

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, May 18, 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, and Todd Flath

Absent: Council Member Moore

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.

Beauchamp moved, DuBord seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Moore's absence.

Flath moved, DuBord seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from May 4, 2023, as submitted.

ADJUSTMENTS TO THE AGENDA

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

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

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

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

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

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

PH-1 DuBord moved, Flath seconded, to establish the City millage rate at 17.442 mills for the 2023-2024 budget year and to adopt the 2023-2024 City budget, Capital Improvement Plan and Master Fee Schedule as published.

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

Ayes: DuBord, Flath, Beauchamp, Mayor Ammel

Nays: None

Absent: Moore

MOTION CARRIED.

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

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 an OPRA exemption up to twelve (12) years beginning December 30, 2023, and ending December 30, 2035.

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

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

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

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: DuBord, Beauchamp, Flath, Mayor Ammel

Nays: None

Absent: Moore

RESOLUTION DECLARED ADOPTED.”

UNFINISHED BUSINESS – None

NEW BUSINESS

NB-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.

Once the City Council approves the budget, the Council must approve a tax levy and authorize appropriations to implement the budget. Administration recommended 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.

NB-1 DuBord moved, Flath seconded, **CARRIED UNANIMOUSLY**, to set the date of May 25, 2023, at 9:00 a.m. for the second reading, public hearing and adoption of the Appropriations Ordinance No. 1275 and millage rate of 17.442 mills.

NB-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.

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 recommended 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.

NB-2 DuBord moved, Flath seconded, **CARRIED UNANIMOUSLY**, to set the date of May 25, 2023, at 9:00 a.m. for the second reading, public hearing, and adoption of Tax Levy Ordinance No. 1276.

NB-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.

Annually, the City Council sets electric utility rates for the next fiscal year. Council was 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.

NB-3 Beauchamp moved, DuBord seconded, **CARRIED UNANIMOUSLY**, to set the date of June 5, 2023, at 9:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1277.

NB-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.

Annually, the City Council sets water utility rates for the next fiscal year. Council was 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.

NB-4 DuBord moved, Flath seconded, **CARRIED UNANIMOUSLY**, to set the date of June 5, 2023, at 9:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1278.

NB-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.

Annually, the City Council sets wastewater utility rates for the next fiscal year. Council was 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.

NB-5 DuBord moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to set the date of June 5, 2023, at 9:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1279.

NB-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.

Annually, the City Council sets solid waste rates for the next fiscal year. Council was 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.

NB-6 DuBord moved, Flath seconded, **CARRIED UNANIMOUSLY**, to set the date of June 5, 2023, at 9:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1280.

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

The Krusin Klassic Car Club requested 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 recommended 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.

NB-7 Beauchamp moved, DuBord seconded, **CARRIED UNANIMOUSLY**, to approve a request from the The Krusin Klassic Car Club 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", 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.

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

Administration requested 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.

NB-8 Flath moved, Beauchamp seconded, to approve the property and liability insurance policy with the Michigan Municipal Risk Management Authority for July 1, 2023 through June 30, 2024.

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

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

MOTION CARRIED.

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

Administration presented 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.

NB-9 DuBord moved, Flath seconded, to approve a request to purchase city property at 3110 5th Avenue South for the purpose of the construction of a single-family home for the amount of \$20,000 and construction must commence within 18 months along with sidewalks included.

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

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

MOTION CARRIED.

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

Administration requested 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.

NB-10 Beauchamp moved, Ammel seconded, to approve 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.

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

Ayes: Beauchamp, Mayor Ammel, DuBord, Flath

Nays: None

Absent: Moore

MOTION CARRIED.

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

Administration requested 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.

NB-11 DuBord moved, Beauchamp seconded, to approve 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.

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

Ayes: DuBord, Beauchamp, Flath, Mayor Ammel

Nays: None

Absent: Moore

MOTION CARRIED.

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

Mayor Ammel, with Council Consensus made the following reappointment:

Mary Blasier reappointed to the Housing Commissions, expiring June 1, 2028.

Council made the following reappointment:

Don Curran reappointed to the Zoning Board of Appeals, expiring June 1, 2026.

City Manager, with Council Consensus made the following appointment:

Josh Anthony appointed to the Harbor Advisory Committee, expiring June 1, 2026.

Gail Brazeau appointed to the Board of Library Trustees, 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

- Thanked the community for all their involvement in welcoming the 1st crew ship to the City of Escanaba. There was great feedback from the visitors on the crew ship.

Flath moved, DuBord seconded, to go into recess, **CARRIED UNANIMOUSLY.**

The time was 7:39 p.m.

DuBord moved, Beauchamp seconded, to come back in session, **CARRIED UNANIMOUSLY.**

The time was 7:46 p.m.

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

Administration requested 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).

DuBord moved, Flath seconded, to go into Closed Session.

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

Ayes: DuBord, Flath, Beauchamp, Mayor Ammel

Nays: None

Absent: Moore

MOTION CARRIED.

The time was 7:46 p.m.

DuBord moved, Beauchamp seconded, to come back into Open Session.

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

Ayes: DuBord, Beauchamp, Flath, Mayor Ammel

Nays: None

Absent: Moore

MOTION CARRIED.

The time was 8:28 p.m.

No Council actions were taken during closed session.

Hearing no further public comment, Beauchamp moved, the Council adjourned at 8:28 p.m.

Respectfully submitted,

Phil DeMay
City Clerk

Approved: _____
Mark Ammel, Mayor