROVIDE, PROMULGATE AND ENFORCE A REASONABLE WORK ENVIRONMENT THAT IS SAFER THAN THE REQUIREMENTS. BUYER WILL MAKE ITS LOCAL MEDICAL FACILITIES AND RESOURCES AVAILABLE TO SELLER PERSONNEL WHO NEED MEDICAL ATTENTION, DURING THE DURATION OF THEIR NEEDS. IF, IN SELLER'S OPINION, THE SAFETY REGULATIONS OF THIS PROPOSAL AT THE SELLER'S SITE IS, OR COULD BE, DANGEROUS TO THE SELLER'S PERSONNEL, THEN SELLER MAY REQUIRE THE USE OF FULL PERSONAL PROTECTIVE EQUIPMENT. BUYER WILL PROVIDE, PROMULGATE AND ENFORCE A REASONABLE WORK ENVIRONMENT THAT IS SAFER THAN THE REQUIREMENTS. BUYER WILL MAKE ITS LOCAL MEDICAL FACILITIES AND RESOURCES AVAILABLE TO SELLER PERSONNEL WHO NEED MEDICAL ATTENTION, DURING THE DURATION OF THEIR NEEDS. IF, IN SELLER'S OPINION, THE SAFETY REGULATIONS OF THIS PROPOSAL AT THE SELLER'S SITE IS, OR COULD BE, DANGEROUS TO THE SELLER'S PERSONNEL, THEN SELLER MAY REQUIRE THE USE OF FULL PERSONAL PROTECTIVE EQUIPMENT.

8. Inspection and Acceptance. Inspection of goods and services at Seller's facility by Buyer, or Buyer's representatives, will be permitted insofar as such inspection does not interfere with Seller's obligations hereunder and provided that complete written details of such inspection are submitted to Seller ten (10) days in advance. The goods and services shall be deemed acceptable, and any claim of Buyer against Seller with respect to this Proposal shall be waived and not enforceable, unless: (i) Buyer has promptly inspected the goods and services, and written notice from Buyer of any defect has been received by Seller within thirty (30) days of the date of inspection; or (ii) Buyer has been given by Buyer reasonable advance notice and authorization to attend any tests designed to demonstrate that goods or services are defective, and the last conditions are mutually agreed to by Buyer and Seller. Goods may not be returned without obtaining written authorization and shipping instructions from an authorized representative of Seller.

9. Termination and Suspension. Seller shall have the right to suspend or cancel this Proposal (or any portion thereof) immediately for cause if: (i) Buyer becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors or files for protection from creditors under any bankruptcy or insolvency law; (ii) there is an excusable delay lasting more than one hundred twenty (120) days in any representation or warranty of Buyer or where the delay is attributable to any act or failure of Buyer; or (iii) Buyer fails to pay for any part of the goods or services hereunder. If this Proposal is terminated for any reason other than those described above, Buyer shall pay Seller for all goods or services that have been provided on behalf of Buyer, and services performed before the effective date of termination, plus a cancellation charge equal to the higher of (i) twenty-five percent (25%) of the purchase price set forth in this Proposal or (ii) any loss of Seller, including, without limitation, engineering costs, reconditioning costs, labor, materials and Seller's engineering and construction costs.

Page 3 of 4
10. **Indemnification.** Buyer shall defend, hold harmless, and indemnify Seller and its officers, directors, employees, agents and representatives from and against all damages, claims, liabilities and expenses (including attorneys' fees) arising out of or resulting in any way from (a) any breach of Buyer's obligations under this Proposal and (b) any other act or omission of Buyer, related to this Proposal. This provision shall survive the termination of this Proposal and/or the completion of Seller's obligations hereunder.

11. **Insurance.** Buyer shall obtain, maintain and pay for such insurance as may be required by Seller or by law and comprehensive general liability insurance protecting Seller against claims for bodily injury or death or for damage to property occurring in connection with the performance of Seller's obligations under this Proposal, with limits in amounts as required by Seller. Buyer agrees to furnish to Seller a copy of its insurance certificate prior to Seller providing its services or the goods in connection with this Proposal and Buyer agrees that said insurance policy will not be cancelled before final completion of the services or delivery of the goods provided under this Proposal. Buyer shall purchase and maintain insurance that will protect Buyer from claims arising out of Seller's obligations under this Proposal, whether the obligations are performed by Seller, or any of Seller's consultants, subcontractors or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Any and all insurance policies to be obtained hereunder shall name Seller as an additional insured thereunder and shall not be cancelled without prior written consent to Seller. The Seller and Buyer waive all rights against each other for damages caused by perils to the extent covered by the proceeds of any insurance policy, except such rights as they may have to the insurance proceeds.

12. **Miscellaneous.** The contract resulting from the acceptance of this Proposal shall be interpreted in accordance with the laws of the State of Wisconsin. Both parties irrevocably submit to the exclusive jurisdiction of the Circuit Court of Brown County, Wisconsin, for any action or proceeding relating to this Proposal. No waiver of any of the provisions contained in this Proposal shall be valid unless made in writing and executed by Seller. Failure of Seller or Buyer to insist upon strict performance of the terms of this Proposal shall not constitute a waiver of any of the provisions of this Proposal or waiver of any other default. This Proposal contains the entire understanding between the parties relating to the transactions contemplated herein and supersedes all prior or contemporaneous agreements or understandings. No modification, amendment, discharge or change of this Proposal shall be valid unless set forth in writing and signed by both parties. This Proposal shall not be construed against one party by reason of draftsmanship. This Proposal is not assignible by Buyer.

13. **Waste Materials.** If the service to be performed by Seller under this Proposal in any way concern waste materials of Buyer, then Buyer grants Seller the authority to enter into any agreement Seller deems necessary with Seller's contractors or subcontractors with respect to such waste materials. Furthermore, Buyer represents and warrants that Buyer is under no legal restraint which would prohibit the transfer of possession of such waste materials from Buyer to Seller's contractors or subcontractors and Buyer shall, upon request of Seller, execute any and all documentation necessary to facilitate such transfer of possession. If Seller requests that work areas located of Buyer's facilities or premises be secured, Buyer shall cooperate with Seller in securing such work areas and in preventing anyone other than Seller, Seller's contractors or subcontractors, and their respective personnel from entering the designated work areas. Buyer represents and warrants that it has delivered to Seller all information Buyer has regarding the waste materials and the surface and subsurface conditions in the vicinity of the premises where Seller is to perform its services and if Buyer receives information that the waste materials present, or may present, a hazard or risk to persons or the environment, Buyer shall promptly report and deliver such information to Seller.
February 1, 2017

Mike Fumanski
Escanaba Electric Utility
1711 Sheridan Road
Escanaba, MI 49829

RE: 106071 EEU NorthSub Test-Commissioning-Startup

Dear Mike,

We are pleased to offer you the following time and material estimate to perform testing, commissioning and startup at the North Substation in Escanaba, MI.

Scope of Services

Energis to travel to Escanaba, MI to perform acceptance testing, commissioning, and startup services at the North Substation.

POWER TRANSFORMER
Virginia transformer, 47017MA010-C505A, 28 MVA, quantity 1
- Visual and Mechanical Inspection
  - Open and check radiator valves for leaks.
  - Commission nitrogen system per manufacturer's specification
  - Inspect physical and mechanical condition.
  - Inspect impact recorder, if applicable.
  - Inspect anchorage, alignment, and grounding.
  - Verify the presence of PCB content labeling.
  - Verify removal of any shipping braces.
  - Verify bushings are clean.
  - Verify correct liquid level in tanks and bushings.
  - Verify that a positive pressure is maintained on gas-blanketed transformers.
  - Verify control cabinet heaters and associated thermostats operational.
  - Verify the presence of surge arresters.
  - Perform inspections as recommended by the manufacturer.
  - Obtain DGA and Oil Quality samples from the main tank and load tap changer (LTC).
  - Verify de-energized tap changer (DETC) position is left as-specified.
  - Verify bolted electrical connections by calibrated torque-wrench per NETA table.
- Electrical Tests
  - Power factor overall test.
  - Power factor bushing test.
- Turns ratio test (All DETC and LTC positions).
- Core ground test.

**INSTRUMENT TRANSFORMERS**
ABB, VOG-11, 60:1, single-bushing voltage transformer
ABB, KOT-11, Bar type current transformer, 15kV, 1200:5 amp, RF 2.0, C200 relay accuracy
Various CTs, PTs
- **Visual and Mechanical Inspection**
  - Compare equipment nameplate data with drawings and specifications.
  - Inspect physical and mechanical condition.
  - Verify correct connection of transformers with system requirements.
  - Verify that adequate clearances exist between primary and secondary circuit wiring.
  - Verify the unit is clean.
  - Inspect bolted electrical connections for high resistance by the use of low-resistance ohmmeter.
  - Verify that all required grounding and shorting connections provide contact.
  - Verify correct operation of transformer withdrawal mechanism and grounding operation.
  - Verify correct primary and secondary fuse sizes for voltage transformers.
  - Verify appropriate lubrication on moving current-carrying parts and on moving and sliding surfaces.
- **Electrical Tests - CTs**
  - Perform resistance measurements through bolted connections with a low-resistance ohmmeter, if applicable.
  - Perform insulation-resistance test of each current transformer and its secondary wiring with respect to ground at 1000 volts DC for one minute. For units with solid-state components that cannot tolerate the applied voltage, follow manufacturer’s recommendations.
  - Perform a polarity test of each CT.
  - Perform a ratio-verification test.
  - Perform an excitation test on transformer used for relaying applications.
  - Measure current circuit burdens at transformer terminals.
  - When applicable, perform insulation-resistance test on the primary winding with the secondary grounded.
  - Perform power-factor or dissipation-factor tests.
  - Verify that CT secondary circuits are grounded and have only one grounding point.
- **Electrical Tests – VTs**
  - Perform resistance measurements through bolted connections with a low-resistance ohmmeter, if applicable.
  - Perform insulation-resistance tests winding-to-winding and each winding-to-ground. Test voltages shall be applied for one minute. For units with solid-state components that cannot tolerate the applied voltage, follow manufacturer’s recommendations.
  - Perform a polarity test of each transformer to verify the polarity marks or $H_1 - X_1$ relationship as applicable.
  - Perform a turns-ratio test on all tap positions.
  - Measure voltage circuit burdens at transformer terminals.
  - Perform dielectric withstand test on the primary windings with the secondary windings connection to ground. The dielectric voltage shall be in accordance with Table 100.9. The test should be applied for one minute.
When applicable, perform insulation-resistance test on the primary winding with the secondary grounded.
- Perform power-factor or dissipation-factor tests.
- Verify that CT secondary circuits are grounded and have only one grounding point.

SF6 GAS CIRCUIT BREAKER
Siemens, SPS2-72.5-40-2, 72.5 kV, 1200A, quantity 1

- Visual and Mechanical Inspection
  - Inspect physical and mechanical condition
  - Inspect anchorage, alignment, and grounding
  - Verify unit is clean
  - Inspect operating mechanism and its components
  - Verify breaker has proper gas pressure
  - Verify control cabinet heaters and associated thermostats operational
  - Verify pole heaters and associated thermostat operational
  - Verify counter operational
  - Verify bolted electrical connections by calibrated torque-wrench per NETA tables 100.12.1-100.12.4
  - Verify alarms operational (with updated prints and DC power available)

- Electrical Tests
  - Time travel analysis test (test brackets can be an issue if not onsite)
  - Contact resistance test
  - SF6 gas test for moisture, purity and SO2
  - Current transformer (CT) saturation turns ratio and insulation resistance test

VACUUM CIRCUIT BREAKER
Siemens, SDV6-15.5-40-2000, quantity 1

- Visual and Mechanical Inspection
  - Record serial number, manufacturer and catalog number.
  - Record breaker frame and trip unit size.
  - Inspect physical and mechanical condition.
  - Inspect anchorage, alignment and grounding.
  - Inspect arc chutes.
  - Verify unit is clean.
  - Inspect operating mechanism and its components.
  - Verify counter operational.
  - Inspect moving and stationary contacts for condition, wear, and alignment.
  - Perform all mechanical operation tests on the operating mechanism in accordance with manufacturer’s published data.
  - Inspect vacuum bottle assemblies.
  - Measure critical distances as recommended by the manufacturer.
  - Apply appropriate lubrication on moving current-carrying parts and on moving and sliding surfaces.
  - Verify circuit breaker operation.
  - Verify bolted electrical connections by calibrated torque-wrench per NETA table 100.12.1-100.12.4.
  - If recommended by manufacturer, slow close/open breaker and check for binding, friction, contact alignment, contact sequence, and penetration. Verify that contact sequence is in accordance with manufacturer’s published data.
**Electrical Tests**
- Contact resistance test.
- Insulation resistance test at 5000 Volts D.C.
- Contact resistance test through bolted connections, if applicable.
- Perform a vacuum bottle integrity (dielectric withstand voltage) test across each vacuum bottle with the breaker in the open position in strict accordance with manufacturer's published data.

**SWITCH**
Turner, 69 kV, 600A, VERTICAL BREAK SWITCH, quantity 1

- **Visual and Mechanical Inspection**
  - Compare equipment nameplate data with drawings and specifications.
  - Inspect physical and mechanical condition.
  - Inspect anchorage, alignment, grounding, and required clearances.
  - Verify the unit is clean.
  - Perform mechanical operator tests in accordance with manufacturer's published data, if applicable.
  - Verify correct operation and adjustment of motor operator limit switches and mechanical interlocks, if applicable.
  - Verify correct blade alignment, blade penetration, travel stops, arc interrupter operation, and mechanical operation.
  - Verify operation and sequencing of interlocking systems.
  - Verify that each fuse has adequate mechanical support and contact integrity, if applicable.
  - Verify that fuse sizes and types are in accordance with drawings, short-circuit study, and coordination study.
  - Inspect bolted electrical connections for high resistance.
    - Use of low-resistance ohmmeter in accordance with Section 7.5.1.3.2.
  - Verify correct operation of all indicating and control devices, if applicable.
  - Verify appropriate lubrication on moving current-carrying parts and on moving and sliding surfaces.
  - Record as-found and as-left operation counter readings.

- **Electrical Tests**
  - Perform resistance measurements through bolted connections with a low-resistance ohmmeter, if applicable, in accordance with Section 7.5.1.3.1.
  - Perform contact-resistance test across each switchblade and fuseholder.
  - Perform insulation-resistance tests for one minute on each pole, phase-to-phase and phase-to-ground with switch closed, and across each open pole. Apply voltage in accordance with manufacturer's published data.
  - Perform dielectric withstand voltage test on each pole with switch closed. Test each pole-to-ground with all other poles grounded. Test voltage shall be in accordance with manufacturer's published data.

**RECLOSES and RECLOSEER CONTROLS**
G&W, VIP378ER-12S, 15.5 kV, 800A, solid dielectric recloser, quantity 4

- **Visual and Mechanical Inspection**
  - Compare equipment nameplate data with drawings and specifications.
  - Inspect physical and mechanical condition.
  - Inspect anchorage, alignment, and grounding.
  - Verify the unit is clean.
Perform all mechanical operation and contact alignment tests on both the recloser and its operating mechanism in accordance with manufacturer's published data.

- Inspect bolted electrical connections for high resistance by the use of low-resistance ohmmeter.
- Verify appropriate insulating liquid level.

**Electrical Tests**
- Perform resistance measurements through bolted connections with a low-resistance ohmmeter, if applicable.
- Perform insulation-resistance test on each pole, phase-to-phase and phase-to-ground with recloser closed, and across each open pole for one minute. Apply voltage in accordance with manufacturer's published data.
- Perform a contact/pole-resistance test.
- Perform insulation-resistance tests on all control wiring with respect to ground. Applied potential shall be 500 volts DC for 300-volt rated cable and 1000 volts DC for 600-volt rated cable. Test duration shall be one minute. For units with solid-state components, follow manufacturer's recommendation.
- Take a DGA and Oil Quality sample.
- Perform minimum pick-up voltage tests on trip and close coils in accordance with manufacturer's published data.
- Perform power-factor or dissipation-factor tests on each bushing equipped with a power-factor/capacitance tap. In the absence of a power-factor/capacitance tap, perform hot-collar tests.
- Perform vacuum bottle integrity test, if applicable, across each vacuum bottle with the contacts in the open position in strict accordance with manufacturer's published data.
- Perform dielectric withstand voltage tests on each pole-to-ground and pole-to-pole with recloser in closed position.
- Verify operation of heaters, if applicable
- Test all protective functions.
- Test all metering and instrumentation.
- Test instrument transformers.

**STATION TRANSFORMER**
Cooper, 37.5 kVA, 7200-120/240 V transformer, quantity 1

- **Visual and Mechanical Inspection**
  - Perform a visual inspection of the unit.
  - Inspect insulator for chips/cracks.
  - Inspect unit for leaks.
  - Verify tank is properly grounded.
  - Verify unit is mounted securely.

- **Electrical Tests**
  - Perform an insulation resistance test.
  - Perform a turns ratio test on all taps (as applicable).

**ARRESTERS**
Ohio Brass, surge arrester, 57 kV, MCOV, STATION CLASS, POLYMER, quantity 3
Ohio Brass, surge arrester, 9 kV, MCOV, DISTRIBUTION RISER OR HEAVY-DUTY CLASS, quantity 12
Transformer arresters
- Visual and Mechanical Inspection
  - Perform a visual inspection of the arrester.
  - Verify arrester is properly mounted.
  - Verify arrester is properly grounded.
- Electrical Tests
  - Perform insulation resistance tests using minimum 10 kV test set.

**DISCONNECT SWITCHES**
Royal Switch, 15 kV, 2000A, BT DISCONNECT SWITCH, SINGLE POLE, SINGLE THROW, quantity 3
S&C, 15 kV, 900A, STATION VERITICAL HOOKSTICK, quantity 24

- Visual and Mechanical Inspection
  - Perform a visual inspection of the unit.
    - Inspect insulator for chips/cracks
    - Inspect live parts for cracks or damaged components.
    - Switch is properly fastened to structure.
    - Switch is properly grounded.
    - Switch mats are installed and properly grounded.
  - Verify switch operates properly. Includes the following:
    - Proper blade angle when OPEN
    - Synchronous closing of blades
    - Proper contact with arcing horns where utilized
    - Proper blade alignment with switch jaw
    - Proper blade penetration in jaw when fully closed
    - Proper blade angle when fully closed
    - Proper over toggle of switch linkage

**GROUND GRID**
- Fall of Potential Test
  - Subcontractor shall perform a 3 point ‘Fall of Potential’ test on the ground grid.
  - Test shall be executed in accordance with IEEE 80 requirements.
  - Results of this test shall be compared with the station’s grounding report to ensure an adequate ground grid is installed. Facility engineer shall be consulted once the test is completed to review the results.

**BATTERIES**
- Visual and Mechanical Inspection
  - Verify that batteries are adequately located.
  - Verify that battery area ventilation system is operable.
  - Verify existence of suitable eyewash equipment.
  - Compare equipment nameplate data with drawings and specifications.
  - Inspect physical and mechanical condition.
  - Verify adequacy of battery support racks or cabinets, mounting, battery spill containment system, anchorage, alignment, grounding, and clearances.
  - Verify electrolyte level.
  - Verify the units are clean.
  - Verify application of an oxide inhibitor on battery terminal connections.
  - Inspect bolted electrical connections for high resistance from the use of a low-resistance ohmmeter.
- **Electrical Tests**
  - Perform resistance measurements through all bolted connections with a low-resistance ohmmeter.
  - Measure charger float and equalizing voltage levels. Adjust to battery manufacturer's recommended settings.
  - Verify all charger functions and alarms.
  - Measure each cell voltage and total battery voltage with charger energized and in float mode of operations.
  - Measure intercell connection resistances.
  - Perform internal ohmic measurement tests.
  - Perform load test in accordance with manufacturer's published data.
  - Measure the battery system voltage from positive-to-ground and negative-to-ground.

**BATTERY CHARGER & SYSTEM WIRING**
- **Visual and Mechanical Inspection**
  - Verify unit is free from damage.
  - Verify charger is adequately mounted.
  - Verify conductor raceway system is adequate.
  - Verify connections are properly torqued.
- **Electrical Tests**
  - Verify equipment is adequately rated for application.
  - Verify system is free of shorts/grounds.
  - Verify float and equalize levels are set properly.
  - Verify all alarm points functionality.

**RELAYS (Electromechanical and Solid-State)**
- **Visual and Mechanical Inspection**
  - Compare equipment nameplate data with drawings and specifications.
  - Inspect relays and cases for physical damage.
  - Verify the unit is clean.
  - Relay case
    - Tighten case connections.
    - Inspect cover for correct gasket seal.
    - Clean cover glass. Inspect shorting hardware, connection paddles, and knife switches.
    - Remove any foreign material from the case.
    - Verify target reset.
  - Relay
    - Inspect relay for foreign material, particularly in disk slots of the damping and electromagnets.
    - Verify disk clearance. Verify contact clearance and spring bias.
- **Electrical Tests**
  - Perform an insulation-resistance test on each circuit-to-frame.
  - Inspect targets and indicators.
    - Determine pick up and dropout of electromechanical targets.
    - Verify operation of all light-emitting diode indicators.
    - Set contract for liquid-crystal display readouts.
Control Verification
  - Functional tests
    - Verify that each of the relay contacts performs its intended function in the control scheme including breaker trip tests, close inhibit tests, 86 lockout tests, and alarm functions.
    - In-service monitoring
      - After the equipment is initially energized, measure magnitude and phase angle of all inputs and compare to expected values.

RELAYS (Microprocessor-Based)
- Visual and Mechanical Inspection
  - Record model number, style number, serial number, firmware revision, software revision, and rated control voltage.
  - Verify operation of light-emitting diodes, display, and targets.
  - Clean the front panel and remove foreign material from the case.
  - Check tightness of connections.
  - Verify that the frame is grounded in accordance with manufacturer’s instructions.
  - Set the relay in accordance with the coordination study.
  - Download settings from the relay and compare the settings to those specified in the coordination study or site documentation.
  - Connect back up battery.
  - Set clock if not controlled externally.
- Electrical Tests
  - Perform insulation-resistance tests from each circuit to the grounded frame in accordance with manufacturer’s published data.
  - Apply voltage or current to all analog inputs and verify correct registration of the relay meter functions.
  - Functional Operation
    - Check function operation of each element used in the protection scheme.
  - Control Verification
    - Functional tests
      - Check operation of all active digital inputs.
      - Check all output contacts or SCRs, preferably by operating the controlled device such as circuit breaker, auxiliary relay, or alarm.
      - Check all internal logic functions used in the protection scheme.
      - For pilot schemes, perform a loop-back test to check the receive and transmit communication circuits.
      - For pilot schemes, perform satellite synchronized end-to-end tests.
      - For pilot schemes with direct transfer trip (DTT), perform transit and received DTT at each terminal.
      - Upon completion of testing, reset all min/max recorders, communication statistics, fault counters, sequence of events recorder, and all event records.
    - In-service monitoring
- After the equipment in initially energized, measure magnitude and phase angle of all inputs and compare to expected values.

ALARMS
- Ensure alarms are functioning properly.

WIRING CHECKS
- All circuit wiring shall be visually verified to validate accuracy of wiring diagrams. This task can be documented by highlighting wiring documents and turning them over as a part of the test results package. This would include verifying control cable shield wires (if applicable) or CT/PT grounds are landed only in the appropriate locations as shown on the schematics and drawings.

FUNCTIONAL TESTING
- All circuits and equipment shall be functionally operated to prove the installation is per the schematics.
- All portions of each circuit shall be tested to verify proper operation.
- Testing shall be documented by highlighting a commissioning set of documents.
- Functional testing shall include but not be limited to the following:
  - Circuit breaker
  - Close circuit
  - Trip circuits
  - Alarm circuit
  - Motor circuit
  - Protective schemes
    - Line protection schemes
    - Breaker failure schemes
    - Transformer protection schemes
    - Bus protection schemes
    - Transformer control schemes
    - Feeder protection schemes
  - Motor operated disconnects
  - Alarms and annunciation circuits
  - Interlocks

IN-SERVICE TESTS
- Station Service
  - Confirm correct voltage magnitudes (P-P, P-N, P-G)
  - Confirm operation of transfer scheme by executing an in-service transfer of sources.
- Instrument transformer secondaries
  - These should be confirmed at each relay and the marshaling box(es) at a minimum. Locations may be increased based on facility design.
  - Voltages
    - Verify correct magnitudes
    - Verify correct phasing
    - Verify correct phase angles
  - Currents
    - Verify correct magnitudes
    - Verify correct phasing
- Verify correct phase angles
  - Voltages & Currents
    - Verify phase angles between voltages and currents are correct based on operating conditions
  - Differential Relays
    - Verify restraint and operate magnitudes.

Assumptions:
- This is an estimate.
- All equipment is treated as new, in a new location.
- The customer or customer's engineer will provide Issued for Construction Prints, nameplate information for all apparatuses, and all settings for equipment.
- Does not include SFRA test.
- Delays outside of Energis' control will be billed at time and material rates.

Estimate: $38,733.00

If you have any questions, please feel free to call me on my cell number below.

Sincerely,

Oleho Bohr-Hagedorn
Project Manager
Energis High Voltage Resources, Inc.
Cell 715-584-2501
Terms & Conditions

1. Acceptance and Governing Provisions. No Proposal shall be binding upon Seller until accepted in writing by an authorized representative of Buyer. Seller's performance of its obligations under this Proposal is conditioned upon Buyer's acceptance of the terms and conditions set forth herein (the "Terms") and Buyer's agreement to be bound by and comply with the Terms. These Terms, the terms and conditions set forth on the face of this document and all references to attachments constitute the entire agreement between Buyer and Seller and no statement or representation, oral or written, made by Buyer or Seller, and no course of dealing or performance or modification shall be binding on Seller unless signed by an officer of Seller. The failure of Seller to object to provisions contained in any purchase order, proposal or other document of Seller shall not be construed as a waiver by Seller of the Terms or acceptance of any such conditions. Any conflicting or additional terms or conditions set forth by Buyer in a purchase order, proposal or other document are not binding upon Seller, and Seller expressly objects thereto.

2. Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREBY, SELLER MAKES NO WARRANTY OF ANY KIND WHATSOEVER, AND SELLER EXPRESSLY DISCLAIMS ANY WARRANTIES IMPLIED BY LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3. Delivery and Delay. Unless otherwise agreed to in writing signed by Seller: (a) any goods ordered by Buyer shall be delivere F.O.B. point of shipment, with delivery to the initial carrier constituting delivery to Buyer; (b) title to the goods and risk of damage or loss shall pass to Buyer upon delivery to the initial carrier; (c) transportation costs shall be paid by Buyer; and (d) Buyer shall have the sole responsibility for filing any claim with any carrier for loss, damage or delay. Dates of delivery or performance or services are estimates only and are based on timely receipt of all orders from Buyer of all information required by Seller to provide the services. Seller shall not be liable for any delay beyond its reasonable control or caused by accident, bad weather, embargo, act of Buyer or third parties, labor disputes, transportation shortages, national emergency, risks, non-delivery of carriers or delivery agents, inability to obtain labor, materials or manufacturing facilities, acts of God or government restrictions, prohibitions or requirements. In the event of any such delay, Seller's time period for delivery of goods or performance of services shall be extended accordingly. REGARDLESS OF THE CAUSE, SELLER SHALL HAVE NO LIABILITY FOR PENALTIES OF ANY NATURE AS A RESULT OF A DELAY. During any period of shortage due to the stated or similar causes, Seller may procure its supply of goods and services among its internal demand and its customers in whatever manner it chooses.

4. Limitation of Liability. Seller shall not be liable under any theory of injury, including, without limitation, breach of warranty, breach of contract, tort (including negligence), strict liability or any theory of law arising out of this Proposal or Seller's acts or omissions, for: (a) incidental, special or consequential damages of any nature, including, without limitation, loss of profit, damage to property or loss of use; or (b) any damage or loss in excess of the purchase price actually paid by Buyer. Any action by Buyer must be commenced within one (1) year after the cause of action has accrued.

5. Changes and Substitutions. Any changes requested by Buyer are not effective unless accepted in writing by an authorized representative of Seller. Changes accepted by Seller which increase the specifications or scope of work of this Proposal shall enter into an agreement and adjustment to the price, delivery or performance schedule or other terms affected by such change. Seller may furnish substitute goods for goods not available due to regulations of governmental authorities or unavailability of materials from suppliers. Details of design, construction and services in this Proposal are subject to change and adjustment of services or in materials, design, layout or arrangement of goods are desired or required by conditions of which Seller was unaware or which were unforeseen by Seller, the price is subject to revision.

6. Prices and Payment. Unless otherwise stated by Seller in writing, Seller's prices: (a) are F.O.B. point of shipment; (b) do not include customs duties or any domestic or foreign sales, use, excise or similar taxes under existing or future law (with Buyer to be charged for same, unless Buyer has provided Seller with an appropriate tax certificate); (c) are valid for thirty (30) days from the proposal date; and (d) do not include costs for installation of goods. All quoted prices are subject to correction for clerical errors. Unless otherwise noted on the face hereof, the payment terms shall be net thirty (30) days from the date of invoice. Pro-rata payments shall become due with partial shipments of goods or partial delivery of services. Seller shall charge one and one-half percent (1 1/2%) per month (or such lower percentage as required by applicable law) of the unpaid invoice balance, commencing thirty (30) days following the invoice date. Any delay in delivery or performance of an installment shall not relieve Buyer of its obligation to accept and make payment for remaining installments. If Buyer is notified by Seller that the goods are ready for shipment and there is an unreasonable delay in shipment for reasons beyond Seller's control (including Buyer's failure to provide shipping instructions), the date of completion shall be treated as the date of shipment for payment purposes, and completed goods shall be held by Seller at Buyer's risk of damage, with Buyer paying all storage and insurance expenses. Seller may, at its option, defer delivery of goods or provide services, except for cash, on terms to be mutually agreed upon, and will not transport goods in transit whether, for any reason, if Seller doubts Buyer's financial responsibility or stability.

7. SAFETY. BUYER SHALL TAKE ALL NECESSARY PRECAUTIONS, AT THE COST OF THE BUYER, NECESSARY TO ENSURE THE SAFETY OF SELLER'S PERSONNEL AT BUYER'S SITE. THERE INCLUDE, BUT ARE NOT LIMITED TO: PROVIDING SELLER FOR REVIEW, AND INSTRUCTING SELLER'S PERSONNEL REGARDING, BUYER'S SAFETY PRACITICES; PROPER AND SAFE HANDLING OF, AND PROTECTION OF SELLER PERSONNEL FROM EXPOSURE TO HAZARDOUS MATERIALS; ENSURING AND CONTROLLING THE USE OF ALL POWER SYSTEMS (ELECTRICAL, MECHANICAL, AND HYDRAULIC) USING SAFE AND EFFECTIVE LOCKOUT/POWER-OFF PROCEDURES, AND CONDUCTING PERIODIC SAFETY MEETINGS. SELLER MAY, FROM TIME TO TIME, REQUIRE BUYER TO ENSURE THE SAFETY OF A SAFE SITE AND WORKING CONDITIONS AND MAKE RECOMMENDATIONS TO BUYER CONCERNING SAFETY. WHETHER OR NOT SELLER CONDUCTS SAFETY AUDITS OR MAKES RECOMMENDATIONS, BUYER WILL BE RESPONSIBLE FOR THE WORK ENVIRONMENT THAT IS SAFE AND THAT COMPLIES WITH ALL APPLICABLE SAFETY REQUIREMENTS. BUYER WILL MAKE ITS LOCAL MEDICAL FACILITIES AND RESOURCES AVAILABLE TO SELLER PERSONNEL WHO NEED MEDICAL ATTENTION, FOR THE DURATION OF THEIR NEEDS. BUYER WILL NOT INFRINGE ON SELLER'S PRIVACY, THE SAFE EXECUTION OF THIS PROPOSAL AT BUYER'S SITE IS, OR COULD BE, IMPAIRED BY SECURITY CONCERNS, LOCAL CONDITIONS, WAR, DECLARED OR UNDECLARED, ARMED CONFLICT OR TERRORIST THREAT, CIVIL UNREST, TERRORIST ACTS OR THREATS, THREAT TO SAFETY OR WELL-BEING OF BUYER'S SITE OR PERSONNEL, OR SELLER'S PERSONNEL OR INTERESTS. THE PRESENCE OR THREAT OF EXPOSURE TO HAZARDOUS MATERIALS, OR UNSAFE WORKING CONDITIONS, MAY, IN ADDITION TO OTHER RIGHTS OR REMEDIES AVAILABLE TO SELLER, REQUIRE SOME OR ALL OF ITS PERSONNEL FROM THE SITE, SUSPEND PERFORMANCE OF ALL OR ANY PART OF THIS PROPOSAL, AND TRANSFER SUCH PERFORMANCE AND SUPERVISE IT AT LOCATION SELELY BASED ON SELLER'S DISCRETION. ANY DELAY THAT RESULTS FROM SUCH EXCUSEABLE (INCLUDING, BUT NOT LIMITED TO, INSUFFICIENT PERSONNEL OR FACILITIES, OR IF A FACTORY HAS BEEN HIT BY STRIKE) WILL BE TREATED AS A DELAY FOR THE PURPOSES OF THIS PROPOSAL. BUYER SHALL ADVISE SELLER IN WRITING OF ALL APPLICABLE SITE-SPECIFIC REGULATIONS, REQUIREMENTS, INSPECTIONS, SAFETY ISSUES, AND CIRCUMSTANCES. SELLER WILL ACT IN GOOD FAITH TO ENSURE THAT ITS PERSONNEL CONFORM TO ALL APPLICABLE SITE-SPECIFIC REGULATIONS, REQUIREMENTS, INSPECTIONS, SAFETY ISSUES, AND CIRCUMSTANCES. SELLER WILL PROVIDE AND MAINTAIN ALL APPROPRIATE SAFETY EQUIPMENT AND TRAINING FOR ITS PERSONNEL.

8. Inspection and Acceptance. Inspection of goods and services at Seller's facility by Buyer, or Buyer's representatives, will be permitted insofar as such inspection does not interfere with Seller's obligations hereunder and provided that written details of such inspection are submitted to Seller ten (10) days in advance. The goods and services shall be cleaned and services shall be cleaned and inspected, and any claim of damage against Seller with respect to this Proposal shall be waived and not determinable by Buyer. BUYER SHALL ASSIST IN ANY INVESTIGATION, AND NOT INFRINGE ON SELLER'S PRIVACY, THE SAFE EXECUTION OF THIS PROPOSAL AT BUYER'S SITE IS, OR COULD BE, IMPAIRED BY SECURITY CONCERNS, LOCAL CONDITIONS, WAR, DECLARED OR UNDECLARED, ARMED CONFLICT OR TERRORIST THREAT, CIVIL UNREST, TERRORIST ACTS OR THREATS, THREAT TO SAFETY OR WELL-BEING OF BUYER'S SITE OR PERSONNEL, OR SELLER'S PERSONNEL OR INTERESTS. THE PRESENCE OR THREAT OF EXPOSURE TO HAZARDOUS MATERIALS, OR UNSAFE WORKING CONDITIONS, MAY, IN ADDITION TO OTHER RIGHTS OR REMEDIES AVAILABLE TO SELLER, REQUIRE SOME OR ALL OF ITS PERSONNEL FROM THE SITE, SUSPEND PERFORMANCE OF ALL OR ANY PART OF THIS PROPOSAL, AND TRANSFER SUCH PERFORMANCE AND SUPERVISE IT AT LOCATION SELELY BASED ON SELLER'S DISCRETION. ANY DELAY THAT RESULTS FROM SUCH EXCUSEABLE (INCLUDING, BUT NOT LIMITED TO, INSUFFICIENT PERSONNEL OR FACILITIES, OR IF A FACTORY HAS BEEN HIT BY STRIKE) WILL BE TREATED AS A DELAY FOR THE PURPOSES OF THIS PROPOSAL. BUYER SHALL ADVISE SELLER IN WRITING OF ALL APPLICABLE SITE-SPECIFIC REGULATIONS, REQUIREMENTS, INSPECTIONS, SAFETY ISSUES, AND CIRCUMSTANCES. SELLER WILL ACT IN GOOD FAITH TO ENSURE THAT ITS PERSONNEL CONFORM TO ALL APPLICABLE SITE-SPECIFIC REGULATIONS, REQUIREMENTS, INSPECTIONS, SAFETY ISSUES, AND CIRCUMSTANCES. SELLER WILL PROVIDE AND MAINTAIN ALL APPROPRIATE SAFETY EQUIPMENT AND TRAINING FOR ITS PERSONNEL.

9. Termination and Suspension. Seller shall have the right to suspend or cancel this Proposal (or any portion thereof) immediately for cause if: (a) Buyer becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors or files for protection from creditors under any bankruptcy or similar proceeding or any similar law; or (b) there is an accuracy or delay lasting longer than one hundred twenty (120) days after the date of expiration or warranty made by Buyer herein or in any document or certificate furnished by Buyer in connection herewith proves to be incorrect in any material respect; or (c) Buyer fails to make any payment of any amount hereunder within thirty (30) days following the date such payment is due; or (d) Buyer fails to comply with any terms herein, including, but not limited to, failure to make any payment when due or to fulfill any other obligation hereunder; or (e) Buyer, and services performed before the effective date of termination, plus a cancellation charge equal to the higher of (i) twenty-five percent (25%) of the purchase price set forth in this Proposal or (ii) no less than Seller, including, without limitation, engineering costs, reconditioning costs, labor, materials and Seller's
profit margin. The following shall apply when determining the amount due from Buyer for services performed before the date of termination: (i) for services performed under time and material pricing, Buyer shall pay for all hours performed at Seller's then-current standard time and material rates and (ii) for services performed under a firm fixed price, Buyer shall pay (a) the applicable price for all milestones achieved and (b) for any milestones not yet achieved, all hours performed in connection with the unachieved milestone(s) at Seller's then-current standard time and material rates. Buyer shall pay any reasonable expenses incurred by Seller in connection with a cancellation, including expenses for repossession, lease collection, demobilization/demobilization or costs of storage upon submission of Seller's invoice.

10. Indemnification. Buyer shall defend, hold harmless, and indemnify Seller and its officers, directors, employees, agents and representatives from and against all claims, damages, losses, expenses (including attorneys' fees) arising out of or resulting in any way from (a) any breach of Buyer's obligations under this Proposal and (b) any other act or omission of Buyer, related to this Proposal. This provision shall survive the termination of this Proposal and/or the completion of Seller's obligations hereunder.

11. Insurance. Buyer shall obtain, maintain and pay for such insurance as may be required by Seller or by law and comprehensive general liability insurance protecting Seller against claims for bodily injury or death or for damage to property occurring in connection with the performance of Seller's obligations under this Proposal, with limits in amounts as required by Seller. Buyer agrees to furnish Seller a copy of its insurance certificate prior to Seller providing its services or the goods in connection with this Proposal and Buyer agrees that said insurance policy will not be cancelled before final completion of the services or delivery of the goods provided under this Proposal. Buyer shall purchase and maintain insurance that will protect Buyer from claims arising out of Seller's obligations under this Proposal, whether the obligations are performed by Seller, or any of Seller's consultants, subcontractors or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Any and all insurance policies to be obtained hereunder shall name Seller as an additional insured thereunder and shall not be cancelled without prior written consent to Seller. The Seller and Buyer waive all rights against each other for damages caused by parties to the extent covered by the proceeds of any insurance policy, except such rights as they may have to the insurance proceeds.

12. Miscellaneous. The contract resulting from the acceptance of this Proposal shall be interpreted in accordance with the laws of the State of Wisconsin. Both parties irrevocably submit to the exclusive jurisdiction of the Circuit Court of Brown County, Wisconsin, for any action or proceeding relating to this Proposal. No waiver of any of the provisions contained in this Proposal shall be valid unless made in writing and executed by Seller. Failure of Seller to insist upon strict performance of the terms of this Proposal shall not constitute a waiver of any of the provisions of this Proposal or waiver of any other default. This Proposal contains the entire understanding between the parties related to the transactions contemplated herein and supersedes all prior or contemporaneous agreements or understandings. No modification, amendment, discharge or change of this Proposal shall be valid unless set forth in writing and signed by both parties. This Proposal shall not be construed against one party in favor of the other by reason of draftsmanship. This Proposal is not assignable by Buyer.

13. Waste Materials. If the service to be performed by Seller under this Proposal in any way concern waste materials of Buyer, then Buyer grants Seller the authority to enter into any agreement Seller deems necessary with Seller's contractors or subcontractors with respect to such waste materials. Furthermore, Buyer represents and warrants that Buyer is under no legal restraint which would prohibit the transfer of possession of such waste materials from Buyer to Seller's contractors or subcontractors and Buyer shall, upon request of Seller, execute any and all documentation necessary to facilitate such transfer of possession. If Seller requests that work areas located at Buyer's facilities or premises be secured, Buyer shall cooperate with Seller in securing such work areas and in preventing anyone other than Seller, Seller's contractors or subcontractors, and their respective personnel from entering the designated work areas. Buyer represents and warrants that it has delivered to Seller all information Buyer has regarding the waste materials and the surface and subsurface conditions in the vicinity of the premises where Seller is to perform its services and if Buyer receives information that the waste materials present, or may present, a hazard or risk to persons or the environment, Buyer shall promptly report and deliver such information to Seller.