



CITY COUNCIL MEETING AGENDA May 18, 2023

Mark Ammel, Mayor
Karen Moore, Mayor Pro Tem
Ronald J. Beauchamp, Council Member
Tyler DuBord, Council Member
Todd Flath, Council Member

James R. McNeil, City Manager
Phil DeMay, City Clerk
Laura J. Genovich, City Attorney

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, May 18, 2023, at 7:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE

APPROVAL/CORRECTION(S) TO MINUTES – Regular Meeting – May 5, 2022

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION(S)

BRIEF PUBLIC COMMENT(S)

PUBLIC HEARINGS

1. Public Hearing and Adoption – FY2023-24 Operating Budget.

Explanation: The Council has conducted four (4) public hearings and three (3) budget work sessions to set a proposed FY2023-24 operating budget. This is the final public hearing on the FY2023-24 City operating budget and will establish a City millage rate of 17.442 mills. Administration is recommending Council approval of the FY2023-24 Operating Budget, Capital Improvement Plan and Master fee schedule.

2. Public Hearing - Obsolete Property Rehabilitation Act (OPRA) – Exemption – District No. 28 – 723 Ludington Street.

Explanation: Lake Effect Distillery, LLC, owner of 723 Ludington Street, has requested to be enrolled in the Obsolete Properties Rehabilitation Act (OPRA) (PA 146, 2000) which allows for partial exemption of property taxes for a specified period of time so that certain types of property improvements can be made. The intent of the legislation is to encourage rehabilitation of underutilized or decaying commercial or commercial/residential properties in certain designated communities. Administration is recommending an OPRA exemption up to twelve (12) years beginning December 30, 2023, and ending December 30, 2035.

UNFINISHED BUSINESS – None

NEW BUSINESS

1. First Reading of Ordinance No. 1275, the Appropriations Ordinance, Including the Millage Rate of 17.442 Mills and Setting the Date of Thursday, May 25, 2023, for the Second Reading, Public Hearing, and Adoption.

Explanation: Once the City Council approves the budget, the Council must approve a tax levy and authorize appropriations to implement the budget. Administration is recommending a special meeting of the Council for Thursday, May 25, 2023, at 9:00 a.m. be scheduled for the second reading, public hearing, and adoption of Appropriations Ordinance No. 1275.

2. First Reading of Ordinance No. 1276, the Tax Levy Ordinance, and Setting the Date of Thursday, May 25, 2023, for the Second Reading, Public Hearing and Adoption.

Explanation: Section 9, Chapter VIII, of the City Charter requires the City, by Ordinance, to levy taxes that may be necessary to meet the appropriations' needs for the upcoming fiscal year budget. Administration is recommending a

special meeting of the Council for Thursday, May 25, 2023, at 9:00 a.m. be scheduled for the second reading, public hearing, and adoption of Tax Levy Ordinance No. 1276.

3. First Reading of Ordinance No. 1277, the Electric Rate Ordinance, and Setting the Date of Monday, June 5, 2023, for Second Reading, Public Hearing, and Adoption.

Explanation: Annually, the City Council sets electric utility rates for the next fiscal year. Council is asked to consider this the first reading of Ordinance No. 1277 and to schedule the second reading and public hearing for June 5, 2023, at 9:00 a.m.

4. First Reading of Ordinance No. 1278, the Water Rate Ordinance, and Setting the Date of Monday, June 5, 2023, for Second Reading, Public Hearing, and Adoption.

Explanation: Annually, the City Council sets water utility rates for the next fiscal year. Council is asked to consider this the first reading of Ordinance No. 1278 and to schedule the second reading and public hearing for June 5, 2023, at 9:00 a.m.

5. First Reading of Ordinance No. 1279, the Wastewater Rate Ordinance, and Setting the Date of Monday, June 5, 2023, for the Second Reading, Public Hearing, and Adoption.

Explanation: Annually, the City Council sets wastewater utility rates for the next fiscal year. Council is asked to consider this the first reading of Ordinance No. 1279 and to schedule the second reading and public hearing for June 5, 2023, at 9:00 a.m.

6. First Reading of Ordinance No. 1280, the Solid Waste Ordinance, and Setting the Date of Monday, June 5, 2023, for the Second Reading, Public Hearing, and Adoption.

Explanation: Annually, the City Council sets solid waste rates for the next fiscal year. Council is asked to consider this the first reading of Ordinance No. 1280 and to schedule the second reading and public hearing for June 5, 2023, at 9:00 a.m.

7. Approval – Use of Public Space – Ludington Park and Ludington Street – Annual Krusin Klassic Car Fun Run – Administration.

Explanation: The Krusin Klassic Car Club is requesting City Council approval to use Ludington Park and Ludington Street on June 2, 2023, from 6:00 p.m. to 8:00 p.m., for their annual "Krusin Klassics Fun Run". Administration is recommending approval of the request contingent upon the following: 1) Proper insurance was provided naming the City of Escanaba as an additional insured, and 2) event sponsors provide all labor material and clean up at the conclusion of the event.

8. Approval – Property and Liability Insurance Renewal – City Controller.

Explanation: Administration is requesting City Council approval of the property and liability insurance policy with the Michigan Municipal Risk Management Authority for July 1, 2023 through June 30, 2024.

9. Approval – Request to Purchase City Property – 3110 5th Avenue South – Manager.

Explanation: Administration will present a request to purchase city property at 3110 5th Avenue South for the purpose of the construction of a single-family home. Prices are as follows: Bid \$20,000, Ask \$20,500, Private Appraisal \$19,500, Assessor \$20,500.

10. Approval – WWTP Digester Bio-Solids Removal & Hauling – 2023 – Wastewater Department.

Explanation: Administration is requesting City Council approval to retain professional services from Synagro of 435 Williams Court, Suite 100, Baltimore, Maryland for the digester bio-solids cleaning and hauling in an amount not to exceed \$200,000.00, which includes \$3,775.00 in contingencies.

11. Approval – Drinking Water System Asset Management Plan (DWAM) – Water Department.

Explanation: Administration is requesting City Council approval to retain C2AE from Escanaba, MI, for professional services with regard to the City of Escanaba Water Plant Drinking Water System Asset Management Plan in an amount not to exceed \$152,460.00.

APPOINTMENTS

BOARD, COMMISSION, AND COMMITTEE REPORTS

GENERAL PUBLIC COMMENT

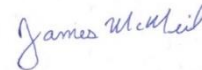
ANNOUNCEMENTS

12. Closed Session – Discussion of Labor Contracts – HR Director/Treasurer.

Explanation: Administration is requesting Council go into a closed session to consider material exempt from discussion or disclosure by statute under MCL 15.268(c), identified as negotiation of a collective bargaining agreement(s).

ADJOURNMENT

Respectfully Submitted,

A handwritten signature in blue ink that reads "James McNeil".

James R. McNeil
City Manager

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, May 4, 2023**

The meeting was called to order by the Honorable Mayor Mark Ammel at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Mark Ammel, Council Members, Ronald J. Beauchamp, Tyler DuBord, Todd Flath, and Karen Moore

Absent: None

Also Present: City Manager James R. McNeil, City Clerk Phil DeMay, Department Heads, media, and members of the public.

City Clerk DeMay led Council in the Pledge of Allegiance.

Flath moved, DuBord seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from April 20, 2023, as submitted.

ADJUSTMENTS TO THE AGENDA

Flath moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION

Council Member Moore declared a conflict of interest with New Business item number two because she is the Executive Chair of Enhance Escanaba.

BRIEF PUBLIC COMMENT

- Karen Caswell – discussed library budget.

PUBLIC HEARINGS

PH-1 Public Hearing - Proposed 2023-24 Fiscal Year Budget.

City Council conducted the fourth public hearing and scheduled the final public hearing and approval of the 2023-24 City budget for May 18, 2023.

This being a public hearing, Mayor Ammel asked for public comment.

Hearing no public comment, Mayor Ammel then closed the public hearing.

PH-1 Beauchamp moved, DuBord seconded, to set May 18, 2023, as the final public hearing and approval of the 2023-24 City budget.

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

Ayes: Beauchamp, DuBord, Moore, Flath, Mayor Ammel

Nays: None

MOTION CARRIED.

PH-2 Public Hearing - Obsolete Properties Rehabilitation District No. 28 - 723 Ludington Street – Assessor.

The Obsolete Properties Rehabilitation Act (PA 146 of 2000) allows partial exemption of property taxes for a specified period for certain types of property improvements within a specified area. The intent of the legislation is to encourage rehabilitation of underutilized or decaying commercial or commercial/residential properties in certain designated communities such as Escanaba. The first step in the OPRA process was the establishment of a district consisting of one or more eligible properties. In accordance with program requirements, the owner of 723 Ludington Street has submitted a request that the City establish an OPRA District, which if approved, would allow for an Obsolete Property Rehabilitation exemption in the future.

This being a public hearing, Mayor Ammel asked for public comment.

Ryan Brayak – discussed their consideration of Obsolete Properties Rehabilitation.

Hearing no further public comment, Mayor Ammel then closed the public hearing.

“**PH-2** By Council Member DuBord, seconded by Council Member Flath:

Resolution 23-11

**CITY OF ESCANABA, DELTA COUNTY, MICHIGAN
RESOLUTION TO ESTABLISH
OBSOLETE PROPERTY REHABILITATION (OPRA) DISTRICT NO. 28**

WHEREAS, pursuant to PA 146 of 2000, the City of Escanaba has the authority to establish “Obsolete Property Rehabilitation Districts” within the City of Escanaba; and

WHEREAS, Lake Effect Distillery, LLC has filed a written request with the clerk of the City of Escanaba requesting the establishment of the Obsolete Property Rehabilitation District for an area in the vicinity of 723 Ludington Street located in the City of Escanaba hereinafter described; and

WHEREAS, the City Council of the City of Escanaba determined that the district meets the requirements set forth in section 3(1) of PA 146 of 2000; and

WHEREAS, written notice has been given by mail to all owners of real property located within the proposed district and to the public by newspaper advertisement in the Daily Press and/or by public posting of the hearing on the establishment of the proposed district; and

WHEREAS, on May 4, 2023, a public hearing was held and all residents and taxpayers of the City of Escanaba were afforded an opportunity to be heard thereon; and

WHEREAS, the City Council deems it to be in the public interest of the City of Escanaba to establish the Obsolete Property Rehabilitation District as proposed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escanaba that the following described parcel(s) of land situated in the City of Escanaba, Delta County, and State of Michigan, to wit:

Parcel #051-010-2929-306-001, 051-010-2929-306-003, 051-010-2929-306-004;
LOTS 4, 5, 6, AND THE NORTH 67.5 FEET OF LOTS 7 AND 8 OF BLOCK 40 OF
THE ORIGINAL PLAT

be and here is established as an Obsolete Property Rehabilitation District pursuant to the provisions of PA 146 of 2000 to be known as Obsolete Property Rehabilitation District No. 28.

Ayes: DuBord, Flath, Moore, Beauchamp, Mayor Ammel
Nays: None

RESOLUTION DECLARED ADOPTED.”

UNFINISHED BUSINESS

UB-1 Condemnation Located at 1620 9th Avenue South – Code Enforcement.

At the January 19, 2023, City Council meeting, the City Council postponed the condemnation of 1620 Avenue South until May. Administration recommended City Council discontinue the condemnation process.

UB-1 DuBord moved, Moore seconded, to discontinue the condemnation process of 1620 Avenue South.

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

Ayes: DuBord, Moore, Beauchamp, Flath, Mayor Ammel
Nays: None

MOTION CARRIED.

NEW BUSINESS

NB-1 Setting Obsolete Property Rehabilitation Exemption Public Hearing – May 18, 2023 – 723 Ludington Street – District No. 28 – Assessor.

Lake Effect Distillery, LLC, owner of 723 Ludington Street, has requested to be enrolled in the Obsolete Properties Rehabilitation Act (OPRA) (PA 146, 2000) which allows for partial exemption of property taxes for a specified period of time so that certain types of property improvements can be made. The intent of the legislation is to encourage rehabilitation of underutilized or decaying commercial or commercial/residential properties in certain designated communities. Administration recommended Council set a public hearing date for May 18, 2023, so there is public understanding of the project.

NB-1 DuBord moved, Beauchamp seconded, to set a public hearing date for May 18, 2023, for the OPRA District No. 28 – 723 Ludington Street exemption so there is a public understanding of the project.

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

Ayes: DuBord, Beauchamp, Moore, Flath, Mayor Ammel

Nays: None

MOTION CARRIED.

NB-2 Approval – Request to Develop and Maintain Garden on City Property – Manager.

Enhance Escanaba has requested City Council authorization to build and maintain a garden on Sand Point. A proposed agreement and sketch were included in the agenda packet.

NB-2 DuBord moved, Flath seconded, to postpone the request from Enhance Escanaba to build and maintain a garden on Sand Point.

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

Ayes: DuBord, Flath, Beauchamp, Mayor Ammel

Nays: None

Abstain: Moore

MOTION CARRIED.

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

Manager McNeil, with Council Consensus made the following reappointments:

Lynn Soderberg reappointed to the Board of Library Trustees, expiring June 1, 2026;

David Bleau reappointed to the Harbor Advisory Committee, expiring June 1, 2026;

Crystal Porior reappointed to the Harbor Advisory Committee, expiring June 1, 2026;

Shirley Gollach reappointed to the Recreation Advisory Board, expiring June 1, 2026.

Council made the following reappointment:

Michael Harris reappointed to the Planning Commission, expiring June 1, 2026;

Mark Sadowski reappointed to the Planning Commission, expiring June 1, 2026.

BOARD, COMMISSION, AND COMMITTEE REPORTS

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

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS

- May the 4th be with you!
- Esky Clean up next week!
- On May 14th the 1st crew ship will arrive.

Hearing no further public comment, Flath moved, the Council adjourned at 7:39 p.m.

Respectfully submitted,

Phil DeMay
City Clerk

Approved: _____
Mark Ammel, Mayor

Agenda Item: PH-2
Date: 05-18-2023

City Council Agenda Item Request

Date: 05/08/2023

Name: James McNeil

Department: Assessor

Item: OPRA Exemption - District No. 28 - 723 Ludington Street

Meeting date requested: 05/18/2023

Explanation for request:

Lake Effect Distillery, LLC, owner of 723 Ludington Street, has requested to be enrolled in the Obsolete Properties Rehabilitation Act (OPRA) (PA 146, 2000) which allows for partial exemption of property taxes for a specified period of time so that certain types of property improvements can be made. The intent of the legislation is to encourage rehabilitation of underutilized or decaying commercial or commercial/residential properties in certain designated communities. Administration is recommending an OPRA exemption up to twelve (12) years beginning December 30, 2023, and ending December 30, 2035.

Application for Obsolete Property Rehabilitation Exemption Certificate

Issued under authority of Public Act 146 of 2000, as amended.

This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the completed application and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) See State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

Applicant (Company) Name (applicant must be the OWNER of the facility)		
Lake Effect Distillery LLC		
Company Mailing Address (Number and Street, P.O. Box, City, State, ZIP Code)		
723 Ludington Street, Escanaba, MI 49829		
Location of obsolete facility (Number and Street, City, State, ZIP Code)		
723 Ludington Street, Escanaba, MI 49829		
City, Township, Village (indicate which)		County
City of Escanaba		Delta
Date of Commencement of Rehabilitation (mm/dd/yyyy)	Planned date of Completion of Rehabilitation (mm/dd/yyyy)	School District where facility is located (include school code)
04/1/2023	10/1/2023	Escanaba School 21010
Estimated Cost of Rehabilitation	Number of years exemption requested	
\$6,000,000.00	12	
Attach legal description of obsolete property on separate sheet.		
Expected Project Outcomes (Check all that apply)		
<input checked="" type="checkbox"/> Increase commercial activity	<input type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment. <u>11</u>		
<input checked="" type="checkbox"/> Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the box at left if you wish to be considered for this exclusion.		
APPLICANT CERTIFICATION		
The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.		
The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.		
It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.		
Name of Company Officer (No authorized agents)	Telephone Number	Fax Number
Ryan Brayak	[REDACTED]	
Mailing Address	E-mail Address	
723 Ludington Street, Escanaba, MI 49829	[REDACTED]	
Signature of Company Officer (no authorized agents)	Title	
<i>Ryan Brayak</i>	Member	
LOCAL GOVERNMENT UNIT CLERK CERTIFICATION		
The Clerk must also complete Parts 1, 2 and 4 on page 2. Part 3 is to be completed by the Assessor.		
Signature	Date Application Received	
FOR STATE TAX COMMISSION USE		
Application Number	Date Received	LUCI Code

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date

☐ Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)

☐ Denied

Date District Established

LUCI Code

School Code

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

A statement that the local unit is a Qualified Local Governmental Unit.

A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000.

A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.

A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.

A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing.

A statement that the applicant is not delinquent in any taxes related to the facility.

If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.

A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.

A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.

A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.

A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district.

A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in.

A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.

PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC)

Building Taxable Value

Building State Equalized Value

\$

\$

Name of Government Unit

Date of Action Application

Date of Statement of Obsolescence

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act of 2000 may be in jeopardy.

Name of Clerk

Telephone Number

Clerk Mailing Address

Mailing Address

Telephone Number

Fax Number

E-mail Address

Clerk Signature

Date

For faster service, email completed application and attachments to PTE@michigan.gov. An additional submission option is to mail the completed application and attachments to Michigan Department of Treasury, State Tax Commission, PO Box 30471, Lansing, MI 48909. If you have any questions, call 517-335-7491.

Lake Effect Distillery LLC
723 Ludington Street
Escanaba, MI 49829
906-280-3431
ryan.brayak@gmail.com

March 8, 2023

Application for Obsolete Property Rehabilitation Exemption Certificate Additional Information

A. General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage.

Our building was constructed in 1917 and was used as a bank for all of its life until it was sold about 10 years ago and has sat vacant since. It has a basement and three stories above grade. The basement, first and third floors are 2,959 sq ft and the second floor is only 561 sq ft since it is a partial floor.

B. General description of the proposed use of the rehabilitated facility.

The rehabilitated facility will be used as a commercial beverage distillery with coffee shop, attached tasting room for customers and a third floor event space. We will also create an outdoor garden seating area for customers.

C. Description of the general nature and extent of the rehabilitation to be undertaken.

The existing building will be gutted back to its original structure including the removal of two exterior additions and interior renovations from the 1970s. The interior will have all the plaster and interior walls removed along with all existing building wiring and piping. This will enable us to install new insulation, roofing, windows, electrical, lighting, mechanical, plumbing, drywall, and flooring in the existing building and then we will add on a new addition for a commercial kitchen, bottling area, and pallet storage. Our plan also includes a geothermal well for heating/cooling the building and part of our production along with roof mounted solar panels to offset the electrical usage in the facility. We will also repair the decorative limestone parapet and restore the original arched windows which were modified in a 1970s renovation.

D. A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility.

The fixed building HVAC equipment will include one building ventilation unit, one building make up air unit, six water source heat pumps, eighteen variable refrigerant flow units which are connected to the water source heat pumps and service different areas of the building. In addition there will be three geothermal loop pumps in the building to circulate a propylene glycol water mix to the water source heat pumps. The production equipment includes two steam boilers for heating and two water source chillers for cooling. The distillery production floor will include a 1,500 gallon mash tun, five 1,500 gallon fermenters, one pot still, one gin still, and one vodka still. On the roof we will install solar panels to help offset our building electrical consumption.

E. A time schedule for undertaking and completing the rehabilitation of the facility.

We plan to do demolition in the spring/summer of 2023 with the goal of starting new construction in the building in the fall/winter 2023. Our estimate is that construction will take about one year to complete.

F. A statement of the economic advantages expected from the exemption.

We plan to hire five full time new employees for the distillery along with six full-time equivalent employees for the coffee shop and tasting room. Our grain, fruits, and botanicals will be sourced from farmers in Delta and Menominee counties and we will use local grain mills to clean, dry, and mill the grains. This project will also help revitalize part of downtown Escanaba which has several vacant buildings. Finally we expect our project to be a destination for people who appreciate historic buildings, sustainable businesses, and local products which will create spillover benefits to other downtown businesses in terms of increased number of potential customers.

HARD COSTS									COSTS
PUBLIC INFRASTRUCTURE									
	SIDEWALKS			TJ MASONRY					\$17,520.00
	CURBS			TJ MASONRY					\$2,900.00
	CITY OF ESCANABA	NEW TRANSFORMERS AND SERVICE		CITY OF ESCANABA					\$40,000.00
							SUBTOTAL		\$60,420.00
SITE IMPROVEMENTS									
	OUTDOOR CONCRETE PARKING			TJ MASONRY					\$53,600.00
	CONCRETE DUMPSTER ENCLOSURE			TJ MASONRY					\$14,000.00
	GRAVEL	GRAVEL FOR OUTDOOR SEATING		BICHLER					\$4,000.00
	GARDEN PLANTERS AND SEATING	PLANTERS AND SEATING ELEMENTS		ROCK ELEMENTS					\$30,000.00
	BOLLARDS			TJ MASONRY					\$750.00
	ASHPALT	BLACKTOP SEALING AND PAINTING		UNITED ASPHALT					\$8,000.00
							SUBTOTAL		\$110,350.00
DEMOLITION									
	ASBESTOS REMOVAL	ASBESTOS REMOVAL		PEARSONS					\$47,699.00
	BUILDING DEMOLITION	PLASTER, BLOCK, AND CONCRETE		ROCK ELEMENTS					\$175,000.00
							SUBTOTAL		\$222,699.00
EARTH WORK									
	EXCAVATION	DIG/REMOVE/REPLACE EARTH		JOHN RIAN					\$25,000.00
	LABOR WORKERS	EXCAVATION/COMPACTION		ROCK ELEMENTS					\$6,400.00
	DEWATERING	DEWATER ELEVATOR PIT		DEGRAND					\$8,500.00
							SUBTOTAL		\$39,900.00
SITE UTILITIES									
	WATER SUPPLY TO BUILDING	MATERIALS		FERGUSON WATERWORKS					\$4,962.00
	WATER SUPPLY TO BUILDING	LABOR		ROCK ELEMENTS					\$3,000.00
	INSULATE WATER LINES	2" RIGID INSULATION MATERIAL		MENARDS					\$1,700.00
							SUBTOTAL		\$9,662.00
STRUCTURES									
BUILDING CONCRETE/MASONRY									
	ALL BUILDING CONCRETE/MASONRY			TJ MASONRY					\$45,880.00
	STONE SILLS AND CORNICE			BEUCHEL					\$3,882.00
	LABOR CORNICE			TJ MASONRY					\$500.00
	CRANE RENTAL	CRANE TO SET ELEVATOR PIT		ROY NESS					\$600.00
	CONCRETE PUMPER FROM ARROW			ARROW					\$2,000.00
							SUBTOTAL		\$52,862.00
CARPENTRY									
	METAL FRAMING			KARKI					\$115,000.00
	STRUCTURAL STEEL WORK	MATERIALS		UP FAB					\$105,500.00
	STRUCTURAL STEEL WORK	LABOR INSTALL		ROCK ELEMENTS					\$12,000.00
							SUBTOTAL		\$232,500.00
ROOFING									
	ROOFING			INDEPENDENT ROOFING					\$54,400.00
	WALL INSULATION	SPRAY FOAM		K2 INSULATION					\$41,954.00
							SUBTOTAL		\$96,354.00
DOORS/WINDOWS/GLASS									
	INTERIOR HOLLOW METAL DOORS	MATERIALS/LABOR		WINDOW STORE					\$60,040.00
	EXTERIOR AND INTERIOR GARAGE DOOR	MATERIALS/LABOR		DELTA DOOR					\$22,651.00
	FIRE WALL WINDOWS	MATERIALS/LABOR		WINDOW STORE					\$169,700.00
	EXTERIOR WINDOWS AND DOORS	MATERIALS/LABOR		JEFFS GLASS					\$186,000.00
							SUBTOTAL		\$438,391.00
DRYWALL/ACCOUSTICAL									
	DRYWALL			KARKI DRWYALL					\$130,000.00
	ACOUSTIC CEILING PANEL IN PRODUCTION/TASTING	BAUX ACOUSTIC CEILING PANEL		IM ACCOUSTICS					\$32,423.00
	TASTING ROOM WALL NICHE ACOUSTIC PANELS	PLYBOO FUTURA SOUND PANELS		PLYBOO					\$7,500.00

	TASTING ROOM WALL LINEAR ACOUSTIC PANELS	PLYBOO LINEAR SOUND PANELS	PLYBOO					\$4,500.00
							SUBTOTAL	\$174,423.00
FLOORING								
	FLOORING	TILE/CARPET/MARMOLEUM	HEYNSSENS SELINS					\$95,942.00
	EPOXY FLOOR FINISHES	STORAGE/KITCHEN/PRODUCTION	TERRAZZO RESTORATIONS					\$26,880.00
	TERRAZZO STAIR RESTORATION	REFINISH TERRAZZO STAIRS AND LANDING	TERRAZZO RESTORATIONS					\$8,531.00
							SUBTOTAL	\$131,353.00
CABINETS/COUNTERTOPS/APPLIANCES								
	CABINETRY FOR KITCHENS	KITCHEN CABINETRY	CLICK CABINETS					\$8,294.00
	KITCHEN APPLIANCES		LOWES					\$3,000.00
	CABINETS BAR COFEE	CABINETS BAR COFFEE	NORTH OAK					\$30,000.00
	WINDOW SILLS AND BAR/KITCHEN COUNTERS	QUARTZ SILLS AND COUNTERTOPS	STONE REFLECTIONS					\$36,727.00
							SUBTOTAL	\$78,021.00
PAINTING/DECORATING								
	PAINTING	PAINT WALLS AND CEILING	KARKI DRYWALL					\$54,000.00
	BLINDS	BLINDS FOR ALL WINDOWS	SVILANDS					\$20,000.00
							SUBTOTAL	\$74,000.00
PLUMBING/ELEC/FIRE PROTECTION								
	PLUMBING		BERGER AND KING					\$900,000.00
	FULL BUILDING FIRE SUPPRESSION	SUPPLY AND INSTALL	EXCEL FIRE PROTECTION					\$162,084.00
	FIRE ALARM SYSTEM	SUPPLY AND INSTALL	LAMMI FIRE ALARMS					\$33,000.00
	ETHANOL AND CO2 ALARMS	SUPPLY	DUNCAN					\$15,245.00
	ELECTRICAL FOR BUILDING	INSTALL ELECTRIC FOR BUILDING/NO EXT. CAR CHARGERS	NK ELECTRIC					\$459,000.00
	SOLAR ON ROOFS	SUPPLY AND INSTALL 20KW	UP SUSTAINABLE SOLAR					\$50,000.00
	SECURITY SYSTEM	SUPPLY AND INSTALL	SUPERIOR LOCK					\$22,500.00
	BUILDING WATER FILTRATION	ENTIRE BUILDING CARBON FILTRATION SYSTEM AND PUMPS	EVOQUA					\$17,918.00
							SUBTOTAL	\$1,659,747.00
HVAC								
	MECHANICAL	SUPPLY AND INSTALL	BERGER AND KING					\$600,000.00
	GEOTHERMAL WELLS	ONE 12" WELL SYSTEM	DARCY SOLUTIONS					\$621,800.00
							SUBTOTAL	\$1,221,800.00
BUILDER OVERHEAD								
	CONSTRUCTION MANAGEMENT		ROCK ELEMENTS					\$70,000.00
PERMIT/TAP FEES/BOND/COST CERTIFICATION								
	PERMITS/BOND/COST CERTIFICATION		ROCK ELEMENTS					\$15,000.00
OTHER COSTS								
MACHINERY AND EQUIPMENT								
	BAR EQUIPMENT							\$29,771.00
	COFFEE EQUIPMENT	ALL COFFEE EQUIPMENT	VELODROME					\$22,624.00
DISTILLERY EQUIPMENT								
	NEW POT STILL	SUPPLY AND INSTALL	BRIDGEWORKS					\$173,000.00
	PROCESS PIPING	SUPPLY AND INSTALL	BERGER AND KING					\$40,000.00
	FLOOR SCALE	SUPPLY AND INSTALL	GLOBAL INDUSTRIAL					\$1,800.00
	HYDRATOR	HYDRATOR FOR MASH TUN	QTS					\$1,200.00
	2 PROOFING TANKS	2 PROOFING TANKS	GLACIER TANKS					\$25,125.00
	ALCOHOL STORAGE TANKS	550 GALLON STORAGE TANKS QTY 2	CARY COMPANY					\$11,000.00
	AIR COMPRESSOR	QUNICY 25HP V.S. AIR COMPRESSOR W/ DRYER & TANK	ZORN					\$27,553.00
	WASTE WATER TREATMENT SYSTEM	PRESS, ENZYME DIGESTER, RO SYS, TANKS	SOLUBLE SOLUTIONS					\$75,000.00
	GLUCOSE STORAGE TANK	SUPPLY	CRAWFORD					\$17,500.00
	PNEUMATIC PIPING	MATERIAL	UNIPIPE					\$15,000.00
	CIP CART	CLEANING CART FOR TANKS WITH HEATER	BREWNATION					\$18,834.00
	CHILLERS G&D 25T-2 AND 27H	CHILLERS FOR FERMENTERS	G&D CHILLERS					\$102,287.00
	FERMENTATION TANKS	5 FERMENTATION TANKS	GLACIER					\$86,822.00

	FEREMENTATION PIPING AND CONTROLS	GLACIER	GLACIER					\$8,000.00
	STAIRS AND CATWALKS	PREMADE ROLLING STAIRS	GRAINGER					\$4,500.00
						SUBTOTAL		\$660,016.00
FURNITURE AND FIXTURES								
	TASTING ROOM AND OFFICE FURNITURE		VARIOUS					\$40,000.00
ARCHITECTURAL AND ENGINEERING								
	STUDIO RAD							\$41,500.00
	RHOADES ENGINEERING							\$38,300.00
	COLEMAN ENGINEERING							\$20,000.00
	AKRO ENGINEERING							\$15,500.00
	BOOZEWERKS ENGINEERING							\$78,280.00
						SUBTOTAL		\$193,580.00
ENVIRONMENTAL STUDIES								
	TRIMEDIA	PHASE 1&2 SITE ASSESSMENT	TRIMEDIA					\$12,250.00
						TOTAL		\$5,513,328.00



James McNeil
City of Escanaba
410 Ludington Street
Escanaba, MI 49829
jmcneil@escanaba.org

April 13, 2023

RE: Statement of Obsolescence from Assessor – 723 Ludington Street

To Whom It May Concern:

The building that is the subject of this request was originally constructed as a three-story bank in 1917. City records show that it was remodeled in 1973. The first floor of the building contained the lobby and teller area with a vaulted ceiling above. The second floor is limited to just two offices because of the vaulted first floor ceiling. The third floor contains offices, both open and individual. The floorplan presents obsolescence as there is significant non-usable space for a building of this size. There is a lack of modern electrical, plumbing, and mechanical systems. The exterior of the building, landscape, and paved areas need repair. There are areas that indicate water damage and there is known asbestos. Floor and wall coverings, windows, doors, and lighting all need replacement. The building has remained vacant for a number of years. In the opinion of the assessor, this property suffers in excess of 50% functional obsolescence.

Sincerely,

James McNeil

A handwritten signature in blue ink that reads "James McNeil".

City Manager/City Assessor
City of Escanaba



Mission Statement:

Enhancing the enjoyment and livability of our community by providing
quality municipal services.

The City of Escanaba is an equal opportunity employer and provider.

Parcel Number: 051-010-2929-306-001

Jurisdiction: City of Escanaba

County: Delta

Printed on

04/11/2023

Grantor	Grantee	Sale Price	Sale Date	Inst. Type	Terms of Sale	Liber & Page	Verified By	Prcnt. Trans.
JL KING PROPERTIES LLC	LAKE EFFECT DISTILLERY LLC	130,000	01/05/2021	WD	19-MULTI PARCEL ARM'S LEN	1330/352	PROPERTY TRANSFER	100.0
FIRST BANK UPPER MICHIGAN	JL KING PROPERTIES LLC	30,000	08/03/2018	WD	19-MULTI PARCEL ARM'S LEN	1217/370	PROPERTY TRANSFER	100.0
ESCANABA NATIONAL BANK	NORTHERN MICHIGAN BANK & T	0	03/01/1993	WD	03-ARM'S LENGTH	398-159	DEED	0.0
Property Address		Class: COMMERCIAL-IMPROVE		Zoning: E3 CEN	Building Permit(s)	Date	Number	Status
723 LUDINGTON ST		School: ESCANABA AREA PUBLIC SCHOOLS						
		P.R.E. 0%						
Owner's Name/Address		Map #:						
LAKE EFFECT DISTILLERY LLC 5413 J RD ESCANABA MI 49829-9756		2023 Est TCV 50,870 TCV/TFA: 4.47						
		X Improved	Vacant	Land Value Estimates for Land Table 20.COM 1				
		Public Improvements		* Factors * 100.23 X140 & 67.5X100				
Tax Description		Dirt Road		Description	Frontage	Depth	Front	Depth
LOTS 5 & 6 & W 0.23 FT OF LOT 4 & N 67.5 FT OF LOTS 7 & 8 OF BLK 40 OF THE ORIGINAL PLAT		Gravel Road		E LUDINGTON	100.23	140.00	1.0000	1.0000
Comments/Influences		Paved Road		E LUDINGTON	67.50	100.00	1.0000	0.8452
		X Storm Sewer		168 Actual Front Feet, 0.48 Total Acres				
		X Sidewalk		Total Est. Land Value = 31,485				
		X Water		Land Improvement Cost Estimates				
		X Sewer		Description	Rate	Size	% Good	Cash Value
		X Electric		D/W/P: Asphalt Paving	2.69	8907	1	240
		X Gas		Commercial Local Cost Land Improvements				
		X Curb		Description	Rate	Size	% Good	Arch Mult
		X Street Lights		WATER&SEWER	2,500.00	1	84	100
		Standard Utilities		Total Estimated Land Improvements True Cash Value = 2,340				
		Underground Utils.						
		Topography of Site						
		X Level		Year	Land Value	Building Value	Assessed Value	Board of Review
		Rolling						Tribunal/ Other
		Low		2023	15,700	9,700	25,400	
		X High		Who	When	What		Taxable Value
		Landscaped		CM 10/31/2019	Picture Up			25,400S
		Swamp		JM 09/27/2019	Data Enter			44,600S
		Wooded		KD 03/19/2019	Review App			54,147C
		Pond		2020	38,600	14,800	53,400	53,400S
		Waterfront						
		Ravine						
		Wetland						
		Flood Plain						

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*** Information herein deemed reliable but not guaranteed***

Desc. of Bldg/Section: NORTHERN MI BANK Calculator Occupancy: Office Buildings				<<<<< Calculator Cost Computations >>>>> Class: C Quality: Average Stories: 3 Story Height: 10 Perimeter: 280 Overall Building Height: 32			
Class: C Floor Area: 11,392 Gross Bldg Area: 11,392 Stories Above Grd: 3 Average Sty Hght : 10 Bsmnt Wall Hght : 8		Construction Cost		** ** Calculator Cost Data ** ** Quality: Average Heat#1: Forced Air Furnace 100% Heat#2: Forced Air Furnace 0% Ave. SqFt/Story: 3797 Ave. Perimeter: 280 Has Elevators:		Base Rate for Upper Floors = 123.34 Storage Basement Basement, Base Rate for Basement = 39.19 (Basement Fireproofing Rate = 0.00)	
Depr. Table : 2% Effective Age : 58 Physical %Good: 40 Func. %Good : 20 Economic %Good: 100		*** Basement Info *** Area: 3800 Perimeter: Type: Storage Basement Heat: No Heating or Cooling		(10) Heating system: Forced Air Furnace Cost/SqFt: 16.39 100% Bsmnt Heating system: No Heating or Cooling Cost/SqFt: 0.00 Adjusted Square Foot Cost for Upper Floors = 139.73 Adjusted Square Foot Cost for Basement = 39.19		Total Floor Area: 11,392 Base Cost New of Upper Floors = 1,591,805 Basement Area: 3,800 Base Cost New of Basement = 148,922	
1917 Year Built 1973 Remodeled		* Mezzanine Info * Area #1: Type #1: Office (No Rates) Area #2: Type #2: Office (No Rates)		Eff.Age:58 Phy.%Good/Abnr.Phy./Func./Econ./Overall %Good: 40 /20 /20 /100/1.6 Total Depreciated Cost = 27,852		Reproduction/Replacement Cost = 1,740,727	
32 Overall Bldg Height		* Sprinkler Info * Area: Type: Average		ECF (20 - COM 1, 25 - COM 2, 30 - IND/COM, 10 - ACREAGE)0.612 => TCV of Bldg: 1 = Replacement Cost/Floor Area= 152.80 Est. TCV/Floor Area= 1.50			
Comments: HISTORICAL BUILDING - FUNCTIONAL DUE TO REMODEL COST AND 2015 MBOR DECISION.							
(1) Excavation/Site Prep: X Excavation (in cubic feet)		(7) Interior: X Frame, Banks, Central Offices, C,D & S		(11) Electric and Lighting: X Typical, Banks, Class C,D,S		(39) Miscellaneous:	
(2) Foundation: X Poured Conc. Brick/Stone Block		(8) Plumbing: Many Above Ave. Average Typical Few None		Outlets: Fixtures: X Few Average X Few Average Many Unfinished Many Unfinished Typical Typical			
X Class C, Bearing Walls		Total Fixtures 2 Urinals 3-Piece Baths 3 Wash Bowls 2-Piece Baths Water Heaters Shower Stalls Wash Fountains 5 Toilets Water Softeners		Flex Conduit X Incandescent Rigid Conduit Fluorescent Armored Cable Mercury Non-Metalic Sodium Vapor Bus Duct Transformer			
(3) Frame: X Bearing Walls, Masonry supports only		X Typical, Banks, Central Offices		(13) Roof Structure: Slope=0 X Wood Dome and Deck		(40) Exterior Wall: X Concrete, Reinforced, Formed, 12"	
(4) Floor Structure: X Wood Joists and Sheathing		(9) Sprinklers:		(14) Roof Cover: X Built-Up Composite		Thickness Bsmnt Insul.	
(5) Floor Cover: X Carpet and Pad X Vinyl Tile		(10) Heating and Cooling: X Gas Oil Coal Stoker Hand Fired Boiler					
(6) Ceiling: X Plaster on Lath, Standard		X Package Heating/Cooling, Short Ducts					

*** Information herein deemed reliable but not guaranteed***

Parcel Number: 051-010-2929-306-003

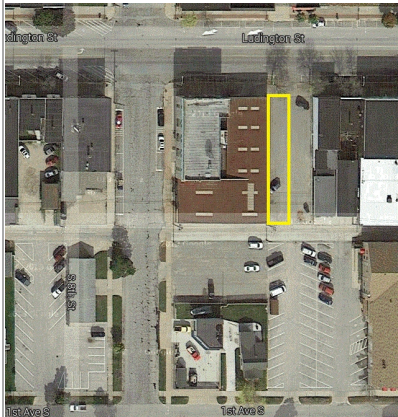
Jurisdiction: City of Escanaba

County: Delta

Printed on

04/11/2023

Grantor	Grantee	Sale Price	Sale Date	Inst. Type	Terms of Sale	Liber & Page	Verified By	Prcnt. Trans.		
JL KING PROPERTIES LLC	LAKE EFFECT DISTILLERY LLC	130,000	01/05/2021	WD	20-MULTI PARCEL SALE REF	1330/352	PROPERTY TRANSFER	100.0		
FIRST BANK UPPER MICHIGAN	JL KING PROPERTIES LLC	30,000	08/03/2018	WD	19-MULTI PARCEL ARM'S LEN	1217/370	PROPERTY TRANSFER	100.0		
	NORTHERN MICHIGAN BANK & T	4,084	05/16/1986	WD	10-FORECLOSURE	294/231	DEED	0.0		
Property Address		Class: COMMERCIAL-VACANT		Zoning: E3 CEN	Building Permit(s)	Date	Number	Status		
723 LUDINGTON ST		School: ESCANABA AREA PUBLIC SCHOOLS		COMMERCIAL		10/18/1996	5402	COMPLETE		
Owner's Name/Address		P.R.E. 0%								
LAKE EFFECT DISTILLERY LLC 5413 J RD ESCANABA MI 49829-9756		Map #:		2023 Est TCV 9,133						
Tax Description		Improved	X	Vacant	Land Value Estimates for Land Table 20.COM 1					
W 0.85 FT OF E 1/2 OF LOT 4 & W 1/2 OF LOT 4 EXC W 0.23 FT OF BLK 40 OF THE ORIGINAL PLAT		Public Improvements		* Factors * 25.6 X 140 Description Frontage Depth Front Depth Rate %Adj. Reason Value E LUDINGTON 25.60 140.00 1.0000 1.0000 275 100 7,040 26 Actual Front Feet, 0.08 Total Acres Total Est. Land Value = 7,040						
Comments/Influences		Dirt Road		Land Improvement Cost Estimates						
		Gravel Road		Description Rate Size % Good Cash Value						
		Paved Road		D/W/P: Asphalt Paving 2.60 3500 23 2,093						
		Storm Sewer		Total Estimated Land Improvements True Cash Value = 2,093						
		Sidewalk								
		X Water								
		X Sewer								
		X Electric								
		X Gas								
		X Curb								
		Street Lights								
		Standard Utilities								
		Underground Utils.								
		Topography of Site								
		X Level								
		Rolling								
		Low								
		X High								
		Landscaped								
		Swamp								
		Wooded								
		Pond								
		Waterfront								
		Ravine								
		Wetland								
		Flood Plain								
		Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/Other	Taxable Value		
		Who	When	What	2023	3,500	1,100	4,600		4,600S
		TW	08/14/2018	Data Enter	2022	7,700	1,000	8,700		8,700S
		DRN	11/13/2014	Data Enter	2021	7,700	900	8,600		8,600S
		KD	06/06/2011	Inspected	2020	7,700	1,000	8,700		8,700S



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 Delta, Michigan

*** Information herein deemed reliable but not guaranteed***

Parcel Number: 051-010-2929-306-004

Jurisdiction: City of Escanaba

County: Delta

Printed on

04/11/2023

Grantor	Grantee	Sale Price	Sale Date	Inst. Type	Terms of Sale	Liber & Page	Verified By	Prcnt. Trans.
JL KING PROPERTIES LLC	LAKE EFFECT DISTILLERY LLC	130,000	01/05/2021	WD	20-MULTI PARCEL SALE REF	1330/352	PROPERTY TRANSFER	100.0
FIRST BANK UPPER MICHIGAN	JL KING PROPERTIES LLC	30,000	08/03/2018	WD	19-MULTI PARCEL ARM'S LEN	1217/370	PROPERTY TRANSFER	100.0
NORTHERN MICHIGAN BANK	NORTHERN MICHIGAN BANK & T	0	01/14/2000	QC	26-PARTIAL INTEREST	1152/117	BUYER/SELLER	0.0
Property Address		Class: COMMERCIAL-VACANT		Zoning: E3 CEN	Building Permit(s)	Date	Number	Status
723 LUDINGTON ST		School: ESCANABA AREA PUBLIC SCHOOLS						
		P.R.E. 0%						
Owner's Name/Address		Map #:						
LAKE EFFECT DISTILLERY LLC 5413 J RD ESCANABA MI 49829-9756		2023 Est TCV 8,646						
		Improved	X	Vacant	Land Value Estimates for Land Table 20.COM 1			
		Public Improvements			* Factors * 24.1 X 140			
Tax Description		Dirt Road			Description	Frontage	Depth	Front Depth
E 1/2 OF LOT 4 EXC W 0.85 FT OF BLK 40 OF THE ORIGINAL PLAT		Gravel Road			E LUDINGTON	24.10	140.00	1.0000
Comments/Influences		X Paved Road			24 Actual Front Feet, 0.08 Total Acres	Rate	%Adj.	Reason
		X Storm Sewer			Total Est. Land Value =			
		X Sidewalk			Land Improvement Cost Estimates			
		X Water			Description	Rate	Size	% Good
		X Sewer			D/W/P: Asphalt Paving	2.60	3374	23
		X Electric			Total Estimated Land Improvements True Cash Value =			
		X Gas						
		X Curb						
		X Street Lights						
		Standard Utilities						
		Underground Utils.						
		Topography of Site						
		X Level			Year	Land Value	Building Value	Assessed Value
		Rolling						Board of Review
		Low						Tribunal/ Other
		X High						Taxable Value
		Landscaped			2023	3,300	1,000	4,300
		Swamp			2022	7,200	1,000	8,200
		Wooded			2021	7,200	1,000	8,200
		Pond			2020	7,200	1,000	8,200
		Waterfront						
		Ravine						
		Wetland						
		Flood Plain						
		Who	When	What				
		TW	08/14/2018	Data Enter				
		DRN	09/25/2015	Data Enter				
		DRN	11/13/2014	Data Enter				



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*** Information herein deemed reliable but not guaranteed***

RESOLUTION 23-12

RESOLUTION TO APPROVE AN APPLICATION FOR OBSOLETE PROPERTY REHABILITATION EXEMPTION FOR LAKE EFFECT DISTILLERY, LLC NO. 28

- Whereas,** Pursuant to P.A. 146 of 2000, the City of Escanaba is a Qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and
- Whereas,** The City of Escanaba Legally established Obsolete Properties Rehabilitation District No. 28 on May 4, 2023, pursuant to a public hearing held on that date; and
- Whereas,** The taxable value of this exemption plus the aggregate taxable value of property already exempt under PA 146 of 2000 and under PA 198 of 1974 does not exceed 5% of the total taxable value of the City of Escanaba; and
- Whereas,** The applicant is not delinquent in any taxes related to the facility; and
- Whereas,** The applicant has provided all required items to the City of Escanaba; and
- Whereas,** The application is for obsolete property as defined in Sec. 2(h) of Public Act 146 of 2000; and
- Whereas,** Rehabilitation of this facility as covered by this exemption had not begun prior to May 4, 2023, the date the district was established; and
- Whereas,** The application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility within the meaning of PA 146 of 2000, situated within an Obsolete Property Rehabilitation District; and
- Whereas,** Completion of the rehabilitated facility is calculated to, and will, at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, to create employment, to retain employment, and to revitalize an urban area; and
- Whereas,** The rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by Sec. 2(l) of PA 146 of 2000; and
- Whereas,** The application was approved at a public hearing on May 18, 2023, provided by Sec. 4(2) of PA 146 of 2000, allowing a period of thirty-seven (37) months for completion of the rehabilitation;

Now, Therefore, Be It Resolved by the City Council of the City of Escanaba that Lake Effect Distillery, LLC 723 Ludington Street

Be and is hereby granted an Obsolete Property Rehabilitation Exemption for the real property located in Obsolete Property Rehabilitation District No. 28 at 723 Ludington Street, described as LOTS 4, 5, 6, AND THE NORTH 67.5 FEET OF LOTS 7 AND 8 OF BLOCK 40 OF THE ORIGINAL PLAT, City of Escanaba, Delta County, Michigan,

For a period of twelve years beginning December 30, 2023, and ending December 30, 2035.

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

Ayes:

Nays: None

RESOLUTION DECLARED ADOPTED.

ORDINANCE NO. 1275

"AN ORDINANCE TO MAKE APPROPRIATIONS AND CORRESPONDING REVENUES FOR THE YEAR ENDED JUNE 30, 2024."

THE CITY OF ESCANABA ORDAINS:

The total number of mills of ad valorem property taxes to be levied for fiscal year 2023/2024 is 17.442.

CHAPTER I

Section 101. That there is hereby appropriated by the City of Escanaba to various departments and funds for specific purposes, the several amounts set forth in the following tabulation, to be expended in accordance with the budget as approved, except that the City Manager is hereby empowered to transfer appropriations between activities and objects of expenditures, subject to the limitation imposed by Chapter VIII, Section 8, of the City Charter. The appropriations and revenues set forth are for the fiscal year ending June 30, 2024.

GENERAL FUND

Revenues:	
Taxes	\$6,069,125
Licenses and Permits	21,250
Intergovernmental	1,829,500
Charges for Services/Fines	331,285
Electric Utility Fund Contribution	532,895
Transfer from Land Development Fund	60,000
Transfer from DDA Fund	2,500
Transfer from EDA RLF	495,000
Transfer from Farm Home	4,800
Transfer from Office Equipment Fund	39,200
Transfer from Sanitary Landfill Fund	280,000
Miscellaneous Revenues	218,530
Subtotal	\$9,884,085
Transfer from Fund Balance	\$0
Total General Fund Revenues	<u>\$9,884,085</u>
Expenditures:	
City Council	\$31,082
City Manager	296,875
City Controller	461,202
City Clerk	187,866
Auditors	21,420
Information Technology	67,345
Board of Review	1,850
Treasurer	279,981
Billing	336,054
Assessor	252,324
Elections	26,425
City Hall and Grounds	81,252
Attorney	111,500
Human Resources	118,040
Insurance/Bonds	5,000
Public Safety	4,818,080
Community Preservation	153,380
Crossing Guards	47,697
Crosswalks	5,000
Sidewalks	14,825
Engineer	398,306
Street Lighting	170,000
Care of Trees and Shrubs	172,940
Solid Waste Collection	507,320
Sanitary Landfill	280,000
Composting Activities	94,815
Snow Plowing for Garbage Collection	19,720
Alley Maintenance	23,500
Celebration - Flags	5,370
Fourth of July	24,410
Zoning	117,775
Planning Commission	2,150
Promotional Community	7,950
Tourism Promotion	37,875
Parks	333,829
Community Services	18,648
Recreation	662,821
Boat Launches	16,375
Band	45,775
Transfer to Major Street Fund	14,246
Transfer to Local Street Fund	11,871

Ordinance No 1275 – cont.

Transfer to Parking Maintenance Fund	30,000
Transfer to Library Fund	461,325
Transfer to Electric Fund	26,309
Transfer to Wastewater Fund	30,928
Transfer to Water Fund	30,928
Transfer to Marina Fund	3,260
Transfer to Motor Vehicle Fund	36,665
Transfer to Escanaba Building Authority Fund	199,000
Sub-total	\$11,101,309
Less: Overhead to Utilities	1,342,629
Total General Fund Expenditures	<u>\$9,758,680</u>

MAJOR STREET FUND

Revenues:	
State Shared Revenues	\$1,452,000
State Grants	400,000
Interest Earnings	25,000
Contribution from General Fund	14,246
Sub-total	\$1,891,246
Transfer from Fund Balance	729,388
Total Major Street Fund Revenues	<u>\$2,620,634</u>

Expenditures:	
Operating Expenses	\$820,634
Street Construction	1,200,000
Transfer to Local Street Fund	600,000
Total Major Street Fund Expenditures	<u>\$2,620,634</u>

LOCAL STREET FUND

Revenues:	
State Shared Revenues	\$500,000
Interest Earnings	5,000
Property Owner’s Share of SA	1,500
Transfer from General Fund	11,871
Transfer from Major Street Fund	600,000
Sub-total	\$1,118,371
Transfer from Fund Balance	0
Total Local Street Fund Revenues	<u>\$1,118,371</u>

Expenditures:	
Operating Expenses	\$494,287
Street Construction	580,000
Total Local Street Fund Expenditures	<u>\$1,074,287</u>

LIBRARY FUND

Revenues:	
State Funding	\$25,824
Penal Fines Allocation	83,299
Fines and Fees	22,422
Interest Earnings	0
Donations	4,931
Transfer from General Fund	461,325
Sub-Total	\$597,801
Transfer from Fund Balance	0
Total Library Fund Revenues	<u>\$597,801</u>

Expenditures:	
Operating Expenditures	\$579,357
Total Library Fund Expenditures	<u>\$579,357</u>

BEZOLD TRUST FUND

Revenues:	
Interest Earnings	\$3,000
Transfer from Fund Balance	17,000
Total Bezold Trust Fund Revenues	<u>\$20,000</u>

Expenditures:	
Qualifying Expenditures	\$20,000
Total Bezold Trust Fund Expenditures	<u>\$20,000</u>

GAS RETIREMENT FUND

Revenues:	
Interest Earnings	\$12,000
Total Gas Retirement Fund Revenues	<u>\$12,000</u>

Ordinance No 1275 – cont.

Expenditures:	
Transfer to Grants Fund	\$0
Total Gas Retirement Fund Expenditures	<u>\$0</u>

SANITARY LANDFILL FUND

Revenues:	
Revenue from Sales	\$320,000
Penalties on Collections	1,500
Interest Earnings	<u>600</u>
Sub-total	\$322,100
Transfer from Fund Balance	<u>0</u>
Total Sanitary Landfill Fund Revenues	<u>\$322,100</u>

Expenditures:	
Transfer to General Fund	\$280,000
Administrative Expense	175
City Wide Clean-Up	<u>4,000</u>
Total Sanitary Landfill Fund Expenditures	<u>\$284,175</u>

DOWNTOWN DEVELOPMENT AUTHORITY (DDA) FUND

Revenues:	
TIF Tax Collections	\$306,000
State Reimbursement of Lost PPT	1,700
Miscellaneous Revenues	3,000
Interest Earnings	<u>4,000</u>
Total DDA Fund Revenues	<u>\$314,700</u>

Expenditures:	
Operating Expenditures	\$314,700
Total DDA Fund Expenditures	<u>\$314,700</u>

HOUSING REHABILITATION FUND

Revenues:	
Interest Earnings	\$3,500
Total Housing Rehabilitation Fund Revenues	<u>\$3,500</u>

Expenditures:	
Administrative Expense	\$575
Total Housing Rehabilitation Fund Expenditures	<u>\$575</u>

LAND DEVELOPMENT FUND

Revenues:	
Interest Earnings	15,000
Sub-Total	\$15,000
Transfer from Fund Balance	<u>8,660</u>
Total Land Development Fund Revenues	<u>\$23,660</u>

Expenditures:	
Property Improvements	\$11,500
Insurance/Bonds	160
Professional Services	12,000
Transfer to General Fund	<u>60,000</u>
Total Land Development Fund Expenditures	<u>\$83,660</u>

PARKING MAINTENANCE FUND

Revenues:	
D.D.A. Fund Contractual	\$18,000
Transfer from General Fund	<u>30,000</u>
Total Parking Maintenance Fund Revenues	<u>\$48,000</u>

Expenditures:	
D.D.A. Lot Expenditures	\$22,000
City Lot Expenditures	<u>26,000</u>
Total Parking Maintenance Fund Expenditures	<u>\$48,000</u>

E.D.A. REVOLVING LOAN FUND

Revenues:	
Interest Earnings	\$0
Sub-Total	<u>\$0</u>
Transfer from Fund Balance	<u>495,000</u>
Total E.D.A.R.L.F. Revenues	<u>\$495,000</u>

Expenditures:	
Transfer to General Fund	\$495,000
Total E.D.A.R.L.F. Expenditures	<u>\$495,000</u>

U.D.A.G. REVOLVING LOAN FUND

Revenues:	
Interest Earnings	\$15,000
Sub-Total	\$15,000
Transfer from Fund Balance	1,386,600
Total U.D.A.G.R.L.F. Revenues	<u>\$1,401,600</u>
Expenditures:	
Administrative Costs	\$1,600
Contribution to Grant Fund	100,000
Contribution to Motor Vehicle Fund	\$1,300,000
Total U.D.A.G.R.L.F. Expenditures	<u>\$1,401,600</u>

FARMERS HOME GRANT FUND

Revenues:	
Interest Earnings	\$0
Sub-Total	\$0
Transfer from Fund Balance	4,800
Total Farmers Home Grant Fund Revenues	<u>\$4,800</u>
Expenditures:	
Contribution to General Fund	\$4,800
Total Farmers Home Grant Fund Expenditures	<u>\$4,800</u>

DRUG LAW ENFORCEMENT FUND

Revenues:	
Local Forfeiture Proceeds	\$1,000
Interest Earnings	500
Total Drug Law Enforcement Fund Revenues	<u>\$1,500</u>
Expenditures:	
City Expenditures	\$1,000
Total Drug Law Enforcement Fund Expenditures	<u>\$1,000</u>

BROWNFIELD REDEVELOPMENT FUND

Revenues:	
TIF Tax Collections	\$91,000
Interest Earnings	400
Total Brownfield Redevelopment Fund Revenues	<u>\$91,400</u>
Expenditures:	
Developer Reimbursements	\$91,000
Total Brownfield Redevelopment Fund Expenditures	<u>\$91,000</u>

OPIOID SETTLEMENT FUND

Revenues:	
Opioid Settlement Revenue	\$2,500
Total Opioid Settlement Fund Revenues	<u>\$2,500</u>
Expenditures:	
Professional Services	\$2,000
Total Opioid Settlement Fund Expenditures	<u>\$2,000</u>

The following is provided for informational purposes only, as provided by Michigan P.A. 2 of 1968

ELECTRIC UTILITY FUND

Revenues:	
Revenue from Sales	\$14,185,767
Rents	50,000
Miscellaneous	147,550
Interest Earnings	125,000
Transfer from General Fund	26,309
Total Electric Fund Revenues	<u>\$14,534,626</u>
Expenses:	
Operating Expenses	\$11,585,237
Depreciation	972,500
Overhead to General Fund	551,188
Contribution to General Fund	532,895
Total Electric Fund Expenses	<u>\$13,641,820</u>

WATER UTILITY FUND

Revenues:	
Revenue from Sales	\$4,540,000
State Grant Revenue	1,000,000
Miscellaneous	78,000
Interest Earnings	50,000
Transfer from General Fund	30,828
Total Water Fund Revenues	<u>\$5,698,828</u>
Expenses:	
Operating Expenses	\$3,123,585
Depreciation	550,000
Overhead to General Fund	418,538
Bond Interest Expense	150,000
Total Water Fund Expenses	<u>\$4,242,123</u>

WASTEWATER UTILITY FUND

Revenues:	
Revenue from Sales	\$3,910,000
Miscellaneous	13,250
Interest Earnings	7,000
Transfer from General Fund	30,928
Total Wastewater Fund Revenues	<u>\$3,961,178</u>
Expenses:	
Operating Expenses	\$1,934,948
Depreciation	790,000
Overhead to General Fund	372,903
Bond Interest Expense	264,000
Total Wastewater Fund Expenses	<u>\$3,361,851</u>

ESCANABA BUILDING AUTHORITY FUND

Revenues:	
Lease Payments-Transfer from General Fund	\$149,000
Rent Income-City Hall/Library	133,247
Interest Earnings	500
Transfer from General Fund	50,000
Total Escanaba Building Authority Fund Revenues	<u>\$332,747</u>
Expenses:	
Operating Expenses	\$219,720
Interest Expense	3,125
Depreciation Expense	160,000
Total Escanaba Building Authority Fund Expenses	<u>\$382,845</u>

MARINA FUND

Revenues:	
Fees and Concessions	\$252,600
Interest Earnings	1,000
Contribution from General Fund	3,260
Total Marina Fund Revenues	<u>\$256,860</u>
Expenses:	
Operating Expenses	\$223,680
Interest Expense	4,595
Depreciation	74,960
Total Marina Fund Expenses	<u>\$303,235</u>

APPROVED:

Laura J. Genovich
City Attorney

Date Approved: (Month) (Date), 2023
Date Published: (Month) (Date), 2023

APPROVED:

Mark Ammel
Mayor

ATTEST:

Phil DeMay
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 Special Meeting held on the (Date) day of (Month), 2023, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on (Month) (Date), 2023, 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.

Phil DeMay
City Clerk

ORDINANCE NO. 1276

AN ORDINANCE TO LEVY SUCH TAXES AS MAY BE NECESSARY TO MEET APPROPRIATIONS MADE AND ALL SUMS REQUIRED BY LAW TO BE RAISED TO DEFRAY THE DEBTS, EXPENDITURES, AND LIABILITIES OF SAID CITY FOR THE FISCAL YEAR ENDING ON THE 30TH DAY OF JUNE 2024, AND REQUIRING AN AUTHORIZED LEVY ON THE JULY 2023, CITY TAX ROLL OF RETURNED UNPAID SPECIAL ASSESSMENTS, TOGETHER WITH SUCH PENALTIES THEREON AS IS PROVIDED BY THE CITY CHARTER.

THE CITY OF ESCANABA ORDAINS:

CHAPTER I

Section 101. That there shall be raised by levying 17.442 mills upon all of the ad valorem taxable property in the City of Escanaba at the next general City or July, 2023, tax levy, the sum of Five Million, Seven Hundred Ninety-Nine Thousand Seventy-Three Dollars (\$5,799,073) for the purpose of defraying debts, expenditures, and liabilities of said City of Escanaba for the fiscal year ending on the 30th day of June, 2024, in accordance with the 2023 - 2024 Budget of said City as submitted by the Manager, as amended by the Council, and approved.

Section 102. That said sum of Five Million, Seven Hundred Ninety-Nine Thousand Seventy-Three Dollars (\$5,799,073) for the payment of all of the foregoing debts, expenditures, and liabilities herein before mentioned be appropriated for the several funds of the City of Escanaba for the fiscal year ending June 30, 2024, and that the same be forthwith certified by the Clerk of said City of Escanaba to the City Assessor of said City, and the same shall be levied and collected upon the taxable valuation of all taxable property within the said City of Escanaba in accordance with the provisions of the City Charter and the laws of the State of Michigan, for the levying and collection of taxes.

Section 103. That the Clerk of the City shall report on June 21, 2023, to the City Assessor the amounts of all the several delinquent special tax assessments becoming due prior to January 1, 2023, and returned unpaid by the City Treasurer on said date of June 21, 2023, for all public improvements hereto before levied upon each, together with the name of the owner or occupant against whom such assessment was made, as contained in the special roll prepared therefore, and on file in the Office of the City Treasurer, and the City Assessor is hereby authorized and directed to levy and spread said sums so assessed, together with the penalties fixed by law, in the July, 2023, tax levy against persons and property charged therewith in such special assessment roll in accordance with the provisions of the City Charter of the City of Escanaba.

CHAPTER II

Section 201. If any section, subsection, sentence, clause, or phrase of this 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 irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases thereof be declared unconstitutional.

Section 202. This ordinance shall be duly published as required by the Charter and shall be in full force and effect ten (10) days after the date of its publication.

APPROVED:

APPROVED:

Laura Genovich
City Attorney

Mark Ammel
Mayor

Date Approved: (Month) (Date), 2023
Date Published: (Month) (Date), 2023

ATTEST:

Phil DeMay
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 Special Meeting held on the (Date) day of (Month), 2023, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on (Month) (Date), 2023, 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.

Phil DeMay
City Clerk

**ORDINANCE NO. 1277
ELECTRIC RATES**

AN ORDINANCE FIXING THE RATES TO BE CHARGED BY THE CITY OF ESCANABA FOR ELECTRIC ENERGY DEMAND AND AVAILABILITY OF SERVICE, TO BE IN FULL FORCE AND EFFECT ON THE BILLINGS PROCESSED AFTER JUNE 30, 2023, AND ALL BILLINGS THEREAFTER UNTIL FURTHER AMENDED BY THE COUNCIL.

THE CITY OF ESCANABA ORDAINS:

**CHAPTER I
RATES**

Section 50.01. General Purpose - Rate Classification:

(A) Residential Energy Rate:

Applicable: To residential customers for all purposes except those otherwise specially rated.

\$0.10325 net per KWH used per meter per month

(B) Commercial Energy Rate:

Applicable: To commercial customers for all purposes except those otherwise specially rated.

\$0.09659 net per KWH used per meter per month

(C) Water Heating Energy Rate:

Applicable: To any customer for separately metered controlled water heating, subject to such wiring rules and regulations as are established by the utility.

\$0.09861 net per KWH used per meter per month.

(D) Electric Heat Rate:

Applicable: To all customers for such service when separately metered upon application and approval of permanently installed equipment; subject to such rules and regulations as are established by the utility. When air conditioning is installed in an electrically heated area, it may be connected to the same meter for space conditioning purposes.

\$0.10186 net per KWH per meter per month.

Upon application, the total annual charge for this energy may be paid in the following manner:

The estimated annual cost shall be divided into twelve (12) equal payments. Starting in July of each year, these payments shall become due and payable on the date indicated on the monthly bill. The payment for June of each year shall include an adjustment to correct the estimated annual cost to the actual annual cost. A three percent (3%) penalty charge will be made on all payments delinquent after date indicated on the bill.

(E) Special Street Lighting Rates:

\$0.12862 net per KWH for City street lighting.

(F) Temporary Service-Single Phase 120 or 240 volt: Temporary service will be supplied to a customer upon written application and advance payment of \$110.00. Equipment for such installation will be supplied by the City in consideration of this charge. Other temporary services will be supplied on a private, work order basis.

Energy used for such installations will be metered and billed under the commercial rate schedule. The City reserves the right to determine the necessity for the type of installation and duration of temporary service.

In no event will said temporary service be allowed to remain after such time as it is practical to install permanent service. The City reserves the right to terminate said temporary service when, in their judgment, any provision herein is violated.

- (G) Multiple Use: In the event that a single customer uses energy for more than one of the above uses with a different rate for each, the higher rate will be charged unless the wiring is separated for metering purposes to the satisfaction of the City.

Section 50.02. Availability of Service Charge

- (A) To be added to the monthly billings for energy in Section 50.01. The following Availability of Service charge which will also constitute a minimum billing if no energy is utilized. This charge will be computed as follows:

RESIDENTIAL

City: Intra-City \$16.07 per meter per month.

Suburban: Out-City \$19.56 per meter per month.

WATER HEATING

City: Intra-City, \$4.28 per meter per month.

Suburban: Out-City, \$5.63 per meter per month.

ELECTRIC HEAT

City: Intra-City, \$5.90 per meter per month.

Suburban: Out-City, \$7.25 per meter per month.

COMMERCIAL

City: Intra-City \$16.62 per meter per month for a single-phase meter, \$39.66 per meter per month for a three-phase service.

Suburban: Out-City \$21.98 per meter per month for a single-phase service, \$40.74 per meter per month for a three-phase service.

LARGE POWER

\$133.98 per meter per month.

- Section 50.022. State of Michigan P.A. 295, of Public Acts 2008, commonly referred to as the Clean, Renewable and Efficient Energy Act mandates the electric utility collect the following charges from each electric utility customer (Amended by PA 342; eff. 12/31/2021 this act has sunset):

- (A) Energy Optimization Plan.

Residential \$0.000000/kWh

Commercial \$0.000000/kWh

Large Power \$0.000000/kWh

(B) Renewable Energy Plan.

Residential \$0.00/mo

Commercial \$0.00/mo

Large Power \$0.00/mo

Streetlight \$0.00/mo

Unmetered \$0.00/mo

Section 50.025. Meter Charges:

- (A) A customer who installs a new electric service or upgrades an existing service that requires new instrument transformer metering must pay a meter charge prior to receipt of services. Meter charges and specifications shall be established by the City Electric Utility Director and shall be adjusted as the cost of labor and material change. Customers are not permitted to remove meters at the end of their service contract.

Section 50.03. Special Standby Service Rates:

- (A) A standby or breakdown 60 cycle A. C. electric service will be furnished under this classification to any customer qualifying for the large power rate who desires to self-produce all or part of the energy used in his operation.

The City will install transformers, meters, and service connections at the customer's expense to deliver energy to the customer during periods when his generating equipment is wholly or partially out of use at the following rates and conditions.

- (B) Transformer KVA capacity, as used in these rates, shall be the sizes of the nearest standard rated transformers that will serve the customer's greatest use of electric energy, measured over a 15-minute period and called the yearly kilowatt peak demand for standby rate purposes.

Section 50.04. Standby Equipment Rate.

- (A) The charge for equipment installed for standby or breakdown service and not used shall be \$3.00 per month for each KVA of transformer capacity determined by subtracting the monthly measured kilowatt peak demand of the partial energy used in any month from the KVA capacity as determined in Section 50.03 (B).

All energy supplied to the customer shall be charged at the regular rates applicable to the service rendered.

- (B) The minimum charge shall be the demand charge created by use, if such use is applicable to the large power rate, plus a kilowatt hour charge determined by multiplying the month peak demand by 200 hours, the result being kilowatt hours at the regular rate.
- (C) The customer must agree to isolate the self-produced energy from the City's electrical distribution system. Change-over to City distribution energy shall be accomplished through City approved double-throw switches furnished by the customer. The Electrical Department shall have the authority and access to inspect and seal or padlock the double-throw switch or switches to insure correct operation of the same.
- (D) Where the City has previously installed transformers, meters, and service connections, and where said equipment is not used, the charge for such equipment installed for standby or breakdown service shall be \$2.67 per month for each KVA of transformer capacity determined by subtracting the monthly measured kilowatt peak demand of the partial energy used in any month from the KVA capacity as determined in Section 50.03 (B) of this ordinance.

Section 50.05. Dusk to Dawn Rate:

- (A) Applicable: It is understood that the service request will be for a period of not less than one (1) year, and that said service will be installed only on existing utility facilities. If a new pole is required, the customer will furnish the pole, and the City will install the pole. The monthly charges for dusk to dawn lighting service will be:

Urban or Rural

\$12.00 per small lamp

\$18.00 per large lamp

(B) Use and Reservations

The City will provide the necessary fixtures and apparatus and will replace lamps and keep this fixture properly maintained. The City does, however, reserve the right to discontinue service to any location which shows an excessive amount of damage resulting from vandalism or neglect.

Section 50.06. Large Power Rates:

Applicable: To any customer desiring power and incidental lighting service for large power use who has a monthly demand of 100 KW or more, for at least six (6) months out of any rolling twelve (12) month period. Services meeting those conditions will be billed under the Large Power Rate. The nature of such service is alternating current, 60 Hertz, three-phase 208, 240 or 480 volts, and is metered on the primary side of the transformer. The City reserves the right to meter power on the secondary side of the transformer and in doing so will add two percent (2%) to the total energy and demand so used. For the purposes of computing rates under this section, each individual meter will be calculated separately, and under no circumstances will meter readings be combined.

\$0.06374 net per KWH for all KWH used per meter per month

Plus Demand Charges of:

\$10.71 net per KW used per meter per month

Monthly maximum KW demand measured over an interval of fifteen (15) minutes.

Section 50.07. Connection Charge:

For every new meter set at the customer's request, there shall be a charge of \$10.00. Any customers who receive shut-off notices which are not paid by the due date and require final notification will be billed a \$25.00 notification fee.

This charge shall not apply when meters are reset for rotation, for meters reset for high bill complaints unless said meters are found to be accurate within two percent (2%) of registration, and for meters reset for the convenience of the City (landlords, lessors, etc.).

Section 50.08. Reconnection Charge and Temporary Disconnects:

The reconnection charge for seasonal service requested by any customer, such as summer cottages, seasonal businesses, or seasonal industries, shall be \$30.00 if the meter is reconnected at the same premises by the same user. The maximum charge per service for multiple metering, such as domestic service, house heating,

water heating or commercial, shall be \$30.00.

Reconnections for non-pay which do not require the Electric Department service truck and a two-man service crew, will be \$50.00. Reconnections for non-pay which do require the Electric Department service truck and a two-man service crew, will be \$153.94 per hour for each hour the truck and crew are required.

Non-pay reconnections outside of normal business hours will be billed for actual costs incurred, including labor and equipment.

If an electric service is disconnected and remains inactive for 12 months or longer, the electric service shall require an inspection by the State electric inspector, at the customer's expense, prior to restoring power.

Section 50.09. New Services, Service Upgrades, and Service Extensions

For all new services and service upgrades, the customer, his agent, representative, contractor or developer shall pay for all materials including wire, conduit, meters, etc. required to install such service in compliance with all applicable codes. Said materials will be charged at actual cost plus 15% overhead. The property owner at the time of the request shall bear responsibility for all such charges. Transformers, conductors, and other materials shall remain the property of the Utility. If an electric service is removed or abandoned, the equipment belonging to the Utility may be removed with no reimbursement to the customer.

Transformers are sized by the Utility based on the size of the service at the time of installation. The Utility monitors actual usage and may replace transformers to match actual load. If transformers are replaced by the Utility at the Utility's discretion, the customer shall not be reimbursed nor charged for the replacement transformer.

Underground services or line extensions will only be done between May 1st and November 1st. If a customer desires services or line extensions outside of this time frame, the customer will be responsible for providing a trench for such services or line extensions.

Section 50.10. Special Services

In the event that a customer requires special services from the department, i.e. temporary relocation or metering or other components of a service, the standard charge shall be \$153.94 per hour. Whenever the actual cost of such services exceeds \$153.94 per hour, the City reserves the right to charge the actual cost.

The City Manager will set the charge for any service not covered by this ordinance.

CHAPTER II **CONDITIONS OF SERVICE**

Section 50.20. Late Payment Penalty:

Meters of all customers shall be read or estimated monthly and a three percent (3%) penalty charge will be made on all bills unpaid after the date indicated on bill. The penalty charge will be computed as of date of payment and will be computed on the amount of payment applied to the delinquent balance. The penalty charges may be waived at the discretion of the City for good reason, when the interest of the City would be best served by waiving said penalty, or if the customer proves that extraordinary circumstances intervened to prevent payment of the bill on the due date; in all cases, it will be the exclusive right of the City to determine the facts and judge the validity of the request to waive penalty payments.

Section 50.21. Enforcement:

In addition to all other lawful enforcement methods, the City agrees and covenants to enforce all charges for electric energy supplied to any premises, if any such charges shall remain unpaid past the due date.

(A) Utility Liens

Charges for electric services applied by the system shall constitute a lien on the premises served and if not paid within six (6) months, shall be certified by the official in charge of the collection thereof to the tax assessing officer and shall then be entered upon the next tax roll as a charge against such premises and shall be collected and the lien thereof enforced in the same manner as general City taxes against such premises are collected and the lien thereof enforced. All provisions of the laws of Michigan and the City Charter applicable to the time and manner of certification and collection of delinquent City taxes levied against real estate in the City shall be observed in the certification and collection of such charges.

(B) Landlord Not Responsible

In all cases where a tenant is responsible for the payment of any such charge and the Utility Billing Office is so notified in writing, which notification shall include a true copy of the lease of the affected premises, if there be one, then no such charge shall become a lien against such premises from and after the date of such notice. In the event of the filing of such notice and after the date of such notice, the City shall render no further service to such premises until a cash deposit in an amount of the projected billing for not less than a one-month period and not more than a three-month period is received, said determination of deposit to be solely at the discretion of the City.

Section 50.22. Restrictions:

(A) Power Factor:

The City shall not be obligated to furnish service to a customer using equipment having a power factor lower than eighty-five percent (85%), which equipment can be improved by reasonable changes to a minimum of eighty-five percent (85%) lagging. Improvement of the power factor shall be at the customer's expense. The City reserves the right to measure power factor at any time by means of test or permanently installed metering equipment, and if the customer's power factor is found to be less than eighty-five percent (85%) lagging, the billing demand will be increased by the ratio that eighty-five percent (85%) bears to the customer's actual power factor.

(B) Discontinuation of Service:

The City may discontinue service following written notice in case the meter or wiring on the customer's premises is tampered with in any manner to allow unmetered current to be used. The customer shall pay the City the estimated cost of the unmetered energy used as determined by the City, and shall, at his own expense, place the wiring in such condition and meter box in such place as is approved by the City. The unauthorized connection to a utility power source or the bypassing of an electric meter will be construed as a theft of electricity and will be appropriately prosecuted. The City may also discontinue service when an account remains unpaid past the due date. The customer shall pay the full amount of arrears, plus a reconnect fee in order to restore service.

Customers or Electrical Contractors shall not cut a meter seal to perform work without calling Escanaba Electric Department prior to beginning such work. Meter seals shall not be cut without prior approval except in the case of danger to life or property. In any case, permission will be given only to qualified persons to cut meter seals. Anyone not adhering to the meter seal-cutting paragraph in this ordinance shall be subject to a \$150.00 seal-cutting fee.

(C) Meter Location:

All meters must be located in such manner as to provide safe, reasonable access by City personnel for reading, inspection and maintenance, without the need for advance notice during regular City business hours. Conditions which can prevent access by City personnel include, but are not limited to, dogs, fences, locked gates, shrubbery, ice, snow, vehicles and debris in the way of the meter. Any customer who refuses to remedy a condition which prevents access shall have his or her services disconnected until said condition is corrected to the satisfaction of the utility.

New/Upgraded services: The meter must be located on the side of the house that the service will be fed from, or on one of the adjoining sides. The meter must not be located inside of a fenced area. All new/upgraded residential underground services must have a meter pedestal. Meter bases for underground services will not be allowed. All new/upgraded residential overhead services must have a rigid steel mast with an attachment point high enough to provide necessary clearance for the utility's wires. Meters must be located 4-5 feet above grade, deck or walking surface.

(D) Safety and Code Compliance:

All wiring and electrical equipment must be installed, maintained, and operated in a safe manner so that it is not a hazard to life, health, or property. If an existing electric service installation is deemed to be unsafe by the Electric Utility, the owner will be notified of the unsafe condition and will be given a sufficient amount of time to correct the unsafe condition. If the installation is not corrected within a reasonable amount of time as deemed by the Electric Utility, then the electric service will be disconnected until the problem(s) are corrected by the owner. Electric services that pose an immediate hazard to life, health, or property will be disconnected immediately upon discovery and the owner will be notified of the unsafe condition. If an electric service is temporarily disconnected for any reason and the electric service is deemed to be unsafe by the Electric Utility, the electric service will not be reconnected until the service has been repaired. New and repaired electric services must conform to the National Electrical Code and City of Escanaba Electric Utility rules and policies. The State of Michigan Electrical Inspector must approve all new electric service installations and all repaired electrical service installations that require power to be disconnected to make such repairs before the new or existing electric services will be energized.

(E) Owner Delinquency

If a property owner has an account in his or her name and said account is delinquent or in arrears, then any transfers or name changes shall be prohibited until such time as the owner's account is brought current and is otherwise in good standing. This provision shall also apply to accounts held in the name of an owner's agent or property manager.

Section 50.23. Experience - Good Faith Deposit Requirement:

(A) Deposit Terms

If a customer of the City of Escanaba, whether he be a tenant, owner, or an owner by land contract, has a history of delinquent payments, or if the City has no history of customer's payments, or if owner or tenant customer service is located outside the corporate limits of the City of Escanaba, or if, in the judgment of the City, the existing deposit is insufficient based on current billings, the City may require a sum not to exceed the projected billing in an average four-month period as a good faith deposit. Projected billing for water, sewer and electricity are combined for purposes of determining a customer's total deposit requirement. In no case will a customer's total deposit requirement be less than four hundred dollars (\$400). In the case of an account which does not include water service or wastewater service, the total deposit requirement shall not be less than two hundred dollars (\$200).

This deposit will be held for twelve (12) consecutive months of payments without delinquency.

Deposits for commercial accounts will be estimated on an individual basis. Commercial accounts will pay a deposit of an estimate of four (4) months' utility bills based on the estimated usage for the type of business.

(B) Deposit Interest

Interest will be paid on deposits at the rate of 2.5% per annum effective July 1, 2023. The deposit rate is based on the market rate the City receives on its deposit accounts on that date.

(C) Escrow and Letter of Credit

If a deposit of over \$500 is demanded from a commercial or large power customer, this deposit may be held in a special escrow account at the bank of the customer's choice, and interest will accrue to the benefit of the customer. Alternately, said customer may furnish an irrevocable bank letter of credit in lieu of a cash deposit.

Section 50.24. Qualification for Rate:

A customer, once placed in a rate classification, will remain in this rate classification unless, in the City's opinion, another rate classification becomes more appropriate. Customers desiring to change from one classification to another must notify the City in writing. It shall not be the City's responsibility to determine the most economical rate classification unless and until said written notice is received. In the event a change in rate classification results in reduced charges, there will be no retroactive adjustments beyond afore-referenced date of application.

In placing a customer in a rate classification, it is understood that such rate classification will remain in effect for said customer until, in the City's judgment, the rate classification is not applicable. Short duration transfers between rate classifications by customers will not be permitted. The City reserves the right of final determination as to when and whom a rate classification may be assigned or changed.

New classifications may be authorized by the City Manager if, in the opinion of the City, these new classifications provide a benefit to both the City and its customers. Customers will be placed in these classifications only at the request of the customer. These classifications will cease to exist at such time as a new rate ordinance is adopted, unless they are specifically included as a permanent rate classification under Section 50.01 and 50.02.

Section 50.25. Non-Sufficient Funds Charges (NSF)

Whenever a customer presents a check or draft instrument for which funds are not immediately available upon presentation for deposit at the City's bank, a charge of \$40 will be placed upon the account for which payment was intended. The NSF charge shall also apply to agreements for ACH account debits.

Section 50.26. Billing Recapture and Customer Credits

Whenever it becomes necessary for the billing department to recapture unbilled charges, the billing department shall use a "look-back" of two years. If it is determined that unbilled charges are the result of customer fraud, the billing department shall recover all unbilled charges.

If a billing error on the part of the City results in over-billed charges, the City will refund all such over-billings, to the extent that the amount can be reasonably

determined.

If an over-billing is not the result of a City error, the billing department shall employ a two year look-back period in determining the amount of credit.

CHAPTER III

Section 50.30. Liability:

In case the supply of electricity shall be interrupted or fail, the City shall not be liable for damages by reason of such failure.

CHAPTER IV

Section 50.40. Other Ordinances:

All rules, regulations, and provisions which have heretofore been enacted by ordinance or otherwise, shall continue to be in full force and effect until modified or amended.

CHAPTER V

Section 50.50. Savings Clause:

If any section, subsection, sentence, clause, or phrase of this 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 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.

CHAPTER VI

Section 50.60. Effective Date:

In compliance with Section 4 of Chapter XVI of the City Charter, this ordinance shall be in full force and effect on bills for electric energy processed beginning July 1, 2023.

APPROVED:

APPROVED:

Laura Genovich
City Attorney

Mark Ammel
Mayor

Date Approved: (Month) (Day), 2023
Date Published: (Month) (Day), 2023

Attest:

Phil DeMay
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 Special Meeting held on (Day) (Month) (Date), 2023, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on (Month) (Date), 2023, 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.

Phil DeMay
City Clerk

ORDINANCE NO. 1278
WATER RATES

THE ORDINANCE FIXING THE RATES TO BE CHARGED BY THE CITY OF ESCANABA FOR WATER DISTRIBUTION, TREATMENT, AND AVAILABILITY TO BE IN FULL FORCE AND EFFECT ON THE BILLINGS PROCESSED AFTER JUNE 30, 2023, AND ALL BILLINGS THEREAFTER UNTIL FURTHER AMENDED BY THE COUNCIL.

THE CITY OF ESCANABA ORDAINS:

CHAPTER I
RATES

For water distribution and treatment, there shall be charged by the City of Escanaba the rates herewith set forth as follows:

Section 101. Metered Water Rates (Monthly):

\$6.05 Net Per Thousand Gallons

Plus, a monthly availability charge based on the size of the customer's service to be determined as follows:

5/8" & 3/4" Meter.....	\$33.32	per month
1" Meter.....	41.64	per month
1 1/4" Meter.....	58.19	per month
1 1/2" Meter.....	83.23	per month
2" Meter.....	124.96	per month
3" Meter.....	249.74	per month
4" Meter.....	332.87	per month
6" Meter.....	749.13	per month
8" Meter.....	1,082.39	per month
10" Meter.....	1,498.16	per month
12" Meter.....	1,664.66	per month

Minimum Bill: The minimum monthly bill shall be the "availability" charge herein set forth.

Irrigation Meters: Residential customers who have a secondary meter for non-potable irrigation purposes will not be charged a meter fee for the irrigation meter. Water usage will be charged at the rate listed above.

Section 102. Outside City Metered Water Rates:

The outside City water rates shall be one and one-half times (1.5x) the inside City charge for availability and commodity fees.

Section 103. Construction Service:

103.1 Use of City Hydrants or Standpipes as a Source of Water.

- A deposit of \$100.00 shall be required for each hydrant connection;
- Payment of \$140.00 shall be made at time of application and will include the initial installation and 1st month rental fee for both hydrant and backflow device;
- Relocation fee shall be \$55.00 each time the meter is moved;
- Additional month meter rental shall be \$55.00 per month;
- Additional month back flow device rental shall be \$30.00 per month;
- All metered water shall be billed at \$6.05/1,000 gallons.

103.2 When a service line is installed at construction site and it is not feasible to set a meter, the flat rate charge for water used will be as follows:

1" Service Line . . . \$76.21 per month

103.3 Customers will be charged actual cost for construction of all services, regardless of size.

Section 104. Special Cases

The City Manager will set the charge for any service not included in this action, including charges for meters which are damaged or faulty. The City retains the right to discontinue service to a customer in order to bring the customer's installation up to City standards.

Section 104.1. Exemptions for Unintentional Water Loss

Requests for special exemption for an unintentional water loss of metered water due to extenuating circumstances will be considered by the City Manager or his/her designee. Approved exemptions will receive a 75% billing reduction for any usage over the normal monthly average usage of the account. This reduction will be calculated for the 45-day period immediately preceding the corrective action to eliminate the unintentional loss.

Section 105. Unmetered Water Sales

Unmetered water rates shall be charged at the rate of \$6.05 per thousand gallons on the estimated usage for each month, plus, a minimum monthly service charge based upon an estimated meter size requirement, if the consumer were metered, which shall be levied from the metered water rate service charge schedule.

The basis for estimating residential flat rate or unmetered water sales shall consist of a representative average residential usage for each month.

Section 106. Fire Protection Charges

Charge per fire hydrant will be computed at \$762.96 per year per hydrant. The annual availability charge for a special water line for a fire protection system shall be \$762.96 for a six-inch line, \$1,353.72 for an eight-inch line, \$2,116.44 for a ten-inch line, \$3,051.60 for a twelve-inch line, and \$5,422.56 for a sixteen-inch line. Rates for hydrant rental in Wells Township will be \$762.96 per year per hydrant.

Section 107. Connection To Public Water Supply

- (A) No person shall tap any water main or distribution pipe of the water distribution system, or insert therein any corporation cock, stop cock or any other fixture of appliance, or alter or disturb any service pipe, corporation stop, curb stop, gate valve, hydrant, water meter or any other attachment belonging to the water distribution system and attached thereto without the explicit and official permission of an authorized representative of the city. No person shall install any water service pipe or connect or disconnect any such service pipe with or from the mains or distribution pipes of said water distribution system, nor with or from any other service pipe now or hereafter connected with said system, nor make any repairs, additions to, or alterations of any such service pipe, tap, stop cock or any other fixture of attachments connected with any such service pipe, without proper permit for same.
- (B) The owner, tenant or occupant of each lot or parcel of land which abuts upon a street or other public way containing a water main or a water system upon which lot or parcel a building shall have been, is or will be constructed for residential, commercial, or industrial use in the city shall connect such building with such water main and shall cease to use any other source of water supply for any purpose. An exception shall be made for outdoor irrigation purposes.
- (C) Any such owner, tenant or occupant of a lot or parcel of land in the city along a water main constructed prior to July 1, 2021, who has an

existing domestic supply or source of potable water shall be exempt from the provision of this section. However, when the existing water source for the parcel is insufficient or requires maintenance or upgrade, the owner, tenant, or occupant shall immediately connect to the city water system. Buildings which are located more than 600 feet from the public water line are exempt from this article.

- (D) Any such owner, tenant or occupant of a lot or parcel of land in the city who has an existing domestic supply or source of potable water who is exempted from the provisions of this section as provided in this section shall be subject to all fees normally charged for non-users of the public water system for fire protection services.
- (E) No well, spring, or other water supply shall be permitted for residential, commercial, or industrial usage when property is adjacent to public water system, with the exception for outdoor irrigation.
- (F) The owner, tenant or occupant of each lot or parcel of land which abuts upon a street or other public way containing a water main or a water system upon which lot or parcel a building shall have been constructed for residential, commercial or industrial use in the city who has an existing water system shall be required to connect to the public water system in the event the owner, tenant or occupant of any such lot shall cease to use the existing domestic supply or source of potable water or it requires maintenance.
- (G) All costs and expense incident to the installation and connection of the water service line shall be borne by the owner. The owner shall indemnify the city from any loss, damage or restoration costs that may be occasioned by the installation of the water service line.
- (H) The materials of construction of a water service line and the methods to be used in excavation, placing of the pipe, testing, disinfection and backfilling the trench shall all conform to the requirement of the building code or applicable state department of environment quality rules, regulations, and engineering standards of the city. All excavations required for the water service line shall be open trench work, unless otherwise approved by the city engineer. No backfill shall be placed until the work has been inspected in accordance with this section.
- (I) Exceptions:
 - 1. Nothing contained in this article shall restrict the use of existing points, wells, springs, or other sources of water supply for outside irrigation use, provided there shall be no interconnection between such water supply and the city's water system.
 - 2. The city council or its duly designated representative, acting pursuant to rules, regulations and guidelines adopted by the council, may grant exceptions to the requirements of this article based on unusual circumstances existing in a particular case.

Section 107.1. Service Transfers and Fees

For each service transfer request, there shall be a charge of \$10.00. The transfer fee is limited to those situations which require only a meter reading. For any service calls during regular working hours, including meter sets and valve turning, there shall be a charge of \$15.00. These charges are applicable only to requests for turning on a service. There are no charges for the shut-off of a service. Charges for turning on a service outside of regular hours will be \$120.00.

Section 108. Reconnection Charge

The reconnection charge for seasonal service requested by any customer, such as people going away for the winter, seasonal businesses, or seasonal

industries, shall be \$30.00 if the meter is reconnected at the same premises by the same user within one year of disconnection. Any customers who receive shut-off notices which are not paid by the due date and require final notification will be billed a \$25.00 notification fee. There shall be a reconnection charge of \$50.00 for shut offs due to nonpayment. Non-pay reconnects outside of normal business hours shall be billed at \$120.00.

Section 109. Meter Charges - New Construction

A customer who installs a new water service that is not a replacement for an existing service must pay a one-time meter charge equal to the actual cost of the meter plus 15% prior to receipt of services. Meter charges and specifications shall be established by the City Water Superintendent and shall be adjusted at his discretion. Customers are not permitted to remove meters at the end of their service contract.

A customer who requests replacement of an existing, properly functioning, meter shall be charged the actual cost of the new meter plus 15%. In addition, such customer shall pay materials at actual cost plus 15%.

Section 110. Non-Sufficient Funds Charges (NSF)

Whenever a customer presents a check or draft instrument for which funds are not immediately available upon presentation for deposit at the City's bank, a charge of \$40 will be placed upon the account for which payment was intended. The NSF charge shall also apply to agreements for ACH account debits.

Section 111. Billing Recapture and Customer Credits

Whenever it becomes necessary for the billing department to recapture unbilled charges, the billing department shall use a "look-back" period of two years. If it is determined that unbilled charges are the result of customer fraud, the billing department shall recover all unbilled charges.

If a billing error on the part of the City results in over-billed charges, the City will refund all such over-billings, to the extent that the amount can be reasonably determined.

If an over-billing is not the result of a City error, the billing department shall employ a two-year look-back period in determining the amount of credit.

Section 112. Frozen Meter Charge

If a water meter freezes and becomes damaged as a result of freezing, the account holder shall be required to pay to the City, the actual replacement cost of the meter plus 15%.

Section 113. Cross Connections

The city hereby adopts by reference the Water Supply Cross Connection Rules of the state department of environmental quality, being R 325.11401 through R 325.11407 of the Michigan Administrative Code.

It shall be the duty of the water utility to cause inspections to be made of all properties serviced by the public water supply where cross connections with the public water supply is deemed possible. The frequency of inspections and re-inspections based on potential health hazards involved shall be as established by the water utility and as approved by the state department of environmental quality.

1. The representative of the city water utility shall have the right to enter at any reasonable time any property served by a connection to the public water supply system of the city for the purpose of inspecting the piping system thereof for cross connections. On request, the owner, lessees, or occupants of any property so served shall furnish

to the inspection agency any pertinent information regarding the piping system on such property. The refusal of such information or refusal of access, when requested, shall be deemed evidence of the presence of cross connections.

2. The water utility is hereby authorized and directed to discontinue water service after reasonable notice to any property wherein any connection in violation of this article exists, and to take such other precautionary measures deemed necessary to eliminate any danger of contamination of the public water supply system. Water service to such property shall not be restored until the cross connection has been eliminated in compliance with the provisions of this article. The customer will continue to pay monthly meter fees and estimated usage of billing for water services.
3. Anyone performing a test of backflow or cross connection device must forward a copy of the test results to the City Water Department within 30 days of having completed said test. A property owner shall have sole responsibility for compliance with this section. A property owner shall be responsible for all investigation costs if such investigation results in a finding of “non-compliance”. Failure to comply with this section shall be grounds for discontinuation of water service.

CHAPTER II CONDITIONS OF SERVICE

Section 201. Late Payment Penalty

Meters of all customers shall be read or estimated monthly and a three percent (3%) penalty charge will be made on all bills unpaid after the due date indicated on bill. Penalty charges may be waived at the discretion of the City for good reason in all cases, it will be the exclusive right of the City to determine the facts and judge the validity of the request to waive the penalty payments.

Section 202. Enforcement

In addition to all other lawful enforcement methods, the City agrees and covenants to enforce all charges for water supplied to any premises by discontinuing the water service to such premises if any such charges shall remain unpaid past the due date.

(A) Utility Liens

Charges for water services applied by the system shall constitute a lien on the premises served and if not paid within six (6) months, shall be certified by the official in charge of the collection thereof to the tax assessing officer and shall then be entered upon the next tax roll as a charge against such premises and shall be collected and the lien thereof enforced in the same manner as general City taxes against such premises are collected and the lien thereof enforced. All provisions of the laws of Michigan and the City Charter applicable to the time and manner of certification and collection of delinquent City taxes levied against real estate in the City shall be observed in the certification and collection of such charges.

(B) Landlord Not Responsible

In all cases where a tenant is responsible for the payment of any such charge and the Utility Billing Office is so notified in writing, which notification shall include a true copy of the lease of the affected premises, if there be one, then no such charge shall become a lien against such premises from and after the date of such notice. In the event of the filing of such notice and after the date of such notice, the City shall render no further service to such premises until a cash deposit in an amount of the projected billing for not less than a one-month period and not more than a three-month period

is received, said determination of deposit to be solely at the discretion of the City.

Section 203. Experience - Good Faith Deposit Requirement

(A) Deposit Terms

If a customer of the City of Escanaba, whether he be a tenant, owner, or an owner by land contract, has a history of delinquent payments, or if the City has no history of customer's payments, or if owner or tenant customer service is located outside the corporate limits of the City of Escanaba, or if, in the judgment of the City, the existing deposit is insufficient based on current billings, the City may require a sum not to exceed the projected billing in an average four-month period as a good faith deposit. Projected billing for water sewer and electricity are combined for purposes of determining a customer's total deposit requirement. In no case will a customer's total deposit requirement be less than four hundred dollars (\$400). In the case of an account which does not include electric service or wastewater service, the total deposit requirement shall not be less than two hundred dollars (\$200). This deposit will be held for twelve (12) consecutive months of payments without delinquency.

Deposits for commercial accounts will be estimated on an individual basis. Commercial accounts will pay a deposit of an estimate of four (4) months' utility bills based on the estimated usage for the type of business.

(B) Deposit Interest

Interest will be paid on deposits at the rate of 2.5% per annum effective July 1, 2023. The deposit rate is based on the market rate the City receives on its deposit accounts on that date.

(C) Escrow and Letter of Credit

If a deposit of over \$500 is demanded from a commercial or large power customer, this deposit may be held in a special escrow account at the bank of the customer's choice, and interest will accrue to the benefit of the customer. Alternately, said customer may furnish an irrevocable bank letter of credit in lieu of a cash deposit.

Section 204. Discontinuation of Service

Water services may be discontinued if the wastewater charges are not paid.

Section 204.1 Tampering

The City may discontinue service following a written notice in the event that the user has tampered with the metering, bypassed said metering, or cross connected to the City system. Also, the unauthorized cross connection or tampering with the metering will result in the customer being billed for the estimated cost of the water used, as determined by the City, and the act of cross-connecting or bypassing the meter will be construed as a theft of utility water and appropriately prosecuted.

Section 204.2 Seal Cutting (note: broke out into new section)

Neither customers nor plumbing contractors shall cut a meter seal to perform work without calling the Escanaba Utility Billing Department prior to beginning such work. Permission will be given only to qualified persons to cut meter seals. Anyone not adhering to this provision shall be subject to a \$75.00 seal-cutting fee.

Section 205. Liability

In case the supply of water shall be interrupted or fail by reason of accident or causes beyond the control of the City, the City shall not be liable for

damages by reason of such failure.

Section 206. Location of Meters

All meters must be located in such manner as to provide safe, reasonable access by City personnel for reading, inspection and maintenance, without the need for advance notice during regular City business hours. Conditions which can prevent access by City personnel include, but are not limited to, dogs, fences, locked gates, shrubbery, ice, snow, vehicles, and debris in the way of the meter. Any customer who refuses to remedy a condition which prevents access shall have his or her services disconnected until said condition is corrected to the satisfaction of the utility.

Section 207. Backflow Device Testing

Anyone performing a test of a backflow or cross connection device must forward a copy of the test results to the City Water Department within 30 days of having completed said test. A property owner shall have sole responsibility for compliance with this section. A property owner shall be responsible for all investigation costs if such investigation results in a finding of “non-compliance.” Failure to comply with this section shall be grounds for discontinuation of water service.

CHAPTER III
OTHER ORDINANCES

All rules, regulations, and provisions, which have heretofore been enacted by ordinance or otherwise, shall continue to be in full force and effect unless modified or amended by the terms of this ordinance.

CHAPTER IV
SAVINGS CLAUSE

If any section, subsection, clause, or phrase of this 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 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.

CHAPTER V
EFFECTIVE DATE

In compliance with Section 4 of Chapter XVI of the City Charter, this ordinance shall be in full force and effect for billings processed after June 30, 2023, and after passage of this ordinance and its publication.

APPROVED:

APPROVED:

Laura Genovich
City Attorney

Mark Ammel
Mayor

Date Approved: (Month) (Date), 2023
Date Published: (Month) (Date), 2023

Attest:

Phil DeMay
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 Special Meeting held on (Day) the (Date) day of (Month) 2023 , and was published in the

Daily Press, a newspaper of general circulation in the City of Escanaba on (Day), (Month) (Date), 2023 , 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.

Phil DeMay
City Clerk

**ORDINANCE NO. 1279
WASTEWATER RATES**

AN ORDINANCE FIXING THE CHARGES TO BE ASSESSED BY THE CITY OF ESCANABA FOR WASTEWATER COLLECTION AND TREATMENT AND THE AVAILABILITY OF SERVICE TO BE IN FULL FORCE AND EFFECT ON THE BILLINGS PROCESSED AFTER JUNE 30, 2023, AND ALL BILLINGS THEREAFTER UNTIL FURTHER AMENDED BY THE CITY COUNCIL.

THE CITY OF ESCANABA ORDAINS:

Section 1.00 SEWER SERVICE CHARGES

1.01 Charges for operation, maintenance, and replacement shall be levied monthly on the basis of metered water consumption, according to the following:

 \$8.91 Net Per Thousand Gallons, plus monthly availability debt service charge based on the size of a customer's water service to be determined as follows:

5/8" & 3/4"	Meter	\$21.10	per month
1"	Meter	26.15	per month
1 1/4"	Meter	36.78	per month
1 1/2"	Meter	52.73	per month
2"	Meter	78.90	per month
3"	Meter	157.99	per month
4"	Meter	210.67	per month
6"	Meter	473.94	per month
8"	Meter	684.57	per month
10"	Meter	947.90	per month
12"	Meter	1,053.23	per month

 The minimum monthly bill shall be the "availability" charge herein set forth.

1.02 Outside the City Wastewater Rates

 The outside City wastewater fees shall equal one and one-half times (1.5x) the inside City charge for availability and commodity fees.

1.025 The flat rate charge for unmetered residential wastewater services shall be \$64.57 per month.

1.03 In the event that a user introduces a substance into the wastewater system that results in extraordinary treatment, procedures, or costs, the City reserves the right to bill the user in accordance with the Michigan Department of Natural Resources (DNR) approved water charge system, or if the substance cannot be treated feasibly, the City reserves the right to terminate utility service to the user.

1.04 In the event that a user introduces a substance into the system that results in damages to property or environment, said user will be solely responsible for compensatory and/or punitive damages.

1.05 The City Manager will set the charge for any service not covered by this ordinance.

1.06 Non-Sufficient Funds Charges (NSF)

 Whenever a customer presents a check or draft instrument for which funds are not immediately available upon presentation for deposit at the City's bank, a charge of \$40 will be placed upon the account for which payment was intended. The NSF charge shall also apply to agreements for ACH account debits.

1.07 Billing Recapture and Customer Credits

 Whenever it becomes necessary for the billing department to recapture unbilled charges, the billing department shall use a "look-back" period of two years. If it is determined that unbilled charges are the result of customer fraud, the billing department shall recover all unbilled charges.

If a billing error on the part of the City results in over-billed charges, the City will refund all such over-billings, to the extent that the amount can be reasonably determined.

If an over-billing is not the result of a City error, the billing department shall employ a two year look-back period in determining the amount of credit.

Section 2.00 USER CHARGE SYSTEM

2.01 Established Basis for Computations

Rates and charges for the use of the wastewater system of the City shall be based upon the methodology in the user charge system approved by the Michigan DNR. Revisions to the rates for total sewer service charges are to be established by ordinances as necessary to ensure sufficiency of revenues in meeting operation, maintenance, and replacement costs, as well as debt service.

User charges for operation, maintenance and replacement shall be subject to the annual review of the user charge system. User charges shall be the same for all customers of the system regardless of geographical boundaries.

BOD (Biochemical Oxygen Demand) will be charged \$1.03 /lb, above 300 mg/l.
SS (Suspended Solids) will be charged \$0.99 /lb, above 300 mg/l.
Phosphorus will be charged \$ 27.36 /lb, above 12 mg/l.

2.02 Amounts, Billings, Sewer Service Charges

The rates and charges for service furnished by such system shall be levied upon each lot or parcel of land, building or premises, having any sewer connection with such systems, on the basis of the equivalent residential units and shall be collected monthly, except in cases where the character of the sewage from a manufacturer is such that reasonable, additional burden is placed on the system.

2.03 Annual Audit

The rates hereby fixed are estimated to be sufficient to provide for the expenses of operation, maintenance, and replacement of the system as are necessary to preserve the same in good repair and working order.

Such rates shall be fixed and revised from time to time as may be necessary to produce these amounts. An annual audit shall be prepared. Based on said audit, rates for sewage services shall be revised as necessary by the City to meet system expenses and to ensure that all user classes pay their proportionate share of operation, maintenance, and equipment replacement costs.

2.04 Free Services

No free services shall be allowed for any user of the wastewater treatment works.

The customer will continue to pay monthly meter fees and estimated usage of billing for water services when disconnected for non-compliance issues.

2.05 Late Payment Penalty

Meters of all customers shall be read or estimated monthly and a three percent (3%) penalty charge will be made on all bills unpaid after the due date indicated on bill. Penalty charges may be waived at the discretion of the City for good reason. In all cases, it will be the exclusive right of the City to determine the facts and judge the validity of the request to waive the penalty payments.

2.06 Enforcement

In addition to all other lawful enforcement methods, the City agrees and covenants to enforce all charges for wastewater services supplied to any premises, if any such charges shall remain unpaid past the due date.

2.07 Utility Liens

Charges for wastewater services applied by the system shall constitute a lien on the premises served and if not paid within six (6) months, shall be certified by the official in charge of the collection thereof to the tax assessing officer and shall then be entered upon the next tax roll as a charge against such premises and shall be collected and the lien thereof enforced in the same manner as general City taxes against such premises are collected and the lien thereof enforced. All provisions of the laws of Michigan and the City Charter applicable to the time and manner of certification and collection of delinquent City taxes levied against real estate in the City shall be observed in the certification and collection of such charges.

2.075 Landlord Not Responsible

In all cases where a tenant is responsible for the payment of any such charge and the Utility Billing Office is so notified in writing, which notification shall include a true copy of the lease of the affected premises, if there be one, then no such charge shall become a lien against such premises from and after the date of such notice. In the event of the filing of such notice and after the date of such notice, the City shall render no further service to such premises until a cash deposit in an amount of the projected billing for not less than a one-month period and not more than a three-month period is received, said determination of deposit to be solely at the discretion of the City.

2.08 Experience - Good Faith Deposit Requirement

(A) Deposit Terms

If a customer of the City of Escanaba, whether he be a tenant, owner, or an owner by land contract, has a history of delinquent payments, or if the City has no history of customer's payments, or if owner or tenant customer service is located outside the corporate limits of the City of Escanaba, or if, in the judgment of the City, the existing deposit is insufficient based on current billings, the City may require a sum not to exceed the projected billing in an average four-month period as a good faith deposit. Projected billing for water sewer and electricity are combined for purposes of determining a customer's total deposit requirement. In no case will a customer's total deposit requirement be less than four hundred dollars (\$400). In the case of an account which does not include electric service or water service, the total deposit requirement shall not be less than two hundred dollars (\$200). This deposit will be held for twelve (12) consecutive months of payments without delinquency.

Deposits for commercial accounts will be estimated on an individual basis. Commercial accounts will pay a deposit of an estimate of four (4) months' utility bills based on the estimated usage for the type of business.

(B) Deposit Interest

Interest will be paid on deposits at the rate of 2.5% per annum effective July 1, 2023. The deposit rate is based on the market rate the City receives on its deposit accounts on that date.

(C) Escrow and Letter of Credit

If a deposit of over \$500 is demanded from a commercial or large power customer, this deposit may be held in a special escrow account at the bank of the customer's choice, and interest will accrue to the benefit of the customer. Alternately, said customer may furnish an irrevocable bank letter of credit in lieu of a cash deposit.

2.09 No user shall introduce any substance, including toxic matter, chemicals, or flammable liquids, or water derived from other than metered City sources, into the City sewer system without first receiving specific approval from the Superintendent of Wastewater.

2.10 Water customers not introducing all of their usage into the sewer system may apply to the Utility Office for exemption from wastewater charges for the usage not introduced, by requesting the installation of a meter to determine, through the use of the meter, the purchased water that is not being introduced into the sewage system.

2.11 Exemptions.

Requests for special exemption for an unintentional water loss of metered water due to extenuating circumstances will be considered by the City Manager or his/her designee. Approved exemptions will receive a 75% billing reduction for any usage (for water discharged to the sewer) or a 100% billing reduction (if proven that the water was not discharged to eh sewer) over the normal monthly average usage of the account. This reduction will be calculated for the 45-day period immediately preceding the corrective action to eliminate the unintentional loss.

Section 3.00 VALIDITY, SEVERABILITY, CONFLICT, LIABILITY

3.01 The provisions of this article are severable, and if any of the provisions, words, phrases, clauses or terms, or the application thereof to any person, firm, or corporation, or to any circumstances, shall be held invalid, illegal, or unconstitutional by any court of competent jurisdiction, such decision or findings shall not in any way affect the validity, legality, or constitutionality of any other provisions, word phrase, clause or term, and they shall continue in full force and effect.

3.02 All rules, regulations, and provisions, which have heretofore been enacted by ordinance or otherwise, shall continue to be in full force and effect unless modified or amended by the terms of this ordinance.

3.03 All laws and parts of laws, all ordinances, codes and regulations which are inconsistent with or in conflict with or repugnant to any provisions of this ordinance, shall be deemed not to apply; provided that nothing herein contained shall be construed to prevent the adoption and enforcement of law, ordinance, or regulation which is more restrictive or establishes a higher standard that those provided in this article.

Section 4.0 EFFECTIVE DATE

This ordinance shall be in full force and effect for billings processed after June 30, 2023, and after the passage of this Ordinance and publication.

APPROVED:

APPROVED:

Laura Genovich
City Attorney

Mark Ammel
Mayor

Date Approved: (Month) (Date), 2023
Date Published: (Month) (Date), 2023

Attest:

Phil DeMay
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 Special Meeting held on (Day), the (Date) day of (Month), 2023 , and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on (Day), (Month) (Day), 2023, 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.

Phil DeMay
City Clerk

ORDINANCE NO. 1280
SOLID WASTE RATES

AN ORDINANCE TO AMEND CHAPTER 14, FIXING THE CHARGES TO BE ASSESSED BY THE CITY OF ESCANABA FOR SOLID WASTE, RECYCLING, YARD WASTE AND LITTERING, TO BE IN FULL FORCE AND EFFECT ON THE BILLINGS PROCESSED AFTER JUNE 30, 2023 AND ALL BILLINGS THEREAFTER UNTIL FURTHER AMENDED BY THE CITY COUNCIL OF THE CODE OF ORDINANCES OF THE CITY OF ESCANABA

THE CITY OF ESCANABA ORDAINS:

CHAPTER I

Chapter 14, Section 3, Collection of Charges; Liens, of the Code of Ordinances shall be amended as follows:

1. Each small garbage customer shall be charged the sum of Four Dollars and Seventy-Five Cents (\$4.75) per month for the collection and disposal of up to three (3) solid waste carts of solid waste per week.

The City may, at its sole discretion, grant a small garbage exemption from solid waste charges if all of the following conditions exist: (a) a building or portion thereof must be unoccupied for the entire billing period in question; (b) a building or portion thereof must have either its electric or water service "shut off" for the entire billing period in question; and (c) no refuse may be placed for pickup at the occupancy in question during the billing period in question. Retroactive exemption will not be granted.

2. Each large garbage customer shall be charged the sum of Nineteen Dollars (\$19.00) per month for the collection and disposal of four (4) or five (5) solid waste carts of solid waste per week.

The City may, at its sole discretion, grant a large garbage exemption from solid waste charges if the customer in question furnishes the billing department with evidence of private collection. Retroactive exemptions will not be granted.

3. Any customer who exceeds five (5) solid waste carts of solid waste per week will be required to provide for the collection and disposal of their solid waste through other methods.
4. Should the State of Michigan or any other duly authorized governmental agency mandate any cost increases for the disposal of solid waste at the Delta Solid Waste Management Landfill, these additional costs will be added to the rates as previously described.
5. There is created and established a special fund to be known and designated as the "Solid Waste Fund" into which all sums collected under this chapter shall be deposited and kept by the City Treasurer and from which all expenses of the administration and operation of this chapter shall be paid.
6. All solid waste collection service charges shall be paid to the City Treasurer.
7. A three (3%) percent penalty charge will be made on all bills unpaid after the date indicated on the bill. The penalty charge will be computed as of the date of payment and will be computed on the amount of payment applied to the delinquent balance. The penalty charges may be waived at the discretion of the city for good reason when the interest of the city would be best served by waiving said penalty or if the customer proves extraordinary circumstances intervened to prevent payment of the bill on the due date. In all cases, it will be the exclusive right of the city to determine the facts and judge the validity of the request to waive the penalty payments.
8. In addition to all other remedies for the collection of delinquent charges or billing authorized by ordinances of the city pertaining to solid waste collection, the city shall have the right to such liens and procedures as may be established for the collection of solid waste utility charges as are now or hereafter authorized by the laws of the state.

Chapter 14, Section 4. Enforcement, of the Code of Ordinances shall be amended as follows:

Charges for solid waste disposal shall constitute a lien on the premises served and if not paid within six (6) months shall be certified by the official in charge of the collection thereof to the tax assessing officer, and shall then be entered upon the next tax roll as a charge against such premises and shall be collected and the lien thereof enforced in the same manner as general city taxes against such premises are collected and the lien thereof enforced. All provisions of the laws of the state and the city charter applicable to the time and manner of certification and collection of delinquent city taxes levied against real estate in the city shall be observed in the certification and collection of such charges, provided, however, that in all cases where a tenant is responsible for the payment of any such charge and the utility billing office is so notified in writing, which notification shall include a true copy of the lease of the affected premises, if there be one, then no such charge shall become a lien against such premises from and after the date of such notice.

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, 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:

Laura Genovich
City Attorney

Date Approved: (Month) (Date), 2023
Date Published: (Month) (Date), 2023

APPROVED:

Mark Ammel
Mayor

Attest:

Phil DeMay
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 Special Meeting held on (Day), the (Date) day of (Month) 2023, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on (Day), (Month) (Date), 2023, 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.

Phil DeMay
City Clerk

Agenda Item: NB-7
Date: 05-18-2023

City Council Agenda Item Request

Date: 05/08/2023

Name: James McNeil

Department: Manager

Item: Special Event Application - Annual Krusin Klassic Car Fun Run

Meeting date requested: 05/18/2023

Explanation for request:

The Krusin Klassic Car Club is requesting City Council approval to use Ludington Park and Ludington Street on June 2, 2023, from 6:00 p.m. to 8:00 p.m., for their annual "Krusin Klassics Fun Run". Administration is recommending approval of the request contingent upon the following: 1) Proper insurance was provided naming the City of Escanaba as an additional insured, and 2) event sponsors provide all labor material and clean up at the conclusion of the event.

KRUSIN KLASSICS

P.O. Box 1321
Escanaba, MI 49829

May 2, 2023

City Manager
Mr. James McNeil
410 Ludington Street
Escanaba, MI 49829

Re: Parade Permit/Fun Run Car Show 2023

Dear Mr. McNeil:

Please find attached the completed parade permit for activities on Friday night, June 2, 2023. As in the past, our parade of cars line up will begin assembling in Ludington Park at 6:00 p.m. with the parade to start at 7:00 p.m. We do ask that the side streets be closed and that there is no on-coming traffic on Ludington Street during the parade. We will drive west along Ludington Street to Stephenson Avenue and Sheridan Avenue as we cruise over to Gladstone and back to the Fairgrounds. As always we request that our parade participants do not throw candy from their vehicles. We do have many walkers made up of Girl Scout Troops and other volunteers who will be walking along side the parade and throwing candy.

Safety is our number one goal for our parade participants and spectators. We do stress to our parade participants to drive in a safe and mannerly fashion and discourage tire noise and drag racing. Each parade participant will have a window sticker displayed on their windshield showing that they are, in fact, a parade participant. All registered participants will also have a copy of the parade rules. The Escanaba Public Safety, Michigan State Police and the Escanaba Sheriff's Department all assist us with our parade and car show throughout the weekend.

Following the parade we will return to the Upper Peninsula State Fairgrounds for a dance, games, and a fun night of catching up with old car friends. If you have a free evening, you should join in the festivities.

If you have any concerns or suggestions regarding the parade, please contact me at your convenience. I would be happy to sit down with you to discuss any matters you may have. Once approved, you can return the parade permit to me at Krusin Klassics Car Club, P. O. Box 1321, Escanaba, MI 49829. I have included a copy of our insurance for your records also listing the City of Escanaba as an additional insured.

Thank you for your consideration.

Sincerely,



Janet Snowden
Krusin Klassics Car Club Secretary

email: krusinklassics@yahoo.com

CITY OF ESCANABA - SPECIAL EVENT APPLICATION
Festivals, Parades, Races, Walkathons, Temporary Road Closures

DATE(S) OF EVENT: Friday, June 2, 2023
Day of Week, Month, Day, Year (Example: Saturday, October 29, 2016)

NAME OF EVENT: Krusin Klassics Fun Run Car Show Parade

CONTACT INFORMATION: (Please print clearly – Incomplete applications may be delayed)

Organization: Krusin Klassics Car Club

Contact Person: Janet Snowden Daytime Phone: ()

Address: P. O. Box 1321 Evening Phone: (906) 786-3638

City, State Zip: Escanaba, MI* 49829 E-mail: krusinklassics@yahoo.com

Website: krusinklassics.net Event Phone: ()

Charitable Org #: 730333 Fax: (906) 786-4435
(If applicable)

Alternate Contact: Terrie Belongie ()
(It is recommended that an alternative Name and Phone Number be provided)

Do you grant the City of Escanaba, City Manager's Office permission to give your telephone number to the general public? ☒ Yes ☐ No

LOCATION:

☒ City Park Name of Park: Ludington

☐ Building/Facility Name/Area: Ludington Park to Stephenson Avenue

☒ Road(s) Road Closure Required? ☒ Partial ☐ Full

DATE/TIME:

EVENT TIME <small>This is the time your event would be ready to accept participants or general public.</small>	Event Begins DATE: <u>June 2, 2023</u> TIME: <u>7:00 p.m.</u>	Event Ends DATE: <u>June 2, 2023</u> TIME: <u>8:00 p.m.</u>
SET-UP TIME <small>When you want the area reserved for your organization to ensure you have adequate time for set-up and tear-down.</small>	Set-up Start DATE: <u>June 2, 2023</u> TIME: <u>6:00 p.m.</u>	Tear-down End DATE: <u>June 2, 2023</u> TIME: <u>8:00 p.m.</u>

The collection, use and disclosure of personally identifying information submitted on this form will be used to facilitate the request to host a special event within the City of Escanaba. Applicants may, from time to time, be contacted by the city or a City-contracted third-party for the express purposes of gathering information about the proposed event, assessing satisfaction and/or obtaining feedback on services related to special events, Questions about this collection should be directed to the City Manager.

EVENT DETAILS – TYPE OF EVENT:

☒ Parade

☐ Cycling

☐ Festival/Event

☐ Run

☐ Walkathon

☐ Other (specify): _____

ESTIMATED ATTENDANCE: (Please estimate all that apply)

Participants: # 350

Wheelchair Accessible: ☐ Yes ☒ No

Bands: # N/A

For events on City Property are you seeking approval to charge:

Admission: ☐ Yes ☒ No

Vehicles/Floats: # 350

Parking: ☐ Yes ☒ No

Volunteers: # 50

This event is: ☐ Open to the Public

General Public: # 2,000

☐ For Invited Guests Only

EVENT ELEMENTS: (Complete to ensure proper permits are processed)

Power Requirements: ☐ Yes ☒ No

Fireworks: ☐ Yes ☒ No

Sound Amplification: ☐ Yes ☒ No

Alcohol: ☐ Yes ☒ No

Access to power if possible: ☐ Yes ☒ No

Live Music: ☐ Yes ☒ No

Tents/Temp. Structures: ☐ Yes ☒ No

Size of Tent(s): _____

Amusement Rides: ☐ Yes ☒ No

Provider: _____

Inflatables: ☐ Yes ☒ No

Provider: _____

FOOD AND BEVERAGE:

Will there be Food and Non-Alcoholic Beverages sold? ☐ Yes ☒ No (Continue to next page)

Food Stand locations: ☐ Indoor ☐ Outdoor ☐ Indoor and Outdoor

What types of food will the Food Stands be selling? (Check all that apply)

☐ Chicken / Seafood

☐ Soups / Chili

☐ Other Foods (Please list)

☐ Rice / Pasta Dishes

☐ Salad

☐ Soda / Chips / Candy

☐ Other Meats

☐ Hotdogs / Hamburgers

☐ Baked Goods

RESERVATION FEES: (Check applicable box(es))

Ludington Park – Pavilion (1/2 Day)	<input type="checkbox"/> \$75 (Resident)	<input type="checkbox"/> \$100 (Non-Resident)
Ludington Park – Pavilion (Full Day)	<input type="checkbox"/> \$100 (Resident)	<input type="checkbox"/> \$125 (Non-Resident)
Ludington Park – Bandshell (1/2 Day)	<input type="checkbox"/> \$75 (Resident)	<input type="checkbox"/> \$100 (Non-Resident)
Ludington Park – Bandshell (Full Day)	<input type="checkbox"/> \$100 (Resident)	<input type="checkbox"/> \$125 (Non-Resident)
Ludington Park – Gazebo (2 Hour Block)	<input type="checkbox"/> \$50 (Resident)	<input type="checkbox"/> \$75 (Non-Resident)
Other Picnic or Gathering Area (Full Day)	<input type="checkbox"/> \$35	
John D. Besse Park – Pavilion (1/2 Day)	<input type="checkbox"/> \$75 (Resident)	<input type="checkbox"/> \$100 (Non-Resident)
John D. Besse Park – Pavilion (Full Day)	<input type="checkbox"/> \$100 (Resident)	<input type="checkbox"/> \$125 (Non-Resident)
Lemerand Field – Pavilion (1/2 Day)	<input type="checkbox"/> \$75 (Resident)	<input type="checkbox"/> \$100 (Non-Resident)
Lemerand Field – Pavilion (Full Day)	<input type="checkbox"/> \$100 (Resident)	<input type="checkbox"/> \$125 (Non-Resident)
Lemerand Field – Entire Complex (Full Day)	<input type="checkbox"/> \$250	

*** Half-Day Reservations Cut-off Time is 4:00PM. Half-day reservations can be made before or after 4:00PM.

EVENTS REQUESTING ROAD CLOSURE:

Road closures must be approved by City Council. Once City Council has approved your road closure, changes cannot be made to your route without notification to the City Manager as a secondary Council Approval will have to be sought.


A detailed map of road closures **MUST** be included. Applicants must notify abutting properties of the closure at least 14 Days in advance of the event. This notification letter must be approved by the City Manager's Office. If there are any SPECIAL REQUESTS that you would like the City to consider, please outline them on a separate piece of paper and attach.

DEFINE THE CLOSURE LIMITS – ATTACH A DETAILED MAP

I have read and understood the Special Events Application.

I will notify the City Manager's Office of any changed to my event application at least fourteen (14) days in advance of the event.

I have received a copy, read and understand the contents of the City of Escanaba Policy and Procedures No. 060101-10 – Alcohol in Public Places (if applicable).


Event Organizer Signature

Janet Snowden
Print Name

04/26/2023
Date



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/27/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Garceau Insurance 823 Ludington Street Escanaba MI 49829	CONTACT NAME: Janel Klotz PHONE (A/C, No, Ext): (906) 789-0900 E-MAIL ADDRESS: jmk@garceauins.com INSURER(S) AFFORDING COVERAGE INSURER A: Home-Owners Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	FAX (A/C, No): (906) 789-9124 NAIC # 26638
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INSURED (906) 789-9587
Krusin Klassics

Po Box 1321

Escanaba MI 498296321

COVERAGES**CERTIFICATE NUMBER:** Cert ID 16521**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y	33825310	01/28/2023	01/28/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/>					EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
						\$ \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

City of Escanaba 410 Ludington St Escanaba MI 49829	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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CHATFIELD MACHINE/NAPA PRESENTS

KRUSIN KLASICS
FUN RUN
2023

JUNE 2nd - 3rd

Krusin in our Oldies
Show & Shine

1996 Ford
Mustang GT
For Car Show
Participants
Only
Rules at
KrusinKlassics.net

1950 Ford Tudor

Also Other Great Prizes!

\$5 per ticket or 5 for \$20!

June 2nd & 3rd, 2023

U.P. State Fairgrounds • Escanaba, MI

ALL Fairgrounds Events - \$5 Entry (Button) - 12 & under FREE

Veterans free admission with proof of service

FRIDAY

Registration - Building #5
Friday - 9 a.m. to 8 p.m.

PARADE Downtown Escanaba - Friday 7:00 PM
DANCE Friday 8:00 PM to Midnight

OPEN TO PUBLIC - This is THE Fun Run Dance - NOW ON FRIDAY!
50's & 60's Costume Contest • Cash Prizes for Best Costumes
Bucket Raffles and Silent Auction

Music by
Grand Design

SATURDAY

Registration - Building #5
Saturday - 8 a.m. to Noon

CAR SHOW & Swap Meet gates open 8:00 AM

RHINO DYNO 9:00 AM-4:30 PM U.P. State Fairgrounds Midway

RAFFLE DRAWINGS 4:30 PM Ruth Butler Building

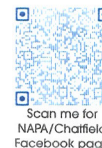
1998 & Older Vintage, Antique & Special Interest Cars and Trucks (Swap Space \$5.00)
Food Booths • Vendor Displays • Petting Zoo • Bucket Raffles & Silent Auction

Find All the Information Schedule and Details at

KrusinKlassics.NET



find us on Facebook
f Krusin Klassics



Agenda Item: NB-8
Date: 05-18-2023

City Council Agenda Item Request

Date: 05/10/2023

Name: Melissa Becôtte

Department: City Controller

Item: Property and Liability Insurance Renewal

Meeting date requested: 05/18/2023

Explanation for request:

Administration is requesting City Council approval of the property and liability insurance policy with the Michigan Municipal Risk Management Authority for July 1, 2023 through June 30, 2024.

MEMORANDUM

May 10, 2023

TO: James McNeil, Phil Demay

FROM: Melissa Becotte *mb*

We are recently in receipt of the billing information for the City's 2023/24 property and liability insurance coverage. Based on the information provided below, I'm recommending City Council approval of MMRMA as the City's insurance carrier for the 2023/24 fiscal year, in the gross amount of \$264,947.

Insurance Coverage

MMRMA insurance coverage represents the City's main insurance protection. Included in the coverage are a \$5,000,000 limit on liability claims and a \$99.5 million limit on property claims, with various exclusions and exceptions. The City carries a "maximum out-of-pocket" of \$175,000 on claims (after deductibles) and smaller deductibles on auto claims and other property. The attached Coverage Proposal details some of these specifics.

The most significant change to the coverage this year is the increase in value of City buildings which increased the cost of property coverage.

Comparison

On the last page of this document, I've attached a Ten-Year Premium History work paper. Across from the "TOTAL PAYMENTS" line, you will note our premium for 23/24 – at \$264,947 – is increased \$18,469 when compared to last year.

For the past ten years, MMRMA has had a policy of issuing "dividend" (refund) checks. The only way that we will receive our dividend check is to commit to another year of coverage. MMRMA has maintained that these checks represent earnings on their investments. Last year, we received a dividend check of \$140,244. This year's dividend check is estimated to be \$100,000, payable within one month of our renewal.

The impact of the dividend check is that it results in lower "net" premiums; these savings will be spread over all of the various funds and departments as a single charge to "Insurance and Bonds" for each applicable function. For the 23/24 budget process, net costs were estimated to be \$160,000 (because there's no way of knowing ahead of time, with any certainty, what our dividend check will be); with the net insurance cost of \$164,947, we may be over budget for this aspect of operations, depending on the actual amount of the net asset distribution.

I will be at the City Council meeting to address any questions, but if there are any questions prior to then, please contact me.

CITY OF ESCANABA

Analysis of Insurance Premiums

Ten Year Premium History

U:\Controller\INSURANCE\Renewals\PriceComparisons\2223CouncilPresentation

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Real Property	\$48,967	\$43,676	\$64,519	\$42,469	\$43,993	\$46,544	\$48,028	\$57,058	\$60,212	\$81,243
Contents	6,353	5,667	12,528	14,777	7,332	7,388	8,194	9,751	9,939	11,952
EDP	0	0	0	0	0	0	0	0	0	0
Extra Expense	0	0	0	0	0	0	0	0	0	0
Inland Marine	4,395	3,919	0	0	0	0	0	0	0	0
Structures Other Than a Building	0	0	0	20,073	14,347	19,947	21,294	25,864	26,384	31,503
Other	0	0	0	0	0	0	0	0	0	0
Sub-Total	\$59,715	\$53,262	\$77,047	\$77,319	\$65,672	\$73,879	\$77,516	\$92,673	\$96,535	\$124,698
Police Professional	\$16,188	\$28,023	\$23,363	\$25,472	\$30,484	\$29,029	\$30,849	\$32,544	\$36,143	\$36,143
Streets	4,185	4,185	4,185	4,185	4,205	3,705	3,605	3,500	3,500	3,500
Water & Sewer	3,665	3,658	3,658	3,658	3,627	3,613	3,608	3,605	3,643	3,639
Electric	0	0	0	0	0	0	0	0	0	0
All Other	<u>44,994</u>	<u>56,244</u>	<u>49,581</u>	<u>51,604</u>	<u>54,430</u>	<u>53,123</u>	<u>46,974</u>	<u>43,589</u>	<u>40,578</u>	<u>44,826</u>
Sub-Total	\$69,032	\$92,110	\$80,787	\$84,919	\$92,746	\$89,470	\$85,036	\$83,238	\$83,864	\$88,108
Fleet	\$30,345	\$33,165	\$32,199	\$35,901	\$35,854	\$35,152	\$39,060	\$38,256	\$45,044	\$45,787
Electric Operations	\$52,748	\$48,106	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stop Loss	\$13,147	\$14,148	\$5,406	\$5,264	\$5,542	\$5,746	\$5,777	\$5,772	\$6,035	\$6,354
MMRMA Risk & Capitalization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Portion	\$224,987	\$240,791	\$195,439	\$203,403	\$199,814	\$204,247	\$207,389	\$219,939	\$231,478	\$264,947
Member Loss Fund	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	0
TOTAL PAYMENTS	<u>\$239,987</u>	<u>\$255,791</u>	<u>\$210,439</u>	<u>\$218,403</u>	<u>\$214,814</u>	<u>\$219,247</u>	<u>\$222,389</u>	<u>\$234,939</u>	<u>\$246,478</u>	<u>\$264,947</u>
Insurance Portion	\$224,987	\$240,791	\$195,439	\$203,403	\$199,814	\$204,247	\$207,389	\$219,939	\$231,478	\$264,947
Plus: MCCA Charges	0	0	0	0	0	0	0	0	0	0
Less: Dividends	<u>-194,653</u>	<u>-273,165</u>	<u>-206,413</u>	<u>-81,960</u>	<u>-110,733</u>	<u>-88,959</u>	<u>-101,736</u>	<u>-34,414</u>	<u>-140,244</u>	<u>-100,000</u>
Net Insurance Cost	<u>\$30,334</u>	<u>\$32,374</u>	<u>\$10,974</u>	<u>\$121,443</u>	<u>\$89,081</u>	<u>\$115,288</u>	<u>\$105,653</u>	<u>\$185,525</u>	<u>\$91,234</u>	<u>\$164,947</u>
Net Insurance Cost w/o Electri	<u>-\$22,414</u>	<u>-\$80,480</u>	<u>\$10,974</u>	<u>\$121,443</u>	<u>\$89,081</u>	<u>\$115,288</u>	<u>\$105,653</u>	<u>\$185,525</u>	<u>\$91,234</u>	<u>\$164,947</u>

MMRMA CONTRIBUTION BREAKDOWN

July 1, 2023 to July 1, 2024

PROPERTY

Buildings	65.15%	\$53,096,946	\$81,243.28
Contents	9.58%	\$7,811,408	\$11,952.18
SOTB	25.26%	\$20,588,635	\$31,502.53
E.D.P. (Electronic Coverage)			Included
Extra Expense Coverage			Included
Inland Marine & Contractor Equipment			Included
Depositors Forgery Coverage			Included
Accounts Receivable Coverage			Included
Valuable Papers Coverage			Included
Earnings Coverage			Included
Monies & Securities Coverage			Included
Blanket Fidelity & Faithful Performance Bond			Included
Total Covered Value		\$81,496,989	<u>Included</u>
		Total Property	\$124,698.00

LIABILITY

Police Professional		\$36,143.00
Streets		\$3,500.00
Water & Sewer		\$3,639.00
All Other (by budget)		<u>\$44,826.00</u>
	Total Liability	\$88,108.00

FLEET

<u>FLEET</u>	<u>LIABILITY</u>	<u>PHYSICAL DAMAGE</u>
Police	\$6,447.00	\$3,063.00
Private Passenger	\$3,084.00	\$1,547.00
Trucks	\$17,715.00	\$4,045.00
Fire Trucks *	<u>\$2,571.00</u>	<u>\$7,315.00</u>
Total Fleet	\$29,817.00	\$15,970.00

MCCA FEES PAID BY MMRMA (\$18,700)

Included

STOP LOSS CHARGE

\$6,354.00

MEMBER LOSS FUND\$0.00**TOTAL CONTRIBUTION****\$264,947.00**

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY COVERAGE PROPOSAL

Member:	City of Escanaba	Proposal No: [REDACTED]
Date of Original Membership:	July 1, 1995	
Proposal Effective Dates:	July 01, 2023 To July 01, 2024	
Member Representative:	Melissa Becotte	Telephone #: [REDACTED]
Regional Risk Manager:	U.P. Insurance Agency, Inc.	Telephone #: [REDACTED]

A. Introduction

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. **City of Escanaba** (hereinafter "Member") is eligible to be a Member of MMRMA. **City of Escanaba** agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

City of Escanaba is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Proposal summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Proposal, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

B. Member Obligation - Deductibles and Self Insured Retentions

City of Escanaba is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). **City of Escanaba's** SIR and deductibles are as follows:

Table I
Member Deductibles and Self Insured Retentions

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	N/A	\$100,000 Per Occurrence
Vehicle Physical Damage	\$1,000 Per Vehicle	\$15,000 Per Vehicle \$30,000 Per Occurrence
Fire/EMS Replacement Cost	\$1,000 Per Occurrence	N/A
Property and Crime	\$1,000 Per Occurrence	N/A
Sewage System Overflow	N/A	\$100,000 Per Occurrence

The member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

Member's Motor Vehicle Physical Damage deductible applies, unless the amount of the loss exceeds the deductible. If the amount of loss exceeds the deductible, the loss including deductible amount, will be paid by MMRMA, subject to the Member's SIR.

The **City of Escanaba** is afforded all coverages provided by MMRMA, except as listed below:

1. Specialized Emergency Response Expense Recovery Coverage
- 2.
- 3.
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

City of Escanaba agrees to maintain the Required Minimum Balance as defined in the Member Financial Responsibilities section of the MMRMA Governance Manual. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

C. MMRMA Obligations - Payments and Limits of Coverage

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

Table II
Limits of Coverage

Liability and Motor Vehicle Physical Damage	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Liability	5,000,000	N/A	N/A	N/A
2 Judicial Tenure	N/A	N/A	N/A	N/A
3 Sewage System Overflows	500,000	N/A	500,000	N/A
4 Volunteer Medical Payments	25,000	N/A	N/A	N/A
5 First Aid	2,000	N/A	N/A	N/A
6 Vehicle Physical Damage	1,500,000	N/A	N/A	N/A
7 Uninsured/Underinsured Motorist Coverage (per person)	100,000	N/A	N/A	N/A
Uninsured/Underinsured Motorist Coverage (per occurrence)	250,000	N/A	N/A	N/A
8 Michigan No-Fault	Per Statute	N/A	N/A	N/A
9 Terrorism	5,000,000	N/A	N/A	5,000,000

Property and Crime	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Buildings and Personal Property	61,908,354	350,000,000	N/A	N/A
2 Personal Property in Transit	2,000,000	N/A	N/A	N/A
3 Unreported Property	5,000,000	N/A	N/A	N/A
4 Member's Newly Acquired or Constructed Property	10,000,000	N/A	N/A	N/A
5 Fine Arts	2,000,000	N/A	N/A	N/A
6 Debris Removal (25% of Insured direct loss plus)	25,000	N/A	N/A	N/A
7 Money and Securities	1,000,000	N/A	N/A	N/A
8 Accounts Receivable	2,000,000	N/A	N/A	N/A
9 Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit)	5,000,000	10,000,000	N/A	N/A
10 Fire and Emergency Vehicle Rental (12 week limit)	2,000 per week	N/A	N/A	N/A
11 Structures Other Than a Building	20,588,635	N/A	N/A	N/A
12 Dam/Dam Structures/Lake Level Controls	0	N/A	N/A	N/A
13 Transformers	0	N/A	N/A	N/A
14 Storm or Sanitary Sewer Back-Up	1,000,000	N/A	N/A	N/A
15 Marine Property	1,000,000	N/A	N/A	N/A
16 Other Covered Property	10,000	N/A	N/A	N/A
17 Income and Extra Expense	5,000,000	N/A	N/A	N/A
18 Blanket Employee Fidelity	1,000,000	N/A	N/A	N/A
19 Faithful Performance	Per Statute	N/A	N/A	N/A
20 Earthquake	5,000,000	N/A	5,000,000	100,000,000
21 Flood	5,000,000	N/A	5,000,000	100,000,000
22 Terrorism	50,000,000	50,000,000	N/A	N/A

Table III

Network and Information Security Liability, Media Injury Liability, Network Security Loss, Breach Mitigation Expense, PCI Assessments, Social Engineering Loss, Reward Coverage, Telecommunications Fraud Reimbursement, Extortion.				
	Limits of Coverage Per Occurrence/Claim	Deductible Per Occurrence/Claim		Retroactive Date
	\$2,000,000			
Coverage A Network and Information Security Liability: Regulatory Fines:	Each Claim Included in limit above Each Claim Included in limit above	\$25,000	Each Claim	7/1/2013
Coverage B Media Injury Liability	Each Claim Included in limit above	\$25,000	Each Claim	7/1/2013
Coverage C Network Security Loss Network Security Business Interruption Loss:	Each Unauthorized Access Included in limit above Each Business Interruption Loss Included in limit above	\$25,000	Each Unauthorized Access Retention Period of 72 hours of Business Interruption Loss	Occurrence
Coverage D Breach Mitigation Expense:	Each Unintentional Data Compromise Included in limit above	\$25,000	Each Unintentional Data Compromise	Occurrence
Coverage E PCI Assessments:	Each Payment Card Breach \$1,000,000 Occ./\$1,000,000 Agg. Included in limit above	\$25,000	Each Payment Card Breach	Occurrence
Coverage F Social Engineering Loss:	Each Social Engineering Incident \$100,000 Occ./\$100,000 Agg. Included in limit above	\$25,000	Each Social Engineering Incident	Occurrence
Coverage G Reward Coverage	Maximum of 50% of the Covered Claim or Loss; up to \$25,000 Included in Limit above		Not Applicable	Occurrence
Coverage H Telecommunications Fraud Reimbursement	\$25,000 Included in limit above		Not Applicable	Occurrence
Coverage I Extortion Coverage	Each Claim Included in limit above	\$25,000	Each Extortion Loss	Occurrence

Annual Aggregate Limit of Liability

Each Member Aggregate	All Members Aggregate
\$2,000,000	\$17,500,000

The Each Member Aggregate Limit of Liability for the combined total of all coverage payments of MMRMA and MCCRMA shall not exceed \$2,000,000 per Member for all Subjects of Coverage in any Coverage Period, regardless of the number of coverage events.

The All Member Aggregate Limit of Liability for the combined total of all coverage payments of MMRMA and MCCRMA shall not exceed \$17,500,000 for All Members for all Subjects of Coverage in any Coverage Period, regardless of the number of Members or the number of coverage events.

It is the intent of MMRMA that the coverage afforded under the Subjects of Coverage be mutually exclusive. If however, it is determined that more than one Subject of Coverage applies to one coverage event ensuing from a common nexus of fact, circumstance, situation, event, transaction, or cause, then the largest of the applicable Deductibles for the Subjects of Coverage will apply.

Table IV**Specialized Emergency Response Expense Recovery Coverage****Limits of Coverage**

Specialized Emergency Response Expense Recovery	Limits of Coverage per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
	N/A	N/A	N/A	N/A

Table V**Specialized Emergency Response Expense Recovery Coverage****Deductibles**

Specialized Emergency Response Expense Recovery	Deductible per Occurrence
	Member
	N/A

D. Contribution for MMRMA Participation

City of Escanaba

Period: July 01, 2023

To July 01, 2024

Coverages per Member Coverage Overview:	\$258,593
Stop Loss Coverage:	\$6,354
Member Loss Fund Deposit:	\$0
TOTAL ANNUAL CONTRIBUTIONS:	\$264,947

E. List of Addenda

1. Stop Loss Program Participation Agreement

This document is for the purpose of quotation only and does not bind coverage in the Michigan Municipal Risk Management Authority, unless accepted and signed by both the authorized Member Representative and MMRMA Representative below.

Accepted By:

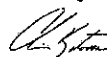
Proposal No:

City of Escanaba

MMRMA

Member Representative

DocuSigned by:



6249CB0331E4405...

MMRMA Representative

Date

5/9/2023 | 3:06 PM EDT

Date

ADDENDUM

STOP LOSS PROGRAM PARTICIPATION AGREEMENT

Optional

The Stop Loss Program limits the Member's cash payments during a July 1 - June 30 year for those costs falling within the Member's SIR. The Stop Loss Program responds only to cumulative Member SIR payments, including damages, indemnification, and allocated loss adjustment expenses, within a July 1 - June 30 calendar year. The paid costs include payments for any coverage provided to the Member by MMRMA provided that the costs are actually paid within the July 1 - June 30 period. On July 1 of each year, the Member's paid costs accumulate from zero.

If the Member has chosen to participate in the Stop Loss Program, and if the Member's paid costs exceed the member's entry point, the Stop Loss Program will pay, until July 1, all costs that would, in the absence of the Stop Loss Program, be paid from the Member's SIR. **City of Escanaba's** entry point is **\$175,000**. Withdrawing Members do not participate in the Stop Loss Program after the date of withdrawal.

The Member agrees to be bound by MMRMA rules relating to the Stop Loss Program.

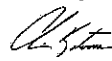
Accepted by: _____

Member Representative

Date: _____

MMRMA

DocuSigned by:



Authorized Representative

Date: 5/9/2023 | 3:06 PM EDT

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

City of Escanaba QUOTE NUMBER [REDACTED] SUMMARY EFFECTIVE 7/1/2023 - 7/1/2024

Coverage	Expiring Annual Exposure	Proposed Annual Exposure	Limits of Liability	SIR/ Deductible	Expiring Contribution	Proposed Contribution
Automobile Liability	86 Total Vehicles	88 Total Vehicles	5,000,000	100,000	29,379	29,818
Automobile Physical Damage	\$3,342,000 ACV	\$3,383,000 ACV		15,000	12,871	13,175
Fire/EMS Replacement Cost	\$400,000 Replacement Cost	\$400,000 Replacement Cost		1,000	2,794	2,794
General Liability	\$14,607,867 Exposure Equivalents	\$16,294,670 Exposure Equivalents	5,000,000	100,000	9,641	10,660
Law Enforcement Liability	30 Employee Equivalents	30 Employee Equivalents	5,000,000	100,000	46,143	46,143
Public Officials' Liability	\$14,607,867 Exposure Equivalents	\$16,294,670 Exposure Equivalents	5,000,000	100,000	24,437	27,666
Property	\$47,601,568	\$60,908,354		1,000	96,535	124,698
Data Breach and Privacy Liability			2,000,000	25,000 See Table IV	0	0
Specialized Emergency Response Expense Recovery Coverage	N/A	N/A	N/A	N/A	0	0
Sewers	12,450 Population	12,416 Population	500,000	100,000	3,643	3,639
Subtotal					225,443	258,593
MCCA Assessment	86 Total Vehicles	88 Total Vehicles			7,396	7,568
MCCA Assessment Discount					-7,396	-7,568
Total					225,443	258,593
Stop Loss Charge	\$175,000 Stop Loss entry point	\$175,000 Stop Loss entry point			6,035	6,354
Total Contribution without Retention Fund Allocation					231,478	264,947
Retention Fund Allocation					15,000	0
Total Contribution including Retention Fund Allocation					246,478	264,947

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

Member: City of Escanaba
 QUOTE NUMBER [REDACTED]
 QUOTE PROPERTY LIST REPORT
 EFFECTIVE DATES 7/1/2023 To 7/1/2024

Location Address		Location Description		
1.	410 Ludington Street, Escanaba, MI 49829	City Hall/Library		
Building Description		Building Value	Contents Value	Total Value
City Hall/Library		\$10,146,400	\$3,105,000	\$13,251,400
Location Totals		\$10,146,400	\$3,105,000	\$13,251,400

Location Address		Location Description		
2.	1711 Sheridan Rd., Escanaba, MI 49829	Electric Building Offices		
Building Description		Building Value	Contents Value	Total Value
Electric Offices/Garage		\$2,294,100	\$540,500	\$2,834,600
Electric Sub - Garage (Switch Station)		\$140,500	\$86,250	\$226,750
Electric Sub - 1821 7th Ave. (Switch Station)		\$0	\$225,256	\$225,256
Electric Sub - N 30th		\$39,261	\$225,256	\$264,517
Electric Sub - North Shore		\$39,261	\$225,256	\$264,517
Location Totals		\$2,513,122	\$1,302,518	\$3,815,640

Location Address		Location Description		
3.	1705 Sheridan Rd., Escanaba, MI 49829	Public Works Complex		
Building Description		Building Value	Contents Value	Total Value
Public Works Offices/Garage		\$5,870,900	\$1,063,750	\$6,934,650
Salt Dome		\$225,000	\$0	\$225,000
Electric Warehouse		\$1,200,000	\$373,750	\$1,573,750
Water Storage Building		\$200,000	\$40,250	\$240,250
Location Totals		\$7,495,900	\$1,477,750	\$8,973,650

Location Address		Location Description		
4.	313 Lakeshore Dr., Escanaba, MI 49829	Beach House		
Building Description		Building Value	Contents Value	Total Value
Beach House		\$975,400	\$28,750	\$1,004,150
Location Totals		\$975,400	\$28,750	\$1,004,150

Location Address		Location Description		
5.	625 Lakeshore Dr., Escanaba, MI 49829	Ludington Park Restroom		
Building Description		Building Value	Contents Value	Total Value
Ludington Park Restroom		\$300,000	\$32,200	\$332,200
Location Totals		\$300,000	\$32,200	\$332,200

Location Address		Location Description		
6.	735 Lakeshore Dr., Escanaba, MI 49829	Band Shell		
Building Description		Building Value	Contents Value	Total Value
Band Shell		\$205,000	\$32,200	\$237,200
Location Totals		\$205,000	\$32,200	\$237,200

Location Address		Location Description		
7.	1 Water Plant Road, Escanaba, MI 49829	Water Plant		
Building Description		Building Value	Contents Value	Total Value
Main Plant/Offices/Lab		\$9,208,300	\$92,000	\$9,300,300
Carbon Building		\$1,525,000	\$43,700	\$1,568,700
Well House		\$11,224	\$0	\$11,224
Location Totals		\$10,744,524	\$135,700	\$10,880,224

Location Address		Location Description		
8.	3501 18th Ave., Escanaba, MI 49829	Wastewater Treatment Plant		
Building Description		Building Value	Contents Value	Total Value
Administration/Lab		\$2,665,000	\$62,100	\$2,727,100
Generator Shed		\$38,637	\$380,431	\$419,068
Headworks Building		\$1,800,000	\$31,050	\$1,831,050
New Garage		\$130,400	\$36,800	\$167,200
Heat Exchanger Building		\$325,000	\$0	\$325,000
Sewer Truck Storage		\$118,900	\$28,750	\$147,650
Secondary Building		\$1,067,400	\$0	\$1,067,400
Piping Control Building		\$13,640	\$0	\$13,640
Garage		\$58,729	\$231,782	\$290,511
Vactor Garage - 1900 Willow Creek Road		\$425,000	\$0	\$425,000
Admin Building - 1900 Willow Creek Road		\$490,305	\$48,163	\$538,468
Generator Building		\$750,000	\$0	\$750,000
Primary Building		\$1,038,500	\$0	\$1,038,500
Location Totals		\$8,921,511	\$819,076	\$9,740,587

Location Address		Location Description		
9.	211 N. 21st St., Escanaba, MI 49829	Civic Center		
Building Description		Building Value	Contents Value	Total Value
Civic Center		\$5,047,300	\$115,000	\$5,162,300
Location Totals		\$5,047,300	\$115,000	\$5,162,300

Location Address		Location Description		
10.	7th Ave. S., Escanaba, MI 49829	Royce Park Shelter		
Building Description		Building Value	Contents Value	Total Value
Royce Park Shelter		\$533,000	\$1,150	\$534,150
Location Totals		\$533,000	\$1,150	\$534,150

Location Address		Location Description		
11.	1900 3rd Ave. N., Escanaba, MI 49829	Public Safety		
	Building Description	Building Value	Contents Value	Total Value
	Public Safety	\$4,083,300	\$345,000	\$4,428,300
Location Totals		\$4,083,300	\$345,000	\$4,428,300
Location Address		Location Description		
12.	17 Water Plant Rd., Escanaba, MI 49829	New Harbormaster		
	Building Description	Building Value	Contents Value	Total Value
	New Harbormaster	\$566,100	\$46,000	\$612,100
	Old Harbormaster	\$58,000	\$10,350	\$68,350
Location Totals		\$624,100	\$56,350	\$680,450
Location Address		Location Description		
13.	1351 N. 19th St., Escanaba, MI 49829	Webster Park		
	Building Description	Building Value	Contents Value	Total Value
	Shelter House	\$389,400	\$0	\$389,400
Location Totals		\$389,400	\$0	\$389,400
Location Address		Location Description		
14.	North Shore St., Escanaba, MI 49829	North Shore Utility Building		
	Building Description	Building Value	Contents Value	Total Value
	North Shore Utility Building	\$51,538	\$25,547	\$77,085
Location Totals		\$51,538	\$25,547	\$77,085
Location Address		Location Description		
15.	101 Ludington St., Escanaba, MI 49829	Ludington St. Pump Station/Restrooms		
	Building Description	Building Value	Contents Value	Total Value
	Booster Pump Station/Restrooms	\$311,300	\$0	\$311,300
	Generator Building	\$6,883	\$85,761	\$92,644
Location Totals		\$318,183	\$85,761	\$403,944
Location Address		Location Description		
16.	Wading Pool, Escanaba, MI 49829	Wading Pool		
	Building Description	Building Value	Contents Value	Total Value
	Storage Shed	\$24,640	\$0	\$24,640
Location Totals		\$24,640	\$0	\$24,640
Location Address		Location Description		
17.	1802 N. 19th Street, Escanaba, MI 49829--	North Substation		
	Building Description	Building Value	Contents Value	Total Value
	North Substation	\$38,228	\$225,256	\$263,484
Location Totals		\$38,228	\$225,256	\$263,484

Location Address		Location Description		
18.	230 Ludington Street, Escanaba, MI 49829--	Old Chamber of Commerce		
Building Description		Building Value	Contents Value	Total Value
Old Chamber of Commerce		\$685,400	\$24,150	\$709,550
Location Totals		\$685,400	\$24,150	\$709,550

Grand Totals		
Building Value	Contents Value	Total Value
\$53,096,946	\$7,811,408	\$60,908,354

Agenda Item: NB-9
Date: 05-18-2023

City Council Agenda Item Request

Date: 5/10/2023

Name: James McNeil

Department: Manager

Item: Request to Purchase City Property - 3110 5th Avenue South

Meeting date requested: 5/18/2023

Explanation for request:

Administration will present a request to purchase city property at 3110 5th Avenue South for the purpose of the construction of a single-family home. Prices are as follows: Bid \$20,000, Ask \$20,500, Private Appraisal \$19,500, Assessor \$20,500.

MRAM, LLC
912 Lake Shore Drive
Escanaba, MI 49829

April 3, 2023

RE: 3110 5th Avenue South residential lot for sale

To: City Manager James McNeil,

MRAM, LLC is requesting to purchase 1 city lot that is located at 3110 5th Avenue South.

The purpose is to build a 3 bedroom 2 bath slab on grade spec house. The City of Escanaba has a very limited supply of new housing.

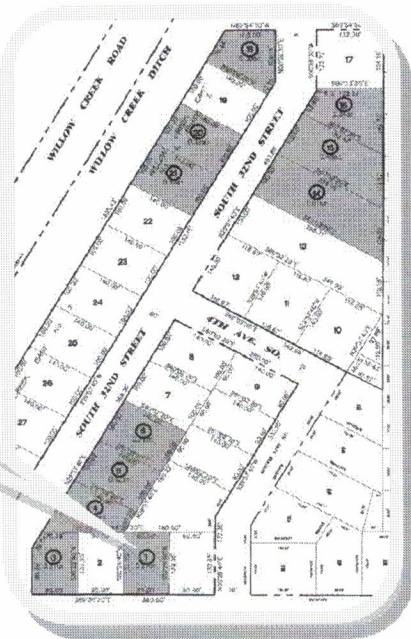
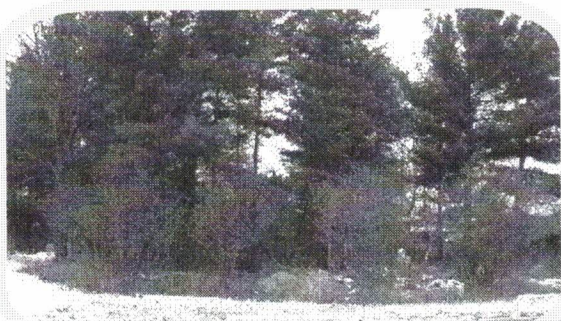
The offer is \$20, 000.00.

Sincerely,



Melvin Stenberg
President

3110 5th Avenue South



Sale Price: \$20,500

Interior Lot

Lot Size: 90' X 132.35'

All utilities are in place.

Sale is subject to an 18 month time of completion for construction.

GENERAL INFORMATION

Address:

3110 5th Avenue South
Escanaba, MI 49829

County:

Delta

Property Type:

Residential

All Utilities:

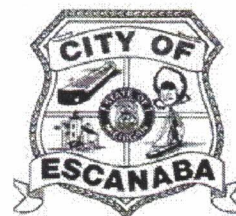
City of Escanaba

Listing Contact:

City of Escanaba
410 Ludington Street
PO Box 948
Escanaba, MI 49829
(906) 786-9402

Current Zoning:

A - Single Family





James McNeil
City of Escanaba
410 Ludington Street
Escanaba, MI 49829
jmcneil@escanaba.org

RE: 3110 5th Avenue South

In addition to a private appraisal, the City of Escanaba conducts an internal appraisal when possible. The Assessor's opinion of value for 3110 5th Avenue South is \$20,500.

The sales comparison approach was used to arrive at this value as numerous arm's length comparable sales are available. The subject is standard sized for new construction with 90 feet of frontage and 132 feet of depth. It is located in a stable neighborhood. The site will require fill but is already equipped with a paved street and city-side water and sanitary sewer.

Sincerely,

James McNeil
City Manager/City Assessor
City of Escanaba



Mission Statement:

Enhancing the enjoyment and livability of our community by providing quality municipal services.

The City of Escanaba is an equal opportunity employer and provider.

LAND APPRAISAL REPORT

City of Escanaba
File No. 042423jp

SUBJECT	Borrower <u>N/A</u>		Census Tract <u>9708.00</u>		Map Reference <u>21540</u>			
	Property Address <u>3110 5th Ave S</u>							
	City <u>Escanaba</u>		County <u>Delta</u>		State <u>MI</u> Zip Code <u>49829</u>			
	Legal Description <u>See attached addendum</u>							
NEIGHBORHOOD	Sale Price \$ <u>N/A</u>		Date of Sale <u>N/A</u>		Loan Term <u>N/A</u> yrs.			
	Actual Real Estate Taxes \$ <u>0</u>		(yr) <u>0</u>		Loan charges to be paid by seller \$ <u>N/A</u>			
	Lender/Client <u>City of Escanaba</u>		Address <u>401 Ludington St, Escanaba, MI 49829</u>					
	Occupant <u>Vacant</u>		Appraiser <u>Jodi L. Punzel</u>		Instructions to Appraiser <u>To appraise parcel # 051-420-2825-300-005</u>			
	Location <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		Employment Stability <input type="checkbox"/> Good <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Fair <input type="checkbox"/> Poor					
	Built Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%		Convenience to Employment <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
	Growth Rate <input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Slow		Convenience to Shopping <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		Convenience to Schools <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply		Adequacy of Public Transportation <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
	Marketing Time <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 4-6 Mos. <input type="checkbox"/> Over 6 Mos.		Recreational Facilities <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
Present <u>75</u> % One-Unit <u> </u> % 2-4 Unit <u> </u> % Apts. <u> </u> % Condo <u> </u> % Commercial		Adequacy of Utilities <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
Land Use <u> </u> % Industrial <u> </u> % Vacant <u>25</u> %		Property Compatibility <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
Change in Present <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)		Protection from Detrimental Conditions <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
Land Use (*) From <u> </u> To <u> </u>		Police and Fire Protection <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <u>3</u> % Vacant		General Appearance of Properties <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						
One-Unit Price Range \$ <u>100</u> to \$ <u>435</u>		Predominant Value \$ <u>300</u>						
One-Unit Age Range <u>1</u> yrs. to <u>45</u> yrs.		Predominant Age <u>20</u> yrs.						
Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>The subject is located within the City of Escanaba. The subject is within acceptable commuting distance to employment, shopping, schools, parks and general activities. Homes within the subject neighborhood typically one and two story single family homes having average to good maintenance and upkeep. The subject conforms to the neighborhood.</u>								
SITE	Dimensions <u>90x132.35</u>		= <u>11,912 sf</u>		<input type="checkbox"/> Corner Lot			
	Zoning Classification <u>Class A</u>		Present Improvements <input checked="" type="checkbox"/> Do <input type="checkbox"/> Do Not Conform to Zoning Regulations					
	Highest and Best Use <input checked="" type="checkbox"/> Present Use <input type="checkbox"/> Other (specify) <u> </u>							
	Public <input checked="" type="checkbox"/> (Describe) <u> </u>		OFF SITE IMPROVEMENTS					
	Elec. <input checked="" type="checkbox"/> Public		Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		Topo <u>Level/typical</u>			
	Gas <input checked="" type="checkbox"/> City		Surface <input checked="" type="checkbox"/> Paved		Size <u>Adequate/typical</u>			
	Water <input checked="" type="checkbox"/> City		Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		Shape <u>Rectangular/typical</u>			
	San. Sewer <input checked="" type="checkbox"/> City		<input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter		View <u>Residential</u>			
	<input type="checkbox"/> Underground Elect. & Tel.		<input type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights		Drainage <u>Average/typical</u>			
	Is the property located in a FEMA Special Flood Hazard Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>No noted apparent adverse easements, encroachments or other adverse conditions.</u>								
MARKET DATA ANALYSIS	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.							
	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
	Address	<u>3110 5th Ave S</u> <u>Escanaba, MI 49829</u>	<u>619 S 31st St</u> <u>Escanaba, MI 49829</u>		<u>709 S 31st St</u> <u>Escanaba, MI 49829</u>		<u>3113 7th Ave S</u> <u>Escanaba, MI 49829</u>	
	Proximity to Subject	<u> </u>	<u>0.03 miles SE</u>		<u>0.08 miles S</u>		<u>0.15 miles S</u>	
	Sales Price	\$ <u>N/A</u>	\$ <u>18,000</u>		\$ <u>19,500</u>		\$ <u>20,550</u>	
	Price \$/Sq. Ft.	\$ <u> </u>	\$ <u>1.59</u>		\$ <u>1.72</u>		\$ <u>0.51</u>	
	Data Source(s)	<u>Observation</u>	<u>MLS # 10065475</u>		<u>MLS # 10065465</u>		<u>MLS # 10065485</u>	
	ITEM	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
	Date of Sale/Time Adj.	<u>N/A</u>	<u>02/16/2022</u>	<u> </u>	<u>03/08/2023</u>	<u> </u>	<u>04/23/2021</u>	<u> </u>
	Location	<u>N:Res;</u>	<u>N:Res;</u>	<u> </u>	<u>N:Res;</u>	<u> </u>	<u>N:Res;</u>	<u>0</u>
	Site/View	<u>11,912 sf</u>	<u>11,305</u>	<u>0</u>	<u>11,305</u>	<u>0</u>	<u>40,524</u>	<u>-6,500</u>
	Access	<u>Public</u>	<u>Public</u>	<u> </u>	<u>Public</u>	<u> </u>	<u>Public</u>	<u> </u>
	Terrain	<u>Level/rolling,woods</u>	<u>Level/None</u>	<u>+1,500</u>	<u>Level/None</u>	<u>+1,500</u>	<u>Level/Low</u>	<u>+5,000</u>
	Electric/Utilities	<u>City</u>	<u>City</u>	<u> </u>	<u>City</u>	<u> </u>	<u>City</u>	<u> </u>
	Additional Bldg./Stg.	<u>None</u>	<u>None</u>	<u> </u>	<u>None</u>	<u> </u>	<u>None</u>	<u> </u>
Sales or Financing	<u>N/A</u>	<u>Cash</u>	<u> </u>	<u>Cash</u>	<u> </u>	<u>Cash</u>	<u> </u>	
Concessions	<u>None</u>	<u>None noted</u>	<u> </u>	<u>None noted</u>	<u> </u>	<u>None noted</u>	<u> </u>	
Net Adj. (Total)	<u> </u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>1,500</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>1,500</u>	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-1,500</u>				
Indicated Value of Subject	<u> </u>	<u>Net 8.3 %</u>	<u>19,500</u>	<u>Net 7.7 %</u>	<u>21,000</u>	<u>Net 7.3 %</u>	<u>19,050</u>	
Comments on Market Data <u>All comparable sales are vacant parcels. Adjustments have been made to make the comparable sales similar to the subject property. Adjustments are made based on vacant land sales with similar site and overall appeal. A search was made through UPAR MLS for vacant parcels listed for sale located on the South side of Escanaba. here is a total of 3 properties listed ranging from \$27,500-\$220,000.</u>								
Comments and Conditions of Appraisal <u>A search was made through UPAR MLS for vacant parcels located on the South side of the City of Escanaba which have sold within the past 24 months. There is a total of 5 properties matching the search criteria. 3 of the sales have been used within the sales comparison approach. Comparable sales are used for their similarity in location appeal.</u>								
RECONCILIATION	Final Reconciliation <u>The sales comparison approach has been given most weight due to it being considered the most accurate approach in determining current actions of buyers and sellers within the local market. The cost approach was not used due to the parcel being vacant land. The subject is not an income producing property with no income to produce the income approach. Most weight given to comparable # 1.</u>							
	I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>04/24/2023</u> TO BE \$ <u>19,500</u>							
	Appraiser <u>Jodi L. Punzel</u> Supervisory Appraiser (if applicable) <u> </u>							
	Date of Signature and Report <u>04/26/2023</u> Date of Signature <u> </u>							
	Title <u>State Licensed Appraiser</u> Title <u> </u>							
State Certification # <u> </u> ST State Certification # <u> </u> ST								
Or State License # <u>1203005598</u> ST MI Or State License # <u> </u> ST								
Expiration Date of State Certification or License <u>07/31/2023</u> Expiration Date of State Certification or License <u> </u>								
Date of Inspection (if applicable) <u>04/24/2023</u> <input type="checkbox"/> Did <input type="checkbox"/> Did Not Inspect Property Date of Inspection <u> </u>								

Assumptions and Limiting Conditions

City of Escanaba
File # 042423jp

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal assignment, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent deficiencies or adverse conditions of the property (such as, but not limited to, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. If the appraiser has based his or her appraisal report and valuation conclusion for an appraisal subject to certain conditions, it is assumed that the conditions will be met in a satisfactory manner.

In Michigan Appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs P.O. Box 30018, Lansing, MI 48909.

The appraiser Jodi L. Punzel has completed reports within the subject neighborhood and is geographically familiar with the area. The subject property is within 2 miles of the appraisers office.

Certifications

City of Escanaba
File # 042423jp

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the subject property. I reported the site characteristics in factual, specific terms.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
9. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
10. I have knowledge and experience in appraising this type of property in this market area.
11. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
12. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
13. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
14. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
15. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
16. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
17. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
18. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
19. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
20. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

Certifications

City of Escanaba
File # 042423jp

21. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

22. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

23. Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The appraiser Jodi L. Punzel has performed prior services as an appraiser or in another capacity, regarding the subject property within a 3 year period. Prior services provided on 10/14/2019.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRaiser Jodi L. Punzel State Licensed Appraiser
Signature Jodi L. Punzel
Name Jodi L. Punzel
Company Name Appraisal Services
Company Address 430 South 10th Street
Escanaba, MI 49829
Telephone Number 906-786-9427
Email Address jpunz3@chartermi.net
Date of Signature and Report 04/26/2023
Effective Date of Appraisal 04/24/2023
State Certification # _____
or State License # 1203005598
or Other (describe) _____ State # _____
State MI
Expiration Date of Certification or License 07/31/2023

ADDRESS OF PROPERTY APPRAISED
3110 5th Ave S
Escanaba, MI 49829
APPRAISED VALUE OF SUBJECT PROPERTY \$ 19,500

LENDER/CLIENT
Name _____
Company Name City of Escanaba
Company Address 410 Ludington St
Escanaba, MI 49829
Email Address jmcnell@escanaba.org

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Photograph Addendum

Borrower	N/A					
Property Address	3110 5th Ave S					
City	Escanaba	County	Delta	State	MI	Zip Code 49829
Lender/Client	City of Escanaba					



Subject Site



Subject Street

Comparable Photo Page

Borrower	N/A				
Property Address	3110 5th Ave S				
City	Escanaba	County	Delta	State	MI Zip Code 49829
Lender/Client	City of Escanaba				



Comparable 1

619 S 31st St
 Prox. to Subject 0.03 miles SE
 Sale Price 18,000
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location N;Res;
 View 11,305
 Site
 Quality
 Age



Comparable 2

709 S 31st St
 Prox. to Subject 0.08 miles S
 Sale Price 19,500
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location N;Res;
 View 11,305
 Site
 Quality
 Age

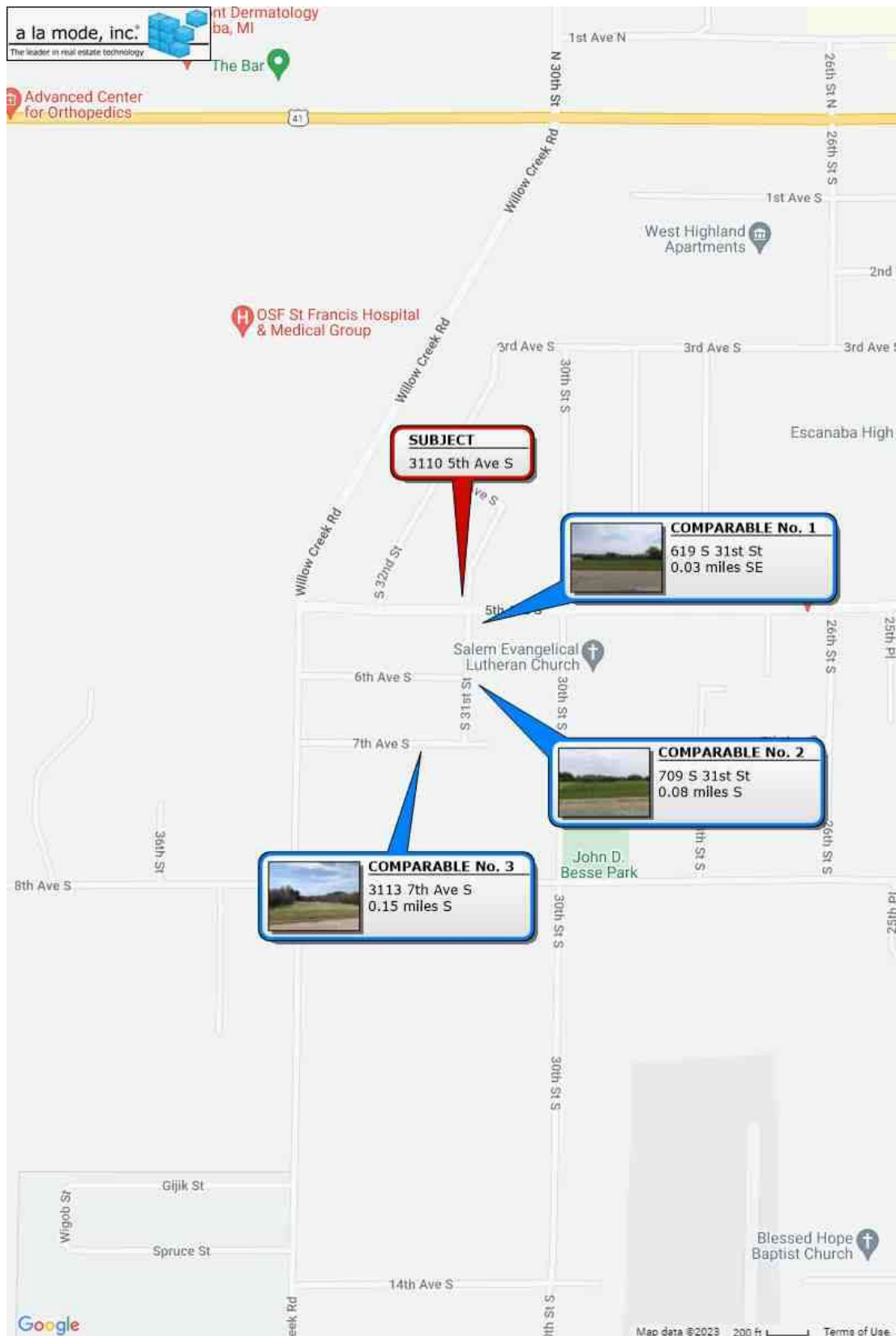


Comparable 3

3113 7th Ave S
 Prox. to Subject 0.15 miles S
 Sale Price 20,550
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location N;Res;
 View 40,524
 Site
 Quality
 Age

Location Map

Borrower	N/A				
Property Address	3110 5th Ave S				
City	Escanaba	County	Delta	State	MI Zip Code 49829
Lender/Client	City of Escanaba				



Supplemental Addendum

File No. 042423jp

Borrower	N/A				
Property Address	3110 5th Ave S				
City	Escanaba	County	Delta	State	MI Zip Code 49829
Lender/Client	City of Escanaba				

Legal Description

BEG 70 FT N & 595.23 FT W OF SE COR OF SE 1/4 OF SW1/4 OF SEC 25 T39N R23W TH N
0D 29M E 132.35 FT TH N 89D 30M W 90 FT TH S 0D 29M W 132.35 FT TH S 89D 30M E 90
FT ALG N ROW OF 5TH AVE S TO POB AC# 166-7

PRIVACY NOTICE

Pursuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001, Appraisers, along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

Types of Nonpublic Personal Information We Collect

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

Parties to Whom We Disclose Information

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to call us any time if you have any questions about the confidentiality of the information that you provide to us.

Appraisers License

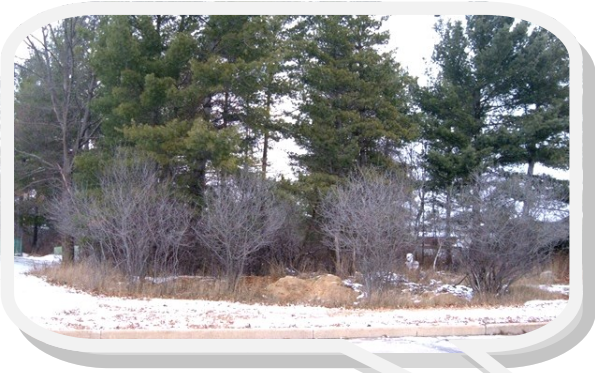
GRETCHEN WHITMER GOVERNOR	STATE OF MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS BUREAU OF PROFESSIONAL LICENSING	Q019454
STATE LICENSED APPRAISER LICENSE		
JODI LYNN PUNZEL		
LICENSE NO. 1203005598	EXPIRATION DATE 07/31/2023	AUDIT NO 3482800
THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF MICHIGAN		

Aerial Map

Borrower	N/A				
Property Address	3110 5th Ave S				
City	Escanaba	County	Delta	State	MI Zip Code 49829
Lender/Client	City of Escanaba				



3110 5th Avenue South



GENERAL INFORMATION

Address:
3110 5th Avenue South
Escanaba, MI 49829

County:
Delta

Property Type:
Residential

All Utilities:
City of Escanaba

Listing Contact:
City of Escanaba
410 Ludington Street
PO Box 948
Escanaba, MI 49829
(906) 786-9402

Current Zoning:
A - Single Family

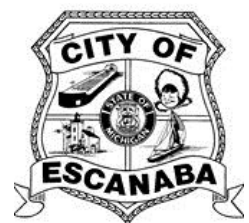
Sale Price: \$20,500

Interior Lot

Lot Size: 90' X 132.35'

All utilities are in place.

Sale is subject to an 18 month time of completion for construction.



Agenda Item: NB-10
Date: 5-18-2023

City Council Agenda Item Request

Date: 5/10/2023

Name: Jeff Lampi



Department: Wastewater Department

Item: WWTP Digester Bio-Solids Removal & Hauling - 2023

Meeting date requested: 5/18/2023

Explanation for request:

Administration is requesting City Council's approval to retain professional services from Synagro of 435 Williams Court, Suite 100, Baltimore, Maryland for the digester bio-solids cleaning and hauling in an amount not to exceed \$200,000.00, which includes \$3,775.00 in contingencies.

Money is budgeted for this fiscal year, however this expense will be carried over to the next year, as work will not be conducted until August and September.

Memo

To: Jim McNeil, City Manager

From: Jeff Lampi, W & WW Supt. 

Date: 5/10/23

Re: Digester Cleaning Project - 2023

Jim,

It is recommended to do this work every 4-7 years depending on who you talk to. We last cleaned them in 2014 and 2015. After the cleaning, we applied a protected coating to the concrete at and above the water line, as this area has the most corrosive environment and affects the concrete.

I feel we need to conduct this work this summer for a couple of reasons. During the work of upgrading the plant, we were forced to bypass the grit machine for nearly two months. Any grit "sand" that was not removed is now sitting in the digesters taking up space that is required to provide ample detention time, which enables the proper decomposition of the bio-solids. Secondly, we found some of the plumbing leading to the digesters was severely plugged with years of buildup called struvite. This build-up may require extensive roto-rooting of the pipes or even full-scale replacement. We will not know until we are able to clean one digester and investigate the plumbing within.

I have solicited bids to conduct the required maintenance of cleaning the digesters.

Two bids were received:

Synagro of Baltimore, MD:	\$98,112.50 per digester = \$196,225.00 Total
U.P. Environmental Services of Bark River, MI	\$84,900.00 per digester = \$169,800.00 Total

*UP Environmental did not submit a Bid Bond, and therefore is not eligible for this work according to our purchasing policy.

This work is budgeted within the current fiscal year but will not be completed until Synagro is able to mobilize and work in August and again in September of this year.

I will be requesting City Council Approval to retain and hire Synagro to do this work at the next meeting.

Agenda Item: NB-11
Date: 05-18-2023

City Council Agenda Item Request

Date: 5/12/2023

Name: Jeff Lampi 

Department: Water Department

Item: Drinking Water System Asset Management Plan (DWAM)

Meeting date requested: 5/18/2023

Explanation for request:

Administration is requesting Council's approval to retain C2AE from Escanaba, MI, for professional services with regard to the City of Escanaba Water Plant Drinking Water System Asset Management Plan in an amount not to exceed \$152,460.00

Money is reimbursable via the \$595,233.00 grant received to do this work.

Memo

To: Jim McNeil, City Manager

From: Jeff Lampi, W & WW Supt. 

Date: 5/11/23

Re: Request for Engineering to conduct Distribution System Material Inventory (DSMI) Grant Work

Jim,

I would like your approval and support to hire C2AE to conduct the work associated with the Distribution System Material Inventory Grant (DSMI) we recently received. The DSMI is a city-wide survey of the distribution system to create an inventory (with locations) of all our LSL's. The Grant that has already been awarded to us is \$595,233.00. Most of this work is strictly items that are EGLE-mandated administrative and field work for both the Plant and Distribution System.

This work shall include:

- Update and expand the Asset Management Program.
- Update the Capital Improvements Plan.
- Work on creating a long-term rate adjustment plan.
- Collect and record data for the Distribution System Material Inventory.
 - Updating and expanding on our DSMI work within the City GIS system.
- Conduct an Inspection of both intakes with an outside contractor.
- Conduct an inspection of both water towers (should be reimbursed for recent work hired out).

I would like to hire C2AE to do this work, as they were a big part of us obtaining the grant in the first place. The C2AE work will cost ~\$152,460.00 and all of this money will be reimbursed with the grant money being received from the State.

We will need to hire other outside contractors to complete this work in addition to C2AE, however, each additional contractor hired will be completed as per the City's Purchasing Policy. This Grant also allows us to be reimbursed for the cost of force account labor. We intend to maximize this windfall to the best of our abilities; with any time we can make available for staff.



DRINKING WATER ASSET MANAGEMENT GRANT AGREEMENT (ARP FUNDED)
BETWEEN THE
MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
AND CITY OF ESCANABA

This Grant Agreement ("Agreement") is made between the Michigan Department of Environment, Great Lakes, and Energy (EGLE), **Finance Division** ("State"), and **City of Escanaba** ("Grantee").

The purpose of this Agreement is to provide funding in exchange for work to be performed for the project named below. The State is authorized to provide grant assistance pursuant to P.A. 53 of 2022. This Agreement is subject to the terms and conditions specified herein.

PROJECT INFORMATION:

Project Name: <u>AMP/DSMI</u>	Project #: <u>DWA-155</u>
Amount of grant: <u>\$595,233</u>	100% of grant federal funding
Amount of match: <u>none required</u>	PROJECT TOTAL: <u>\$595,233</u>
Start Date: <u>3/3/2021</u>	End Date: <u>5/1/2026</u>

FISCAL RECOVERY FUND (FRF) ITEMS:

Recipient Type: Subrecipient

Can be used for allowable expenditures incurred on/or after: 3/3/2021

Federal Awarding Agency: US Department of Treasury CFDA Number and Name: 21.027

FAIN Number: SLFRP0127 Research and Development Award: ☐ Yes ☒ No

SLFRF Category: Other Water Infrastructure 5.15 SLFRF Short Name: FRF3173

Major Program: ARPDWAM

GRANTEE CONTACT INFORMATION:Name/Title: James McNeil, City ManagerOrganization: City of EscanabaAddress: P.O. Box 948City, State, ZIP: Escanaba, MI 49829Phone Number: (906) 789-7322E-Mail Address: jmcneil@escanaba.orgFederal ID: [REDACTED]Grantee UEI Number: [REDACTED]SIGMA Vendor Number: [REDACTED]**STATE'S CONTACT INFORMATION:**Name/Title: Leanne Hardisty, Grants Unit ManagerDivision/Bureau/Office: Finance DivisionAddress: 525 W. Allegan StreetCity, State, ZIP: Lansing, MI 48909Phone Number: [REDACTED]E-Mail Address: hardistyl@michigan.gov

The individuals signing below certify by their signatures that they are authorized to sign this Agreement on behalf of their agencies and that the parties will fulfill the terms of this Agreement, including any attached appendices, as set forth herein.

FOR THE GRANTEE:

E-SIGNED by James McNeil on 2023-04-26 08:54:55 EDT	James McNeil, City Manager	2023-04-26 08:54:55 UTC
Signature	Name/Title	Date

FOR THE STATE:

E-SIGNED by Kelly Green on 2023-04-26 12:20:06 EDT	Kelly Green, Administrator	2023-04-26 12:20:06 UTC
Signature	Name/Title	Date

I. PROJECT SCOPE

This Agreement and its appendices constitute the entire Agreement between the State and the Grantee and may be modified only by written agreement between the State and the Grantee.

(A) The scope of this project is limited to the activities specified in Appendix A and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.

(B) By acceptance of this Agreement, the Grantee commits to complete the project identified in Appendix A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

II. AGREEMENT PERIOD

Upon signature by the State, the Agreement shall be effective from the Start Date until the End Date on page 1. The State shall have no responsibility to provide funding to the Grantee for project work performed except between the Start Date and the End Date specified on page 1. Expenditures made by the Grantee prior to the Start Date or after the End Date of this Agreement are not eligible for payment under this Agreement.

III. CHANGES

Any changes to this Agreement shall be requested by the Grantee or the State in writing and implemented only upon approval in writing by the State. The State reserves the right to deny requests for changes to the Agreement or to the appendices. No changes can be implemented without approval by the State.

IV. GRANTEE DELIVERABLES AND REPORTING REQUIREMENTS

The Grantee shall submit deliverables and follow reporting requirements specified in Appendix A of this Agreement.

(A) The Grantee must complete and submit financial and/or progress reports according to a form and format prescribed by the State and must include supporting documentation of eligible project expenses. These reports shall be due according to the following:

Reporting Period	Due Date
Jan 1 – Jan 31	Feb 15
Feb 1 – Feb 28	Mar 15
Mar 1 – Mar 31	April 15
April 1 – April 30	May 15
May 1 – May 31	June 15
June 1 – June 30	July 15
July 1 – July 31	Aug 15

Aug 1 – Aug 31	Sept 15
Sept 1 – Sept 30	Before Oct 10*
Oct 1 – Oct 31	Nov 15
Nov 1 – Nov 30	Dec 15
Dec 1 – Dec 31	Jan 15

*Due to the State's year-end closing procedures, there will be an accelerated due date for the report covering July 1 – September 30. Advance notification regarding the due date for the quarter ending September 30 will be sent to the Grantee. If the Grantee is unable to submit a report in early October for the quarter ending September 30, an estimate of expenditures through September 30 must be submitted to allow the State to complete its accounting for that fiscal year.

The forms provided by the State shall be submitted to the State's contact at the address on page 1. All required supporting documentation (invoices, proof of payment, etc.) for expenses must be included with the report.

(B) The Grantee shall provide a final project report in a format prescribed by the State. The Grantee shall submit the final status report, including all supporting documentation for expenses, along with the final project report and any other outstanding products within 30 days of substantial completion of the project or the End Date of the Agreement.

V. GRANTEE RESPONSIBILITIES

(A) The Grantee agrees to abide by all applicable local, state, and federal laws, rules, ordinances, and regulations in the performance of this grant, including Uniform Guidance for Federal Awards (2 CFR 200).

(B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this grant is not a guarantee of permit approval by the State.

(C) The Grantee shall be solely responsible to pay all applicable taxes and fees, if any, that arise from the Grantee's receipt or execution of this grant.

(D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services submitted to the State under this Agreement. The Grantee shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in drawings, designs, specifications, reports, or other services.

(E) The State's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The State's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

(F) The Grantee acknowledges that it is a crime to knowingly and willingly file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the grant.

VI. USE OF MATERIAL

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the State funded all or a portion of its development.

The State, and federal awarding agency, if applicable, retains a royalty-free, nonexclusive and irrevocable right to reproduce, publish, and use in whole or in part, and authorize others to do so, any copyrightable material or research data submitted under this grant whether or not the material is copyrighted by the Grantee or another person. The Grantee will only submit materials that the State can use in accordance with this paragraph.

VII. ASSIGNABILITY

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

VIII. SUBCONTRACTS & SUBAWARDS

The State reserves the right to deny the use of any consultant, contractor, associate, or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required.

For all Subawards - 2 CFR 200.331 – 200.333 Subrecipient Monitoring and Management All pass-through entities must:

A) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal award identification.

- (i) Subrecipient name (which must match the name associated with its unique entity identifier)
- (ii) Subrecipient's unique entity identifier
- (iii) Federal Award Identification Number (FAIN)

- (iv) Federal Award Date (see the definition of Federal award date in § 200.1 of this part) of award to the recipient by the Federal agency
- (v) Subaward Period of Performance Start and End Date
- (vi) Subaward Budget Period Start and End Date
- (vii) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient
- (viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation
- (ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity
- (x) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)
- (xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity
- (xii) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement
- (xiii) Identification of whether the award is R&D; and
- (xiv) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per § 200.414

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports.

(4) (i) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government. If no approved rate exists, the pass-through entity must determine the appropriate rate in collaboration with the subrecipient, which is either:

(A) The negotiated indirect cost rate between the pass-through entity and the subrecipient; which can be based on a prior negotiated rate between a different PTE and the same subrecipient. If basing the rate on a previously negotiated rate, the pass-through entity is not required to collect information justifying this rate, but may elect to do so;

(B) The de minimis indirect cost rate.

(ii) The pass-through entity must not require use of a de minimis indirect cost rate if the subrecipient has a Federally approved rate. Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with § 200.405(d).

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part,

(6) Appropriate terms and conditions concerning closeout of the subaward.

B) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

(1) The subrecipient's prior experience with the same or similar subawards;

(2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F of this part, and the extent to which the same or similar subaward has been audited as a major program.

(3) Whether the subrecipient has new personnel or new or substantially changed systems.

(4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

C) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in § 200.208.

D) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

(1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.

(3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.

(4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section § 200.513(a)(3)(vii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

E) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters; and
- (2) Performing on-site reviews of the subrecipient's program operations;
- (3) Arranging for agreed-upon-procedures engagements as described in § 200.425.

F) Verify that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501.

G) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in § 200.339 of this part and in program regulations.

H) 200.333 Fixed amount subawards

With prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in §200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

IX. NON-DISCRIMINATION

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq.*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

X. UNFAIR LABOR PRACTICES

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq.*

XI. LIABILITY

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is

caused by the Grantee, or any employee or agent of the Grantee acting within the scope of their employment or agency.

(B) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

XII. CONFLICT OF INTEREST

No government employee, or member of the legislative, judicial, or executive branches, or member of the Grantee's Board of Directors, its employees, partner agencies, or their families shall benefit financially from any part of this Agreement.

XIII. ANTI-LOBBYING

If all or a portion of this Agreement is funded with federal funds, then in accordance with 2 CFR 200, as appropriate, the Grantee shall comply with the Anti-Lobbying Act, which prohibits the use of all project funds regardless of source, to engage in lobbying the state or federal government or in litigation against the State. Further, the Grantee shall require that the language of this assurance be included in the award documents of all subawards at all tiers.

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "Lobbying" means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

XIV. DEBARMENT AND SUSPENSION

Each eligible applicant must obtain a Unique Entity Identifier (UEI) and maintain an active registration with the Federal System for Award Management (SAM). The SAM website is:
<https://www.sam.gov/SAM>.

By signing this Agreement, the Grantee certifies that it has checked the federal debarment/suspension list at www.SAM.gov to verify that its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a three-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

XV. AUDIT AND ACCESS TO RECORDS

Federal Audit Requirements

- (A) (2 CFR 200.501) Audit required. A non-federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program specific audit conducted for that year in accordance with the provisions of this part
- (B) (2 CFR 200.508) Auditee requirements:
 - a. Procure or otherwise arrange for the audit, if required.
 - b. Prepare appropriate financial statements, including the schedule of expenditures of Federal awards.
 - c. Promptly follow up and take corrective action on the audit findings.
 - d. Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit.

The State reserves the right to conduct a programmatic and financial audit of the project, and the State may withhold payment until the audit is satisfactorily completed. The Grantee will be required to maintain all pertinent records and evidence pertaining to this Agreement, including grant and any required matching funds, in accordance with generally accepted accounting principles and other procedures specified by the State. The State or any of its duly authorized representatives must have access, upon reasonable notice, to such books, records, documents, and other evidence for the purpose of inspection, audit, and copying. The Grantee will provide proper facilities for such access and inspection. All records must be maintained through December 31, 2031.

XVI. INSURANCE

- (A) The Grantee must maintain insurance or self-insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement.
- (B) The Grantee must comply with applicable workers' compensation laws while engaging in activities authorized under this Agreement.

XVII. OTHER SOURCES OF FUNDING

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement must not be financed by any source other than the State under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings, or to immediately refund to the State, the total amount representing such duplication of funding.

XVIII. COMPENSATION

(A) A breakdown of costs allowed under this Agreement is identified in Appendix A. The State will pay the Grantee a total amount not to exceed the amount on page 1 of this Agreement, in accordance with Appendix A, and only for expenses incurred and paid. All other costs necessary to complete the project are the sole responsibility of the Grantee.

(B) Expenses incurred by the Grantee prior to the Start Date or after the End Date of this Agreement are not allowed under the Agreement.

(C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.

(D) The State reserves the right to request additional information necessary to substantiate payment requests.

(E) Payments under this Agreement may be processed by Electronic Funds Transfer (EFT). The Grantee may register to receive payments by EFT at the SIGMA Vendor Self Service web site (<https://sigma.michigan.gov/webapp/PRDVSS2X1/AltSelfService>).

XIX. CLOSEOUT

(A) A determination of project completion, which may include a site inspection and an audit, shall be made by the State after the Grantee has met any match obligations, satisfactorily completed the activities, and provided products and deliverables described in Appendix A.

(B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.

(C) The Grantee shall immediately refund to the State any payments in excess of the costs allowed by this Agreement.

(D) Any funds received under the authorizing legislation for this program expended by the eligible applicant in a manner that does not adhere to the American Rescue Plan 117-2 or Uniform Guidance 2 CFR 200, as applicable, shall be returned to the state. If it is determined that an eligible applicant receiving funds under this act expends any funds under this act for a purpose that is not consistent with the requirements of the American Rescue Plan, Public Law 117-2, or Uniform Guidance 2 CFR 200, the state budget director is authorized to withhold payment of state funds, in part or in whole, payable from any state appropriation.

XX. CANCELLATION

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, other lack of funding, upon request by the Grantee, or upon mutual agreement by the State and Grantee. The State may honor requests for just and equitable compensation to the Grantee for all satisfactory and eligible work completed under this Agreement up until 30 days after

written notice, upon which time all outstanding reports and documents are due to the State and the State will no longer be liable to pay the grantee for any further charges to the grant.

XXI. TERMINATION

(A) This Agreement may be terminated by the State as follows.

(1) Upon 30 days written notice to the Grantee:

- a. If the Grantee fails to comply with the terms and conditions of the Agreement, or with the requirements of the authorizing legislation cited on page 1, or the rules promulgated thereunder, or other applicable law or rules.
- b. If the Grantee knowingly and willingly presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.
- c. If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.
- d. If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.
- e. During the 30-day written notice period, the State shall withhold payment for any findings under subparagraphs a through d, above and the Grantee will immediately cease charging to the grant and stop earning match for the project (if applicable).

(2) Immediately and without further liability to the State if the Grantee, or any agent of the Grantee, or any agent of any subcontract is:

- a. Convicted of a criminal offense incident to the application for or performance of a State, public, or private contract or subcontract.
- b. Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees.
- c. Convicted under State or federal antitrust statutes; or
- d. Convicted of any other criminal offense that, in the sole discretion of the State, reflects on the Grantee's business integrity.
- e. Added to the federal or state Suspension and Debarment list.

(B) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

XXII. IRAN SANCTIONS ACT

By signing this Agreement, the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses, as defined in MCL 129.312.

XXIII. PROTECTED PERSONALLY IDENTIFIABLE INFORMATION (PII) AND THE PRIVACY ACT.

In accordance with the Uniform Guidance (including but not limited to, sections §200.303 and §200.338) and the Privacy Act of 1974 (5 U.S.C. § 552a), the recipient is required to take reasonable measures to safeguard protected personally identifiable information and other information the US Department of Treasury or State of Michigan designates as sensitive or the recipient considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

XXIV. STATUTORY CATEGORIES FOR USE OF FISCAL RECOVERY FUND (FRF)

The four statutory categories for use of FRF funds are included below as outlined in the guidance. The program design has been approved to ensure that the program meets one of the requirements below. Appendix A provides additional details on eligible uses to ensure it aligns with Treasury's guidance.

- (1) To respond to the COVID-19 public health emergency or its negative economic impacts
- (2) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work
- (3) For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency
- (4) To make necessary investments in water, sewer, or broadband infrastructure

Treasury's Final Rule details compliance responsibilities and provides additional information on eligible and restricted uses of SLFRF award funds and reporting requirements. Your organization should review and comply with the information contained in Treasury's Interim Final Rule, and any subsequent final rule when building appropriate controls for SLFRF award funds.

Use of Funds Restrictions:

First, a recipient may not use SLFRF funds for a program, service, or capital expenditure that includes a term or condition that undermines efforts to stop the spread of COVID-19. A program or service that imposes conditions on participation or acceptance of the service that would undermine efforts to stop the spread of COVID-19 or discourage compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19 is not a permissible use of SLFRF funds.

Second, a recipient may not use SLFRF funds in violation of the conflict-of-interest requirements contained in the Award Terms and Conditions or the Office of Management and Budget's Uniform Guidance, including any self-dealing or violation of ethics rules. Recipients are required to establish policies and procedures to manage potential conflicts of interest.

Lastly, recipients should also be cognizant that federal, state, and local laws and regulations, outside of SLFRF program requirements, may apply. Furthermore, recipients are also required to comply with

other federal, state, and local background laws, including environmental laws and federal civil rights and nondiscrimination requirements, which include prohibitions on discrimination on the basis of race, color, national origin, sex, (including sexual orientation and gender identity), religion, disability, or age, or familial status (having children under the age of 18).

XXIV. DISCLOSURE OF INFORMATION

All reports and other printed or electronic material prepared by or for the Grantee under the Agreement will not be distributed without the prior written consent of the State except for items disclosed in response to a Freedom of Information Act request, Court Order or subpoena.]

XXVII. PREVAILING WAGE and LABOR AGREEMENT

This project is subject to the Davis-Bacon Act, 40 U S C 276a, *et seq*, which requires that prevailing wages and fringe benefits be paid to contractors and subcontractors performing on federally funded projects over \$2,000 for the construction, alteration, repair (including painting and decorating) of public buildings or works.

Grantee must provide either

- 1) a certificate for a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f))
- 2) or provide a project workforce continuity plan, detailing:
 - a) How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project, including a description of any required professional certifications and/or in-house training;
 - b) How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project;
 - c) How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30);
 - d) Whether workers on the project will receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market; and
☒ Yes ☐ No
 - e) Whether the project has completed a project labor agreement.
☐ Yes ☒ No

FEDERALLY FUNDED PROGRAM-SPECIFIC BOILERPLATE

Funds were added under sections 602 and 603 of section 9901 of the Social Security Act of section 9901 of Public Law No. 117-2, known as American Rescue Plan Act of 2021 ("ARPA"), signed into law on March 11, 2021 <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds> as the Coronavirus State and Local Fiscal Recovery Funds ("FRF"). The State of Michigan was awarded \$6.54 billion dollars under the Fiscal Recovery Fund, on May 13, 2021.

OMB Uniform Guidance for Non-federal Agencies Receiving These Funds The U.S. Department of Treasury has indicated in the Coronavirus State and Local Fiscal Recovery Fund Frequently Asked Questions that are accessible at U.S. Department of Treasury State and Local Fiscal Recovery Funds, located at <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>, that the SLFRF awards are generally subject to the requirements set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (the "Uniform Guidance"). All reimbursements requested under this program should be accounted for with supporting documentation. Eligible applicants should maintain documentation evidencing that the funds were expended in accordance with federal, state, and local regulations. In accordance with federal Uniform Guidance, funds received under this program shall be included on the eligible applicant's Schedule of Expenditures of Federal Awards (SEFA) and included within the scope of the eligible applicant's Single Audit.

Programs are required to follow the Uniform Guidance provisions that are included in the document. Applicants must review the eCFR Uniform Guidance at <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1> for complete requirements.

The SLFRF awards are generally subject to the requirements set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (the "Uniform Guidance"). In all instances, your organization should review the Uniform Guidance requirements applicable to your organization's use of SLFRF funds, and SLFRF-funded projects. The following sections provide a general summary of your organization's compliance responsibilities under applicable statutes and regulations, including the Uniform Guidance, as described in the 2022 OMB Compliance Supplement Part 3. Compliance Requirements (issued May 12, 2022).

The Award Terms and Conditions of the SLFRF financial assistance agreement sets forth the compliance obligations for recipients pursuant to the SLFRF statute, the Uniform Guidance, and Treasury's Final Rule. Recipients should ensure they remain in compliance with all Award Terms and Conditions.

PROJECT-SPECIFIC REQUIREMENTS – APPENDIX A

Project Overview:

This project involves work related to the City of Escanaba's (Escanaba) Distribution System Materials Inventory (DSMI) and drinking water Asset Management Plan (AMP). Field verification will be conducted for a minimum of 289 service lines out of their total of 5,546, based on Escanaba's knowledge of unknown service lines at the time of this agreement, in accordance with EGLE's Drinking Water and Environmental Health Division's Minimum Service Line Material Verification Requirements. This includes effort by Escanaba, their consultant, and contractor staff to pothole on either side of each curb stop and conduct in-building documentation of service line materials. This project includes applicable restoration to original condition of potholed locations.

Escanaba's drinking water AMP will be updated based on a comprehensive asset inventory as well as other portions of the plan, including condition assessment, water system criticality, level of service assessment, capital improvement plan, and revenue structure development. Information gathered will be incorporated into Escanaba's existing Geographic Information System database.

EGLE approved estimated project costs include:

Task	Budget
AMP	\$243,040
DSMI	\$351,560
Equipment	\$633*
Project Cost Subtotal	\$595,233
Total Grant Amount	\$595,233

* The estimated grant-eligible equipment cost of \$633 represents 25 percent of the total estimated purchase cost of approximately \$2,532 for a tablet and its case and a computer workstation with its associated accessories.

Indirect costs are not allowed under this agreement.

Grantees must obligate all funds to any subrecipients by December 31, 2024. Therefore, all grantees must have a signed contract in place with all contracted parties for the work to be completed with these grant funds by December 31, 2024. In addition, all project work must be completed by December 31, 2026.

Program-specific Requirements:

- a) Non-professional contractor services should be competitively bid.
- b) A signed contract is needed for contracted services greater than \$50,000 prior to reimbursement.
- c) Force account may be utilized with justification documenting the need. Force account fringe benefits are limited to 40 percent and holiday and overtime pay is not grant eligible. Utility indirect costs (rent, overhead, etc.) are not grant eligible. A detailed summary sheet(s) including name, title, hours worked, per hour compensation (show wages and fringes) of each municipal employee with time billed to the project, along with a description of the service the employee provided, is needed for reimbursement.
- d) Eligible equipment purchases with acceptable justification, such as computer hardware or software used directly for asset management or materials assessment, can be reimbursed at 25 percent of the purchase price if the equipment can be used for multiple asset types, at EGLE's discretion. This may include training related to that equipment/hardware/software purchase. If the equipment will be shared with a neighboring community, EGLE will consider reimbursement up to 50 percent of the equipment purchase price. Adequate maintenance and procedures must be developed to keep equipment purchased in good working condition for the entirety of the grant period.
- e) Completion of grant funded work does not constitute approval by the Department of Environment, Great Lakes, and Energy's Drinking Water and Environmental Health Division to meet a regulatory obligation. All compliance related questions need to be directed to your district engineer. All water systems need to meet required compliance deadlines and approval and execution of this grant contract does not alter a water supply's obligation to meet compliance deadlines.

Grant Administration and Close Out:

As mentioned previously, in Section IV, GRANTEE DELIVERABLES AND REPORTING REQUIREMENTS, the Grantee must complete and submit financial and progress reports and must include supporting documentation of eligible project expenses. Reports shall include the Financial Status Report Form with supporting cost documentation (i.e., vendor invoices), a report including a brief description of work completed during the reporting period, and any delays occurred or anticipated. Reports shall be due within 15 days of the end of each monthly reporting period. If applicant chooses not to submit reimbursement requests monthly, the EGLE project manager must be notified that no submission will be completed for the month.

The Grantee must provide a final project report, which shall include a summary of work completed utilizing grant funds, including any significant lessons learned and anticipated needs going forward. The Grantee shall submit the final status report, including the Financial Status Report Form with all supporting documentation for expenses, along with the final project report and any other outstanding products within 30 days of substantial completion of the project or the end date of the agreement whichever occurs first.

Grant information including grantee name, grant award amount, and a project summary will be shared with the legislature and posted on EGLE's website.

If you need this information in an alternate format, contact EGLE-Accessibility@Michigan.gov or call 800-662-9278.

EGLE does not discriminate on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information, or sexual orientation in the administration of any of its programs or activities, and prohibits intimidation and retaliation, as required by applicable laws and regulations. Questions or concerns should be directed to the Nondiscrimination Compliance Coordinator at EGLE-NondiscriminationCC@Michigan.gov or 517-249-0906.

This form and its contents are subject to the Freedom of Information Act and may be released to the public.

Agenda Item: NB-12
Date: 05-18-2023

City Council Agenda Item Request

Date: May 11, 2023

Name: Kim G.

Department: HR Director/Treasurer

Item: Discussion of Labor Contracts

Meeting date requested: May 18, 2023

Explanation for request:

Administration is requesting Council go in to a closed session to consider material exempt from discussion or disclosure by statute under MCL 15.268(c), identified as negotiation of a collective bargaining agreement(s).