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

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

Patrick Jordan, 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, July 6, 2017, at 7:00 p.m.

CALL TO ORDER
ROLL CALL
INVOCATION/PLEDGE OF ALLEGIANCE - Pastor Erik Heskin of Bethany Lutheran Church
APPROVAL/CORRECTION(S) TO MINUTES - Regular Meeting – June 15, 2017, Special Meetings – June 14, 2017 and June 27, 2017
APPROVAL/ADJUSTMENTS TO THE AGENDA
CONFLICT OF INTEREST DECLARATION
BRIEF PUBLIC COMMENT
PUBLIC HEARINGS

1. Second Reading(s) – West Highland Apartments and Sand Hill Townhomes – Payment in Lieu of Taxes Ordinance Approval - Ordinances No. 1185 and 1186.
   Explanation: The City Council will conduct a public hearing on a request from the Access Group, LLC of Troy, MI, on a request to separate an existing Payment in Lieu of Taxes Agreement Into two (2) separate PILT Ordinances for financing purposes of the West Highland Apartments and the Sand Hill Townhomes. The proposed ordinances provide for the same payment arrangement as provided in the current ordinance.

NEW BUSINESS

   Explanation: Administration is seeking Council approval to retain Payne and Dolan, Inc. of Gladstone, MI for the 2017/18 fiscal year paving projects. Administration is recommending Council approval of the proposed stated unit prices. This appropriation is included in the approved FY2017/18 budget.

   Explanation: Administration is seeking Council approval to retain M-Bank of Escanaba, MI for required banking services through 2020. Under the terms of the M-Bank proposal, a 1.55% fixed rate on deposits with minimal fees and charges are included.

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

Respectfully Submitted

[Signature]
Patrick Jordan
City Manager
OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, June 14, 2017

Pursuit to a meeting notice posted June 9, 2017, Mayor Marc D. Tall called the meeting to order at 4:04 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

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

Absent: Patricia A. Baribeau.

Sattem moved, Blasier seconded, CARRIED UNANIMOUSLY, to excuse Council Member Baribeau.

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, John Anthony, Glendon Brown, and John Mellinger.

Absent: Ann Bissell.

Also Present: City Manager James V. O'Toole, City Clerk Robert S. Richards, Electric Superintendent Mike Furmanski, and members of the public and media.

ADJUSTMENTS TO THE AGENDA

Beauchamp moved, Sattem seconded, CARRIED UNANIMOUSLY, to approve the Joint City Council & Electrical Advisory Committee Agenda as submitted.

CONFLICT OF INTEREST – None

NEW BUSINESS

Update – Electric Department – General Operations.

Electric Superintendent Mike Furmanski provided an update on departmental operations which included Pole Testing, discussion on a 2-3 year outage report, advised staff started on a new commercial service account.

Update – North Side Substation Construction.

Electric Superintendent Mike Furmanski provided an update on the construction and commission of the North Side Substation and issue with reclosures.
Approval – Northshore Substation Upgrade.

Electric Superintendent Mike Furmanski sought Council approval to retain Krause Power Engineering of Chippewa Falls, WI in an amount not to exceed $100,000 to perform the engineering design work and project administration and oversight needed to upgrade the existing substation into a permanent installation. The funds for this professional services agreement were budgeted in the upcoming fiscal year budget.

After consulting with the Electrical Advisory Committee Members, Blasier moved, Sattem seconded, to retain Krause Power Engineering of Chippewa Falls, WI in an amount not to exceed $100,000 to perform the engineering design work and project administration and oversight needed to upgrade the existing substation into a permanent installation.

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

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

MOTION CARRIED.

Approval – Ford River Township - Breezy Point Distribution Line Upgrade.

Electric Superintendent Mike Furmanski sought Council approval to retain Krause Power Engineering of Chippewa Falls, WI in an amount not to exceed $15,000 to perform engineering design work to replace the existing distribution lines currently in place located in the Ford River area. The funds for this professional services agreement were budgeted in the upcoming fiscal year budget.

After consulting with the Electrical Advisory Committee Members, Beauchamp moved, Sattem seconded, to approve to retain Krause Power Engineering of Chippewa Falls, WI in an amount not to exceed $15,000 to perform engineering design work to replace the existing distribution lines currently in place.

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

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

MOTION CARRIED.

Update – City-Owned Property Sale – Far Northside Adjacent to the Former Power Plant.

Administration led a discussion on the possible sale of a piece of property adjacent to
the former power plant property.

Jon Liss, owner of Northern Machining & Repair/Dun Yet Enterprises LLC, addressed Council and explained their proposed use of the City property.

After discussion, Blasier moved, Beauchamp seconded, CARRIED UNANIMOUSLY, to enter into negotiations with Jon Liss of Northern Machining & Repair/Dun Yet Enterprises, LLC. for the sale of City-Owned Property – Far Northside Adjacent to the Former Power Plant, and bring back to City Council for final approval.

**Update – Solar Generation Project.**

Electric Advisory Committee Member Glendon Brown provided an update on the potential solar project for the City. Primary discussion was on two potential property locations. (See Attachment – A)

- Question Administration whether the City would need to participate on the property remediation if purchased;
- Solar Farm was a potential best use for the site;
- City could enter into its own Brownfield Site and possible City reimbursement;
- Reviewed adjacent property owners;
- There was enough time to run down legal opinions regarding the proposed BP site.

After further discussion, it was the consensus of the Electric Advisory Committee and City Council for City Administration to contact a Lawyer and Environmental consultant before entering into a purchase of the proposed BP property.

**GENERAL PUBLIC COMMENT – None**

**COUNCIL/COMMITTEE, STAFF REPORTS**

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

**ADJOURNMENT**

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 5:20 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: ____________________________

Marc D. Tall, Mayor
## Comparison of Alternative Escanaba Solar Project Sites June 14, 2017

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Delta County Airport Site</th>
<th>BP Products Site on 20th Avenue North</th>
</tr>
</thead>
</table>
| **Suitability for Lowest Installation Cost – Driven Post Mounting** | Uncertain with high groundwater levels  
  - Bell’s Brewery adjacent site groundwater level 4 to 7 feet below surface  
  - Escanaba Electric Department linemen report groundwater at < 4 feet below surface at proposed site  
  - Ditch along the Airport Road, adjacent to the site has visible water levels  
  Pour-in-Place concrete ballast adds $0.10/watt to installation cost. ($100,000 for 1 MW facility) | Driven post mounting is very likely with the groundwater 12 to 15 feet below the surface from geotechnical data available in MDEQ files.  
  Potential of above ground and below ground structures from the old terminal facility needs to be identified. |
<p>| <strong>Unrestricted Sun Exposure</strong>            | None on site, but trees on south side of Airport Road may create a future shade.          | About a dozen small trees need to be removed including stumps, with an estimated removal cost of $5000. |
| <strong>Flat site requiring minimal grading</strong>  | No grading expected                                                                        | No grading expected                                                                                 |
| <strong>Cost to Purchase or Lease Site</strong>       | $3000/year lease ($75,000 over 25 years included in O&amp;M cost). This lease price was based on Airport mowing the site to keep the weeds from interfering. | $69,400 purchase cost including a $5,000 deposit (refundable) during up to 24 month due diligence period. (15.7 acre property) |
| <strong>Regulatory Review and Approval</strong>       | FAA Review and Approval Required                                                          | FAA Review and Approval Required due to site within 20,000 feet of the airport. Needs to be confirmed with FAA Michigan contact. No MDEQ approval required for tree and stump removal or solar facility construction. |</p>
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Delta County Airport Site</th>
<th>BP Products Site on 20th Avenue North</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Fence 7' high required for substations</td>
<td>Approximately $34,000 required to fence three sides of site</td>
<td>Existing 6'6&quot; fence probably has 10+ years of further use. Need to add 6&quot; additional height, e.g. a new top row of barbed wire.</td>
</tr>
<tr>
<td>Mowing Weeds</td>
<td>Airport Manager does not want to mow weeds as part of Lease (adjust Lease amount). Mowing cost to be included in O&amp;M costs</td>
<td>Contract for mowing costs to be included in O&amp;M costs</td>
</tr>
<tr>
<td>Proximity to existing City electric distribution lines with adequate capacity</td>
<td>Existing underground distribution line is near the site.</td>
<td>Existing above ground distribution lines crosses the site</td>
</tr>
<tr>
<td>Public Visibility and Economic Development benefits</td>
<td>Visible from Airport Road and Airport Terminal</td>
<td>Visible from roads on three sides of site.</td>
</tr>
<tr>
<td>Deed Restrictions</td>
<td>N/A</td>
<td>Final Purchase Agreement will likely require Deed Restrictions to prohibit water wells, building basements, and/or require vapor barriers in any foundations and floors for all new buildings.</td>
</tr>
<tr>
<td>Potential to Sell a Portion of the Property</td>
<td>N/A</td>
<td>Up to 5 acres on north section of the property</td>
</tr>
<tr>
<td>Proximity to Electric Department to monitor and maintain</td>
<td>Significantly more distant</td>
<td>Close proximity to Electric Department offices.</td>
</tr>
<tr>
<td>Other Restrictions</td>
<td>N/A</td>
<td>Site remediation process prohibits current use of SE portion of property, approximately 3-4 acres.</td>
</tr>
</tbody>
</table>
Escanaba Solar Project Site Selection

1. Comparison of two alternative Escanaba solar sites

2. Request EAC and City Council support for City Administration to negotiate with BP Products

3. If Purchase Agreement is completed, conduct the following key due diligence tasks:
   a. Inspect the site for solar project construction to define:
      i. Tree and stump removal needs and estimates
      ii. Potential existence of above ground and underground structures from the old terminal, and the remediation process impact on the Escanaba Solar Project layout and construction.
   iii. Conduct a Geotechnical site assessment.
## Payback Analysis
### Escanaba Solar Project

<table>
<thead>
<tr>
<th>Installation Cost</th>
<th>$/Watt</th>
<th>35% Fixed Tilt Angle</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of Years to pay off initial investment</td>
</tr>
<tr>
<td><strong>Initial Investment</strong></td>
<td>1.80</td>
<td>21.1</td>
</tr>
<tr>
<td>With EO Rebate</td>
<td>1.56</td>
<td>18.2</td>
</tr>
<tr>
<td>With EO &amp; ITC</td>
<td>1.09</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Initial Investment</strong></td>
<td>1.70</td>
<td>19.9</td>
</tr>
<tr>
<td>With EO Rebate</td>
<td>1.46</td>
<td>17.0</td>
</tr>
<tr>
<td>With EO &amp; ITC</td>
<td>1.02</td>
<td>11.7</td>
</tr>
<tr>
<td><strong>Initial Investment</strong></td>
<td>1.60</td>
<td>18.7</td>
</tr>
<tr>
<td>With EO Rebate</td>
<td>1.36</td>
<td>15.7</td>
</tr>
<tr>
<td>With EO &amp; ITC</td>
<td>0.95</td>
<td>10.9</td>
</tr>
<tr>
<td><strong>Initial Investment</strong></td>
<td>1.50</td>
<td>17.4</td>
</tr>
<tr>
<td>With EO Rebate</td>
<td>1.26</td>
<td>14.5</td>
</tr>
<tr>
<td>With EO Rebate &amp; ITC</td>
<td>0.88</td>
<td>10.0</td>
</tr>
</tbody>
</table>

### MBL&P Solar Garden

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Investment</strong></td>
<td>1.83</td>
<td>24.4</td>
</tr>
<tr>
<td>With EO Rebate</td>
<td>1.58</td>
<td>20.9</td>
</tr>
<tr>
<td>With EO Rebate &amp; ITC</td>
<td>1.11</td>
<td>14.7</td>
</tr>
</tbody>
</table>
Payback Analysis Comments

- No inflation in avoided costs is assumed beyond 2024 energy and capacity contracts.
- A 2% annual inflation in avoided costs after 2024 would reduce the payback time by approximately 2 years.
- A single axis tracking system with 0° tilt for mounting the solar panels would reduce the payback time approximately 2 years at the same installation cost.
OFFICIAL PROCEEDINGS  
CITY COUNCIL  
CITY OF ESCANABA, MICHIGAN  
Regular Council Meeting  
Thursday, June 15, 2017

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, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: None

Also Present: City Manager James V. O'Toole, City Attorney Ralph B. K. Peterson, City Clerk Richards, City Department Heads, media, and members of the public.

Pastor Fred Driscoll of the New Life Assembly of God Church, gave the invocation and led Council in the Pledge of Allegiance.

Sattem moved, Baribeau seconded, CARRIED UNANIMOUSLY, to approve Regular Meeting minutes from June 1, 2017, and Special Meeting minutes from May 31, 2017 3:00 p.m., Special Meeting Minutes from May 31, 2017 4:00 p.m., Special Meeting Minutes from June 5, 2017 a.m., June 5, 2017 p.m., as submitted.

ADJUSTMENTS TO THE AGENDA

Manager O'Toole requested to remove New Business No. 11, Professional Services Agreement – Department of Public Safety Janitorial Services. He stated some price questions came up that needed to be answered and resolved. Mr. O'Toole advised the City advertised that a public hearing would take place creating an OPRA District #26. The Public Hearing was removed due to information not being available.

Blasier moved, Beauchamp seconded, CARRIED UNANIMOUSLY, to approve the Agenda as amended.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

Approval – Ordinance No. 1184 – Appropriations Ordinance Amendment.

A public hearing was conducted on an amendment to the current Appropriations Ordinance for the fiscal year ending June 30, 2017. An amendment was needed to balance out over and under expenditures within various departmental budgets for the 2016-17 fiscal years. This action was mandated by State law and adjusts budget
City Council Minutes
accounts to help ensure that no individual line items are overrun.

City Controller Melissa Becotte briefly reviewed adjustments to the 2016/17 Appropriations Ordinance.

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-1 "By Council Member Sattem, seconded by Council Member Blasier;

Resolved, That Ordinance No. 1184, the Appropriations Ordinance Amendment, given its public hearing at this meeting, be and is hereby adopted and that it be published in accordance with the requirements of the City Charter."

Herewith Ordinance No. 1184 adopted by title:

"AN ORDINANCE TO AMEND ORDINANCE NO. 1167, ENTITLED AN ORDINANCE TO MAKE APPROPRIATIONS AND CORRESPONDING REVENUES FOR THE YEAR ENDED JUNE 30, 2017."

Full text in Ordinance Record "K".

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

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

RESOLUTION DECLARED ADOPTED.

NEW BUSINESS


Administration sought Council approval to purchase property and liability insurance coverage from the Michigan Municipal Risk Management Authority (MMRMA) in the amount of $218,403. This purchase was budgeted in the 2017-18 operating year budget.

NB-1 Beauchamp moved, Sattem seconded, to approve to purchase property and liability insurance coverage from the Michigan Municipal Risk Management Authority (MMRMA) in the amount of $218,403.

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

Ayes: Beauchamp, Sattem, Blasier, Baribeau, Tall
MOTION CARRIED.

First Reading(s) – West Highland Apartments and Sand Hill Townhomes – Payment in Lieu of Taxes - Ordinances No. 1185 and 1186.

West Highland Apartments and Sand Hill Townhomes are being purchased by The Access Group LLC of Troy, MI. Both properties currently have a single payment in lieu of taxes agreement (PILT) in place. Recently, the purchaser requested the City Council create and approve separate PILT Ordinances for financing purposes. The proposed ordinances provide for the same payment arrangement as the current ordinance allows. Administration recommended the City Council set July 6, 2017, as the second reading, public hearing and approval date of Ordinance No’s 1185 and 1186.

NB-2 Baribeau moved, Sattem seconded, to approve to set July 6, 2017, as the second reading, public hearing and approval date of Ordinance No’s 1185 and 1186.

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

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

MOTION CARRIED.

Approval – Use of Public Space – Marina Fest – Escanaba Marina.

Administration at the Escanaba Marina requested authorization to use the public space surrounding the Marina for the annual Marina Fest on July 29, 2017.

NB-3 Sattem moved, Blasier seconded, CARRIED UNANIMOUSLY, to approve a request from the Escanaba Marina to use the public space surrounding the Marina for the annual Marina Fest on July 29, 2017.

Approval – Lease Agreement – Eskymo Fan Club and Escanaba Cubs Baseball Club, Inc. – Athletic Field/Ness Field Concession Stand.

Administration sought Council approval of a lease with the Eskymo Fan Club and Escanaba Cubs Baseball Club, Inc. for use of the Athletic Field/Ness Field Concession Stand. The Athletic Field/Ness Field concession stand is owned by the City of Escanaba. If approved, the proposed lease would be in place through 2027 which would coincide with the Escanaba Area Public Schools’ lease for the Athletic Field/Ness Field concession stand building. No changes to the lease were being recommended over the previously approved lease agreement.
NB-4 Blasier moved, Sattem seconded, CARRIED UNANIMOUSLY, to approve a lease with the Eskymo Fan Club and Escanaba Cubs Baseball Club, Inc. for use of the Athletic Field/Ness Field Concession Stand.


Administration sought Council approval of a lease with the Escanaba Area Public Schools for continued use of the Ness Baseball Field. The property is owned by the City of Escanaba. The proposed lease would be in place through 2021. No changes to the lease were being recommended over the previously approved lease agreement.

NB-5 Sattem moved, Blasier seconded, CARRIED UNANIMOUSLY, to approve a lease with the Escanaba Area Public Schools for continued use of the Ness Baseball Field.

Approval – Lease Agreement – Escanaba Area Public Schools – West Side Playground Park (5th Avenue South).

Administration sought approval of a lease with the Escanaba Area Public Schools to provide a neighborhood playground located on 5th Avenue South adjacent to the Senior High School Track. The property is owned by the Escanaba Area Public Schools. The proposed lease would be in place through 2024 to coincide with the Webster Park property lease. No changes to the lease were being recommended over the previously approved lease agreement.

NB-6 Beauchamp moved, Baribeau seconded, CARRIED UNANIMOUSLY, to approve a lease with the Escanaba Area Public Schools to provide a neighborhood playground located on 5th Avenue South adjacent to the Senior High School Track.


The Great Lakes Sport and Recreation Club sought Council approval of a lease renewal along with a two (2) year lease renewal extension option for 14 +/- acres of City-owned property on 19th Avenue North for their 3-D Archery Range. Administration recommended approval of the lease and extension option contingent upon proper insurance being filed with the City.

NB-7 Beauchamp moved, Blasier seconded, CARRIED UNANIMOUSLY, to approve a lease renewal along with a two (2) year lease renewal extension option for 14 +/- acres of City-owned property on 19th Avenue North for their 3-D Archery Range,
City Council Minutes
contingent upon proper insurance being filed with the City.

Approval – Lease Agreement – Community Action Agency.

Administration sought Council approval of an annual lease agreement between the City of Escanaba and the Community Action Agency for the Senior Center activities at the Catherine Bonifas Civic Center. Under the terms of the lease, the annual lease payment would remain the same. However, monthly utility costs would be increased from $225/month to $300/month.

Recreation Director Kimberly Peterson briefly reviewed the lease, and proposed enhancements to the building.

NB-8 Baribeau moved, Blasier seconded, CARRIED UNANIMOUSLY, to approve an annual lease agreement between the City of Escanaba and the Community Action Agency for the Senior Center activities at the Catherine Bonifas Civic Center.

Approval – Certified Grant Administrator – Downtown Market Place Project.

The Downtown Development Authority Administration sought Council approval to retain Mr. Peter VanSteen of the Central Upper Peninsula Planning and Development Regional Commission (CUPPAD) in the amount of $14,100 for administrative services in closing out the Downtown Marketplace Project. Funds to pay this contract were being provided by the Michigan Economic Development Corporation.

DDA Director Ed LaGault briefly reviewed the need for the Certified Grant Administrator, and reviewed final steps to complete the project.

NB-9 Beauchamp moved, Sattem seconded, CARRIED UNANIMOUSLY, to approve to retain Mr. Peter VanSteen of the Central Upper Peninsula Planning and Development Regional Commission (CUPPAD) in the amount of $14,100 for administrative services in closing out the Downtown Marketplace Project.

Approval – Request to Purchase City-owned Property – Sheldon Subdivision – 5th Avenue South and South 20th Street.

Daniel and Nancy Young requested the City Council to approve the sale of an 18’6” X 107’99” city-owned property located on the corner of 5th Avenue South and South 20th Street in the amount of $1,500. Manager O’Toole provided a brief history of the property and advised additional parcel would be on the City tax roll.

NB-10 Blasier moved, Beauchamp seconded, to approve a request from Daniel and Nancy Young to approve the sale of an 18’6” X 107’99” city-owned property located on the corner of 5th Avenue South and South 20th Street in the amount of $1,500.
Upon a call of the roll, the vote was as follows:

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

MOTION CARRIED.

Approval – Professional Services Agreement – Department of Public Safety Janitorial Services.

Administration sought Council approval of a contract with Hi-Tec Building Services of Jenison, MI to provide janitorial services for the Department of Public Safety in the amount of $19,200. This purchase was included in the current fiscal year budget.

This item was removed from the Council Agenda.

The following two items were removed from the Council Agenda. Unions did not approve their contracts.


APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES

Mayor Tall, with Council consensus, appointed Craig Gierke to a vacancy on the City Planning Commission, term ending June 2019.

BOARD, COMMISSION, AND COMMITTEE REPORTS

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

Mayor Tall provided a brief update on new City Manager Patrick Jordan and stated negotiations were proceeding nicely.

GENERAL PUBLIC COMMENT – None
ANNOUNCEMENTS

As this was the last regular meeting for Manager O'Toole, Council Members thanked Mr. O'Toole for his service to the Citizens of Escanaba.

Hearing no further public comment, the Council adjourned at 7:32 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: ____________________________
Marc D. Tall, Mayor
Pursuant to a meeting notice posted on June 26, 2017, the meeting was called to order by the Honorable Mayor Marc D. Tall at 4:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

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

Absent: None

Also Present: City Manager James V. O'Toole, Clerk Robert S. Richards, media, Patrick Jordan, and members of the public.

ADJUSTMENTS TO THE AGENDA

Sattem moved, Blasier seconded, CARRIED UNANIMOUSLY, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

UNFINISHED BUSINESS – None

PUBLIC HEARINGS – None

NEW BUSINESS – None

Approval - City Manager Employment Agreement- Mr. Patrick Jordan.

The Council reviewed a proposed employment agreement between the City of Escanaba and Mr. Patrick Jordan for the position of City Manager. Mayor Tall and Council Member Beauchamp advised on behalf of the negotiating team, background checks, doctor reports and employment agreement were completed, and they made a recommendation to hire Mr. Patrick S. Jordan effective this date.

After discussion, Blasier moved, Baribeau seconded, to approve the employment agreement between the City of Escanaba and Mr. Patrick S. Jordan for the position of Escanaba City Manager, effective this date.
City Council Minutes
June 27, 2017 – cont.

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

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

MOTION CARRIED.

Manager O'Toole advised a task list would be forwarded to Council and Mr. Patrick.

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS – None

Hearing no further public comment, the Council adjourned at 4:04 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: ____________________________

Marc D. Tall, Mayor
Memo

To: Jim O'Tools, City Manager
From: Melissa Becotte, City Controller
cc:
Date: June 7, 2017
Re: PILT Ordinances

I received a call from Jim Schubiner at Access Group LLC. His company is purchasing West Highland and Sand Hill Townhomes. Currently, these two properties are covered under a single PILT ordinance. Access Group will be financing these properties separately so MSHDA is requiring them each to have their own ordinance.

Attached are the proposed ordinances that need to be presented to City Council for approval. The terms of the ordinances are the same terms currently in place for these properties. These ordinances have been reviewed by the City Attorney and no issues were found. I would ask that you include these items on the June 15th City Council agenda for the 1st reading and again on the July 6th agenda for the 2nd reading and adoption.

Please let me know if you have any questions.
ORDINANCE NO. 1185

AN ORDINANCE TO AMEND CHAPTER 26 - TAXATION
OF THE CODE OF ORDINANCES OF THE CITY OF ESCANABA

THE CITY OF ESCANABA ORDAINS:

CHAPTER 1

Chapter 26 - Taxation of the Escanaba Code of Ordinances is hereby amended by adding Division 7, West Highland Apartments Limited Dividend Housing Association LLC, to read as follows:

CHAPTER 26 - TAXATION

ARTICLE III, SERVICE CHARGE IN LIEU OF PROPERTY TAXES FOR HOUSING DEVELOPMENT

DIVISION 7, West Highland Apartments Limited Dividend Housing Association LLC

Sec. 26-70. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide affordable housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA Section 125.1401 et seq, MSA Section 116.114(1) et seq.). The city is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons of low income is a public necessity, and as the city will be benefitted and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuation of the provisions of this article for tax exemption and the service charge in lieu of taxes during the period contemplated in this article are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The city acknowledges that West Highland Apartments Limited Dividend Housing Association LLC has offered subject to receipt of the allocation under the LIHTC Program by the Michigan State Housing Development Authority to purchase, rehabilitate and operate a housing project for elderly persons of low to moderate income known as the West Highland Apartments on certain property located at:
A parcel of land located in the Northwest Quarter of the Southeast Quarter of Section 25, Township 39 North, Range 23 West, Delta County, City of Escanaba, State of Michigan, being more particularly described as:

Commencing at the Quarter corner common to Sections 25 and 36; thence N00°30'00"E along the North and South ¼ line of Section 25 a distance of 1350.62 feet to the S 1/16 line of Section 25; thence S89°54'30"E along the S 1/16 line of Section 25 and also being on the North right-of-way line of Third Avenue, South a distance of 658.59 feet to a ¾" capped iron pipe; said iron pipe being the Point of Beginning of the description; thence N00°25'30"E a distance of 671.03 feet to a ¾" capped iron pipe being on the South right-of-way line of First Avenue, South; thence S89°58'00"E along the South right-of-way line of First Avenue, South a distance of 617.68 feet to a ¾" capped iron pipe being on the West right-of-way line of Twenty-sixth Street South; thence S00°02'00"W along the West right-of-way line of Twenty-sixth Street a distance of 671.65 feet to a ¾" capped iron pipe being on the S 1/16 line of Section 25 and also being on the North right-of-way of Third Avenue South; thence N89°54'30"W along the S 1/16 line of Section 25 and also being on the North right-of-way line of Third Avenue South a distance of 622.19 feet to the Point of Beginning.

Consisting of 135 units in the city to serve elderly persons of low and moderate income, and that the sponsor has offered to pay the city on account of this housing development an annual service charge for public service in lieu of taxes.

Sec. 26-71. Definitions.

All terms not herein defined shall have the meanings given them in the State Housing Development Authority Act of 1966, being Public Act of 1966, of the State of Michigan, as amended.

1. Act means the State Housing Development Authority Act, being Michigan Public Act of 1966, as amended.

2. Annual shelter rent means the total collections, including rental subsidy, during an agreed annual period from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, late fees, or other utilities furnished to the occupants.

3. Authority means the Michigan State Housing Development Authority.

4. Housing development means a development which contains a significant element of housing for persons of low income and such
elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.

5. Low Income or Moderate Income Persons means families and persons at or below 60% of the area median income adjusted for family size.

6. Mortgage loan means a loan to be made by the authority to the sponsor for the construction and/or permanent financing of the housing development.

7. Sponsor means person(s) or entities which have applied to the authority for a mortgage loan or for an allocation under the Low Income Housing Tax Credit Program to finance a housing development.

8. Utilities mean fuel, water, sanitary sewer service and/or electrical service which are paid by the housing development.

Section 26-72, Class of housing development.

It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing developments which are financed or assisted pursuant to the act. It is further determined that the development is of this class.

Section 26-73. Establishment of annual service charge.

The housing development known as the West Highland Apartments and the property on which it is constructed shall be exempt from all property taxes as of or effective on the December 31st of the year the certified notification of exemption was filed with the City Assessor prior to November 1st. The city acknowledging that the sponsor and the authority have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this article and the qualification of the housing development for the exemption from all property taxes and a payment in lieu of taxes as established in this article, and in consideration of the sponsor's offer, subject to existence of a mortgage loan and proper certificate of exemption filed, to own and operate the apartment complex, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to four (4) percent of ninety-five (95%) percent of the Contract Rents as defined by the U.S. Department of Housing and Urban Development in Rules promulgated pursuant to the U.S. Housing Act of 1937, as amended, of the
preceding calendar year exclusive of the utilities and the amount paid to the City during the preceding calendar year for the annual service charge.

Section 26-74. Limitation on the payment of the annual service charge.

Notwithstanding Section 26-73, the service charge to be paid each year in lieu of taxes for the part of the housing development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which shall be paid on that portion of the housing development if the housing development were not tax exempt.

Notwithstanding Section 26-73, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

Section 26-75. Contractual effect of this article.

Notwithstanding the provisions of (Section 15(a)(5)) of the act to the contrary, a contract between the city and the sponsor, with the authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this article.

Section 26-76. Payment of service charge.

The service charge in lieu of taxes as determined under the article shall be payable in the same manner as general property taxes are payable to the city except that the annual payment shall be paid on or before September 15th of each year.

Section 26-77. Duration.

This article shall remain in effect and shall not terminate so long as the authority's mortgage loan remains outstanding and unpaid or the authority has any interest in the property; or the housing development remains subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended. Notwithstanding the foregoing, this Ordinance shall terminate if this property ceases to serve low to moderate income persons.

CHAPTER II
SAVINGS CLAUSE

If any section, subsection, sentence, clause or phrase of the within Ordinance is, for any reason, held to be unconstitutional, 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, section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

CHAPTER III
REPEALING CHAPTER

All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

CHAPTER IV:
EFFECTIVE DATE

This Ordinance shall be in full force and effect ten (10) days after its passage and publication.

APPROVED:  

Ralph B.K. Peterson, City Attorney  

APPROVED:

Marc D. Tall, Mayor

ATTEST:

Robert S. Richards, CMC/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 ___ day of ________, 2017, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on __________, 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
ORDINANCE NO. 1186

AN ORDINANCE TO AMEND CHAPTER 26 - TAXATION
OF THE CODE OF ORDINANCES OF THE CITY OF ESCANABA

THE CITY OF ESCANABA ORDAINS:

CHAPTER 1

Chapter 26 - Taxation of the Escanaba Code of Ordinances is hereby amended by adding Division 8, Sand Hill Townhomes Limited Dividend Housing Association LLC, to read as follows:

CHAPTER 26 - TAXATION

ARTICLE III, SERVICE CHARGE IN LIEU OF PROPERTY TAXES
FOR HOUSING DEVELOPMENT

DIVISION 8, Sand Hill Townhomes Limited Dividend Housing Association LLC

Sec. 26-80. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide affordable housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA Section 125.1401 et seq., MSA Section 116.114(l) et seq.). The city is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons of low income is a public necessity, and as the city will be benefitted and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuation of the provisions of this article for tax exemption and the service charge in lieu of taxes during the period contemplated in this article are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The city acknowledges that Sand Hill Townhomes Limited Dividend Housing Association LLC has offered subject to receipt of the allocation under the LIHTC Program by the Michigan State Housing Development Authority to purchase, rehabilitate and operate a housing project for elderly persons of low to moderate income known as the Sand Hill Townhomes on certain property located at:
Commencing at the Quarter corner common to Sections 25 and 36, T39N, R23W; thence N89°24'00"E along the Section Line common to Section 25 and 36 also being on the South right-of-way line of Fifth Avenue, South a distance of 990.12 feet to a ½ inch iron rod the Point of Beginning of the parcel being described; thence continuing N89°24'00"E along the Section Line common to Sections 25 and 36 also being on the South right-of-way of Fifth Avenue, South a distance of 300.04 feet to a ¾ inch capped iron pipe; thence S00°53'00"W along the West right-of-way line of Twenty-Sixth Street, South and being 30 feet West of and parallel with the E. 1/16 line of Section 36 a distance of 658.08 feet to a ¾ inch capped iron pipe; thence S89°28'30"W a distance of 300.42 feet to a ½ inch iron rod; thence N00°56'00"E a distance of 657.82 feet to the Point of Beginning.

Said parcel contains 4.53 acres of land, more or less and subject to a 20 foot power line easement running East and West across said parcel, centerline of said power line easement being 140.0 feet South of the South right-of-way line of Fifth Avenue South.

Consisting of 75 units in the city to serve families and persons of low and moderate income, and that the sponsor has offered to pay the city on account of this housing development an annual service charge for public service in lieu of taxes.

**Sec. 26-81. Definitions.**

All terms not herein defined shall have the meanings given them in the State Housing Development Authority Act of 1966, being Public Act of 1966, of the State of Michigan, as amended.

1. Act means the State Housing Development Authority Act, being Michigan Public Act of 1966, as amended.

2. Annual shelter rent means the total collections, including rental subsidy, during an agreed annual period from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, late fees, or other utilities furnished to the occupants.

3. Authority means the Michigan State Housing Development Authority.

4. Housing development means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.
5. *Low Income or Moderate Income Persons* means families and persons at or below 60% of the area median income adjusted for family size.

6. *Mortgage loan* means a loan to be made by the authority to the sponsor for the construction and/or permanent financing of the housing development.

7. *Sponsor* means person(s) or entities which have applied to the authority for a mortgage loan or for an allocation under the Low Income Housing Tax Credit Program to finance a housing development.

8. *Utilities* mean fuel, water, sanitary sewer service and/or electrical service which are paid by the housing development.

Section 26-82. Class of housing development.

It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing developments which are financed or assisted pursuant to the act. It is further determined that the development is of this class.

Section 26-83. Establishment of annual service charge.

The housing development known as the Sand Hill Townhomes and the property on which it is constructed shall be exempt from all property taxes as of or effective on the December 31st of the year the certified notification of exemption was filed with the City Assessor prior to November 1st. The city acknowledging that the sponsor and the authority have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this article and the qualification of the housing development for the exemption from all property taxes and a payment in lieu of taxes as established in this article, and in consideration of the sponsor’s offer, subject to existence of a mortgage loan and proper certificate of exemption filed, to own and operate the apartment complex, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to four (4) percent of ninety-five (95%) percent of the Contract Rents as defined by the U.S. Department of Housing and Urban Development in Rules promulgated pursuant to the U.S. Housing Act of 1937, as amended, of the preceding calendar year exclusive of the utilities and the amount paid to the City during the preceding calendar year for the annual service charge.
Section 26-84. Limitation on the payment of the annual service charge.

Notwithstanding Section 26-83, the service charge to be paid each year in lieu of taxes for the part of the housing development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which shall be paid on that portion of the housing development if the housing development were not tax exempt.

Notwithstanding Section 26-83, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

Section 26-85. Contractual effect of this article.

Notwithstanding the provisions of (Section 15(a)(5)) of the act to the contrary, a contract between the city and the sponsor, with the authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this article.

Section 26-86. Payment of service charge.

The service charge in lieu of taxes as determined under the article shall be payable in the same manner as general property taxes are payable to the city except that the annual payment shall be paid on or before September 15th of each year.

Section 26-87. Duration.

This article shall remain in effect and shall not terminate so long as the authority's mortgage loan remains outstanding and unpaid or the authority has any interest in the property; or the housing development remains subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended. Notwithstanding the foregoing, this Ordinance shall terminate if this property ceases to serve low to moderate income persons.

CHAPTER II
SAVINGS CLAUSE

If any section, subsection, sentence, clause or phrase of the within Ordinance is, for any reason, held to be unconstitutional, 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, section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.
CHAPTER III
REPEALING CHAPTER

All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

CHAPTER IV
EFFECTIVE DATE

This Ordinance shall be in full force and effect ten (10) days after its passage and publication.

APPROVED: ____________________________  APPROVED: ____________________________

Ralph B.K. Peterson, City Attorney  Marc D. Tall, Mayor

ATTEST:

Robert S. Richards, CMC/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 ___ day of ________, 2017, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on ______________________, 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
MEMORANDUM

To: Melissa Becotte, City Controller, City of Escanaba
    P.O. Box 948
    Escanaba, MI 49829

From: Jim Schubiner, Manager, The Access Group LLC
      www.accessgrouphousing.com

Date: May 18, 2017

Subject: PILOT Ordinance for West Highland and Sand Hill Apartments

Dear Melissa,

I am writing to formalize our request to amend the existing Payment in Lieu of Tax (PILOT) ordinance that covers West Highland and Sand Hill Apartments in order to accommodate new financing from the Michigan State Housing Development Authority (MSHDA).

As you may know, there is currently one MSHDA loan covering both projects and one PILOT ordinance. The Access Group LLC will be acquiring and renovating the projects using new MSHDA financing that will be provided through two separate loans. Accordingly, MSHDA has requested that there be two separate PILOT ordinances, one for each project.

In the first 18 months following the acquisition, which is expected to occur in January of 2018, the projects will undergo renovations made possible by the MSHDA financing. The planned renovations will consist of paving and sidewalk improvements, site lighting, landscaping and replacements of building systems including the roof on the senior building, siding on the townhomes, windows, elevator modernizations and an upgraded security system. In addition, there will be improvements made to the apartment interiors.

If I can provide any additional information or answer any questions, please email me at jim.schubiner@accessgrouphousing.com or call me at 248-229-9393.

Sincerely,

Jim Schubiner
MEMORANDUM

Date: June 21, 2017
To: Jim O’Toole, City Manager
From: Bill Farrell, City Engineer
CC: Bob Richards, Melissa Becotte
RE: Approval of annual paving bids

ANNUAL PAVING BIDS

On Tuesday June 20, 2017 the City of Escanaba opened sealed bids for the annual paving program. The notice appeared in the Daily Press and bid packages were sent to various firms. One (1) response was received. Below is the tabulation of bids.

<table>
<thead>
<tr>
<th>Unit of Work</th>
<th>Quantity</th>
<th>Units</th>
<th>Unit Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold Milling HMA Surface</td>
<td>2000</td>
<td>SYD</td>
<td>$2.50</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>HMA, Base Crush and Shape</td>
<td>2500</td>
<td>SYD</td>
<td>$0.80</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>HMA, 4E3</td>
<td>1530</td>
<td>TON</td>
<td>$75.60</td>
<td>$115,668.00</td>
</tr>
</tbody>
</table>

Estimated Total                  | $122,668.00 |

Payne and Dolan of Gladstone, Michigan is the lowest qualified bidder for this work. I recommend awarding the bid to Payne and Dolan and I would ask that council approval be given for the unit prices of the work and not the total amount.
## PROPOSAL

<table>
<thead>
<tr>
<th>Unit of Work</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold Milling HMA Surface</td>
<td>2,000</td>
<td>SYD</td>
<td>$2.50</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>HMA, Base Crush and Shape</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,500</td>
<td></td>
<td>SYD</td>
<td>.80</td>
<td>2,000.00</td>
</tr>
<tr>
<td>HMA, 4E3</td>
<td>1,530</td>
<td>Ton</td>
<td>75.60</td>
<td>116,668.00</td>
</tr>
</tbody>
</table>

Grand Total: $122,668.00

Note:
The breakdown list of streets will have additional information concerning these items.

This proposal for work within the City of Escanaba is proposed as stated above.

Submitted by:

FIRM: Payne & Dolan, Inc.

ADDRESS: 801 Clark Drive
          Escanaba, MI 49829

NAME: Lincoln Noel

TITLE: Agent

SIGNATURE: [Signature]

DATE: 1-20-17
PAVING BIDS

TO BIDDERS: Thursday May 31st, 2017

ADVERTISED: Week of June 05th, 2017 – Escanaba Daily Press

BID OPENING: Tuesday June 20th, 2017

Bacco Construction Company, Inc.
P.O. Box 458
Iron Mountain, MI 49801

H & D, Division of Reith Riley Construction Company
6795 U.S. 31 North
Bay Shore, MI 49711

Payne and Dolan, Inc.
801 Clark Drive
Gladstone, MI 49837

Smith Paving, Inc
4090 U.S. 41 West
Marquette, MI 49855

Delta County Area Chamber of Commerce
Builder’s Exchange
230 Ludington Street
Escanaba, MI 49829
NOTICE TO BIDDERS

Sealed bids will be received by the City of Escanaba at the office of the City Clerk, on or before 2:00 p.m. - local time – on Tuesday June 20th, 2017.

PAVING BIDS

Bids will be publicly opened and read in the City Clerk’s office at said time and date.

Bid proposals and/or specifications may be obtained from the office of the City Clerk, located at 410 Ludington Street, Escanaba, Michigan 49829. No bid will be considered unless the proposal from and/or specifications (furnished by the City of Escanaba, Michigan) are properly completed and enclosed in a sealed envelope marked:

“2017 Paving Bid”

In addition, the City of Escanaba, Michigan, will not consider any proposal which has not been received prior to the published time, date and year of bid opening. FAX transmittals will not be accepted.

A certified check, cashier’s check, or Bidder’s Bond, drawn payable - without condition - to the City of Escanaba, Michigan, in an amount not less than 10% of the bid will be submitted with each proposal as a guarantee that if the bid is accepted, the bidder will furnish materials or services as stated in his proposal. On failure of the successful bidder to fulfill the conditions of his/her proposal, he/she shall forfeit said deposit to the City of Escanaba, Michigan, as liquidated damages. The acceptance of the proposal will be contingent upon the bidder’s acceptance of this provision.

The City of Escanaba, Michigan, reserves the right to reject any or all bids, or any part thereof, at its discretion and to waive any irregularities in the bidding. The City of Escanaba, Michigan, may also split bids at its discretion. The City further reserves the right to negotiate directly with any and all bidders concerning any matter related to any bid.

All City of Escanaba, Michigan, bids are prepared so as to afford all vendors the equal opportunity for fair and equitable competition. The City of Escanaba, Michigan, assumes no liability or responsibility for any errors or oversights in the preparation and/or publication of bids.

Any questions concerning this bid should be directed to the City of Escanaba City Engineer, Bill Farrell (906) 786-1842.

SCOPE OF SERVICES

The City of Escanaba requests bid proposals for HMA Paving of city streets within the City of Escanaba for the City’s fiscal year (July 01st, 2017 to June 30th, 2018).
HMA BASE CRUSHING AND SHAPING

Base crushing and shaping HMA Surface shall consist of pulverizing the existing bituminous surface including 2 to 3 inches of the existing aggregate base material. The City will complete the final site clean-up using street sweepers. Payment shall be based on total number of square yards of material pulverized.

COLD MILLING HMA SURFACE

Cold Milling HMA Surface shall consist of removing the existing bituminous surface down to within 1 inch to 2 inches of the existing aggregate base. The Contractor shall also be responsible for removing all milled material and general cleanup in preparation of surface for paving. The City will do the final clean-up using street sweepers. Payment shall be based on total number of square yards of material removed.

HMA PAVING

All HMA paving material shall conform to current MDOT specifications. Mix design shall conform to HMA mixture 4E3. Different MDOT HMA mix designs may be used if submitted to the City Engineer in writing and approved by the City Engineer prior to use. All testing and mix design requirements of MDOT specifications shall be part of this specification. Payment will be based on tons of HMA material placed.

HMA APPLICATION ESTIMATE

Description

This work shall be done in accordance with the requirements of Division 501 of the 2012 Standard Specifications for Construction except as herein specified.

Construction Methods

The Roller Method for testing compaction, Section 501.03 subsection G shall be used for this project.

Materials

HMA, 4E1, L-1, yield will vary depending on actual street, typical shall be 220 pounds per square yard. (Leveling Course designated L-1)

The Performance Grade asphalt binder range for the Mixture shall be 58-34.

The HMA Bond Coat material shall be per Section 501.03 subsection D of the 2012 MDOT Standard Specifications for Construction. The uniform rate of application shall be 0.01 to 0.1 gallon per square yard. Payment for HMA Bond Coat shall be included within the cost of other HMA items of work and not paid for separately.
Measurement and Payment

Measurement and Payment shall be at the contract unit price per ton.

COORDINATION OF WORK

All work must be coordinated with the Escanaba Public Works Department. Generally, the Public Works Department will select various street and alleys to be resurfaced each year and will repair manholes and other underground structures, and replace curbing as needed prior to proceeding with HMA Paving or HMA Base Crush and Shape operations of work.

Since the actual amount of work will vary depending on available funds and the time it may take to do necessary underground and/or curb repair work, bids are therefore asked to be submitted on a unit cost basis.

Tack material (Bond Coat) shall be applied between HMA layers and on milling projects or where directed by the Engineer. Tack material not be paid for separately and shall be paid for in other HMA items of work.

An estimate of quantities based on the 2017-2018 construction would be approximately:

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold Milling HMA Surface</td>
<td>2,000</td>
<td>Square Yards</td>
</tr>
<tr>
<td>HMA, Base Crush and Shape</td>
<td>2,500</td>
<td>Square Yards</td>
</tr>
<tr>
<td>HMA, 4E3</td>
<td>1,530</td>
<td>Tons</td>
</tr>
</tbody>
</table>

Exact paving dates to be coordinated with the Contractor and the Engineer at a later date.

NOTE: The breakdown list of streets for this bid is available in the Engineering Department office.

INSURANCE
The Contractor shall furnish proof of insurance establishing minimum coverage's in writing to the City Engineer as follows:

**Worker's Compensation**

<table>
<thead>
<tr>
<th>Coverage A</th>
<th>Statutory</th>
</tr>
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<tbody>
<tr>
<td>Coverage B</td>
<td>$100,000</td>
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**Comprehensive General Liability**

<table>
<thead>
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<th>Per occurrence</th>
<th>$1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Aggregate</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Products/completed operations</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>General Aggregate</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

**Comprehensive Automobile Liability**

| Combined Single Limits | $1,000,000 |

The City of Escanaba shall be named as "additional insured" on all certificates. All policies affording coverages required in this section shall further be endorsed to provide a ten (10) day notice to be delivered to the City before any coverages are either reduced or cancelled.

The Contractor shall furnish Performance and Payment Bonds, each in an amount at least equal to the contract price as security for the faithful performance and payment of all Contractor's obligations under the contract. These bonds shall remain in effect at least until 6 months after the final payment.
PROPOSAL

<table>
<thead>
<tr>
<th>Unit of Work</th>
<th>Quantity</th>
<th>Unit</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>Cold Milling HMA Surface</td>
<td>2,000</td>
<td>SYD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HMA, Base Crush and Shape</td>
<td>2,500</td>
<td>SYD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HMA, 4E3</td>
<td>1,530</td>
<td>Ton</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Grand Total $__________

Note:
The breakdown list of streets will have additional information concerning these items.

This proposal for work within the City of Escanaba is proposed as stated above.

Submitted by:

FIRM: ________________________________

ADDRESS: ________________________________

NAME: ________________________________

TITLE: ________________________________

SIGNATURE: ________________________________

DATE: ________________________________
MEMORANDUM

TO: JIM O'TOOLE

FROM: BOB VALENTINE

RE: RFP FOR BANKING SERVICES

The July 6th Council Agenda includes a request to award a three year banking services agreement to MBank. On May 9th, I sent requests for proposals to seven banks with local domicile. Of the seven, six responded with proposals. The most advantageous proposal came from MBank, who offered a three year fixed rate of 1.55% on all deposits, with minimal fees and other charges. MBank is our current banking services provider, and I am recommending that we accept their proposal for another three years starting on 7/1/2017. Attached is a summary of the proposals, along with a copy of our RFP document.
<table>
<thead>
<tr>
<th>Respondent</th>
<th>Initial Rate</th>
<th>Rate Comments</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRST BANK</td>
<td>1.00%</td>
<td>Adjustable annually to prime -3%</td>
<td>All standard fees waived with $500,000 min balance</td>
</tr>
<tr>
<td>BAY BANK</td>
<td>1.41%</td>
<td>Rate Fixed for 3 years</td>
<td>All standard fees waived, no minimum balance</td>
</tr>
<tr>
<td>HUNTINGTON</td>
<td>did not respond</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBANK</td>
<td>1.55%</td>
<td>Rate Fixed for 3 years</td>
<td>Overdrafts, wires, NSF deposits, forms, all other fees waived, $3m min. bal.</td>
</tr>
<tr>
<td>NORTHERN MICHIGAN BANK</td>
<td>0.50%</td>
<td>Adjustable rate at .5% below Fed Funds</td>
<td>All standard fees waived, no minimum balance</td>
</tr>
<tr>
<td>STATE BANK</td>
<td>0.65%</td>
<td>Rate adjustable daily based on Assoc. Bank Fed Funds rate</td>
<td>Att standard fees waived except for overdrafts. $1million min balance</td>
</tr>
<tr>
<td>WELLS FARGO</td>
<td>.30% - .55%</td>
<td>Earnings credit model</td>
<td>Fees partially offset by earnings credit</td>
</tr>
</tbody>
</table>
REQUEST FOR PROPOSAL
City of Escanaba
Request for Banking Services
5/8/2017

Distribution

<table>
<thead>
<tr>
<th>First Bank</th>
<th>Northern Michigan Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>BayBank</td>
<td>Upper Peninsula State Bank</td>
</tr>
<tr>
<td>Huntington Bank</td>
<td>Wells Fargo Bank</td>
</tr>
<tr>
<td>M-Bank</td>
<td></td>
</tr>
</tbody>
</table>

The City of Escanaba desires to enter into a three year banking services agreement. The City has further identified the above named banks as having a local market presence and thereby eligible to submit proposals.

Introduction
The City of Escanaba will enter into a three-year commitment for depository and banking services with the institution who submits the “successful proposal” as outlined herein. The commitment will begin upon transfer of funds (approximately July 1, 2017) and will terminate on June 30, 2020.

Submission Requirements
All respondents must complete the enclosed questionnaire and must submit their entire proposal to the City Treasurer’s Office, P.O. Box 948, Escanaba, MI 49829 prior to 12:00 noon on Friday, May 26, 2017. Late proposals will not be considered.

In addition, respondents must submit a complete set of bank financial statements for the two most recently completed fiscal years (a respondent’s two most recent annual reports will satisfy this requirement). Respondents must also furnish their current bank ratings as determined by two separate, nationally recognized rating agencies. Respondents must include any information needed to interpret or compare such ratings.

All fees applicable to the City’s banking relationship must be disclosed and explained in the proposal. The City will not pay any fee or charge which is not disclosed in the successful respondent’s proposal.

City Banking Requirements
The successful respondent will be required to annually furnish updated financial statements and ratings for the duration of the agreement.

The successful respondent will be required to furnish monthly printed statements of activity for all accounts (checking and savings) established in the name of the City of Escanaba.

The successful respondent will be required to mail or e-mail confirmations of all telephone and wire transfers.
The successful respondent must have the ability to initiate ACH utility account debits from files generated by the City utility billing department.

The successful respondent must be able to provide payroll direct deposit ACH services to the City for a payroll of approximately 130 employees.

The successful respondent must offer internet banking, thereby giving the City the ability to make on-line account inquiries and allowing for on-line money transfers between accounts, along with the capability to initiate on-line wire transfers. Respondents are asked to include detailed information about the capabilities of their internet banking products.

**Local Domicile**

Respondents are required to maintain at minimum a branch open to the public within the Escanaba City limits for the duration of the agreement. All checks must display an Escanaba address for the bank on which they are drawn.

**Evaluation Criteria**

Proposals will be evaluated during the week of May 29th, and a final decision will be made on or before Monday, June 5th. The primary basis for evaluating proposals will be the rate paid on deposit accounts relative to any applicable fees, along with ability to meet the City’s other requirements. Bank financial soundness will be a paramount consideration. Final selection will be subject to approval by the Escanaba City Council.

The City of Escanaba reserves the right to reject any or all proposals. The City further reserves the right to negotiate or otherwise amend individual items within any of the proposals by mutual agreement between the parties involved. Respondents are encouraged to contact Robert Valentine, City Treasurer at (906)789-7305 between the hours of 7:30 a.m. and 4:00 p.m. with questions concerning any of the information contained herein.
City of Escanaba  
Bank Account Summary  
5/8/2017 Banking RFP

Below is a summary listing all operating accounts and their approximate average balances over a year, along with estimated volume of activity. The following data is provided only to assist participating banks in formulating their proposals. All figures are estimates based on historical observations. Future balances and activity levels may not be consistent with past observations. The City may add or delete accounts or increase or decrease average balances as deemed necessary to meet its operating needs. The successful respondent will be expected to honor the terms of its proposal, even when account balances and/or activity varies from the below historical observations.

<table>
<thead>
<tr>
<th>Operating Accounts</th>
<th># Checks Per Month</th>
<th>MO. Wire/ACH</th>
<th>Avg. Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investment Trust Checking</td>
<td>350</td>
<td>25</td>
<td>$11,000,000 (1)</td>
</tr>
<tr>
<td>2. Utility ACH Savings</td>
<td>n/a</td>
<td>60</td>
<td>$260,000</td>
</tr>
<tr>
<td>4. Tax Collection Savings</td>
<td>n/a</td>
<td>n/a</td>
<td>$600,000 (2)</td>
</tr>
<tr>
<td>5. Tax Collection Checking</td>
<td>2</td>
<td>n/a</td>
<td>$10,000 (2)</td>
</tr>
<tr>
<td>7. Payroll Checking</td>
<td>95</td>
<td>200</td>
<td>$63,000</td>
</tr>
<tr>
<td>8. Public Safety Ret. Plan Checking</td>
<td>17</td>
<td>3</td>
<td>$74,000</td>
</tr>
<tr>
<td>9. Marina Account</td>
<td>n/a</td>
<td>2</td>
<td>$10,000 (2)</td>
</tr>
</tbody>
</table>

Notes:

1. Investment Trust account balances can vary widely, and have historically ranged from $1 million to $19 million depending on the City's financial activity.

2. Certain accounts carry balances seasonally, in accordance with Summer and Winter tax collection cycles, and in accordance with business activity.
City of Escanaba
Banking Activity Summary
5/8/2017 Banking RFP

The following summarizes the City’s current banking practices. This section also includes certain practices or services which the City may adopt during the term of this agreement.

Deposit Practices:
The City makes daily deposits at the teller line to the Investment Trust Checking Account. Additionally, daily deposits are made to the Tax Collections Savings Account during the months of July through February. Deposits typically take place prior to 11:00 a.m. each day. Other deposits are made on an as needed basis. Deposit item counts vary considerably in conjunction with annual tax billing cycles. Annual check deposit volume is estimated at 65,000 checks.

Transfers:
The City uses internet banking as its primary means to move funds between its various operating accounts. Additionally, the City wires funds to pay certain vendors and to move money among accounts for investment purposes. Wire transfers are currently originated on-line, via internet banking, and they occur approximately 6 times per month. The City also receives payments via incoming ACH and wire approximately 14 times per month.

Check Writing:
The City issues vendor payments by check from the Investment Trust Account every Friday. Vendor payment volume varies significantly from week to week. A rough approximation of weekly vendor payments would be 80 checks per week, totaling $200,000. In addition to vendor payments, the City issues an average of 60 payroll checks every other Thursday, and approximately 50 pension checks monthly.

ACH Transactions
The City processes approximately 160 weekly ACH debits for utility bill payments and approximately 98 bi-weekly ACH transactions for payroll direct deposit. ACH transactions are processed via an electronic file transfer between the City and processing bank.

Additional Information:
Currently, all operating accounts are interest bearing, and most fees, including account maintenance fees, ACH processing fees and check processing charges are waived. It is anticipated that the successful respondent would not charge the City for these items.
City of Escanaba  
Request for Banking Services Questionnaire

1. What initial rate would be paid on savings deposits?  

2. What initial rate would be paid on checking deposits?  

3. Please indicate your minimum or floor rate on deposits over the three year term?  
   a. Savings:  
   b. Checking:  

4. What terms and conditions would govern the fluctuation of rates? Use attachment if necessary. For example: Rates may be fixed or tied to some other rate, i.e. Fed Funds or Libor rate by formula.  

5. Please describe fees proposed for the following items. Use attachments where necessary:  
   a. Account Maintenance:  
   b. Over drafts:  
   c. Per Check Charges:  
   d. Telephone Transfers:  
   e. Wire Transfers:  
   f. NSF Deposits:  
   g. Internet or On-Line Banking  
   h. Deposit Item Charges  
   i. ACH fees  
   j. Deposit Slips  
   k. Account Analysis Reports  
   l. Other: describe  

6. Please describe any other fees that you would charge the City for banking related activities. Use attachments if necessary:  

7. Can your institution offer the City internet access to accounts for the following purposes? (enclose any relevant literature)  
   a. Balance Inquiries:  
   b. Viewing Account Activity:  
   c. Transfers Between Accounts:  
   d. ACH Transfers to Vendors and Other Payees:  
   e. Wire Transfers:  
   f. Account Analysis  

8. Can your institution offer the following services?  
   a. Payroll ACH direct deposit:  
   b. ACH account debits for utility customers using a City generated file:  
      If the answer to B is yes, respondent must enclose file specifications  
   c. Monthly printed account statements  
   d. Paper confirmations for deposits and transfers including wires  

9. What is your “funds availability policy”  


10. Are there services, not previously mentioned, that your institution could provide that may be of benefit to the City, i.e. on-line bill pay, remote capture, courier services, etc.? If so, please describe. Use attachments if necessary:


11. Does your institution require a minimum compensating balance from the City? If yes, please indicate amount and terms:


12. What is your wire cutoff time? ________________

13. Please describe any other terms, conditions or fees that would be a part of a banking relationship between your institution and the City of Escanaba. Use attachments if necessary:


NAME OF RESPONDING BANK: ________________________________

ADDRESS OF RESPONDING BANK: ________________________________

NAME AND TITLE OF BANK REPRESENTATIVE: ________________________________

EMAIL ADDRESS OF REPRESENTATIVE: ________________________________

SIGNATURE: ________________________________

DATE SUBMITTED: __________

CONTACT TELEPHONE NUMBER: ________________
CHECKLIST

PLEASE VERIFY THAT THE FOLLOWING ITEMS HAVE BEEN ENCLOSED

____ Banking Services Questionnaire

____ Two Years of Bank Financial Statements or Annual Reports

____ Bank Ratings from Two Independent Rating Agencies

____ File Format Requirements and/or Procedures for ACH Processing

____ Information on Internet Banking Product(s)