



CITY COUNCIL MEETING AGENDA

February 4, 2016

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

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

City Council Chambers located at: City Hall – 410 Ludington Street – Room C101 – Escanaba MI 49829

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

Regular Meeting

Thursday, February 4, 2016, at 7:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE -

Pastor Chris Johnson of Christ the King Lutheran Church

APPROVAL/CORRECTION(S) TO MINUTES -

Regular Meeting – January 21, 2016

Special Meetings – January 13, 2016 & January 27, 2016

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION(S)

BRIEF PUBLIC COMMENT(S)

PUBLIC HEARING(S) - None

NEW BUSINESS

1. Approval - Aronson Island Beach House - Rental of Space.

Explanation: Administration is seeking Council approval of a proposal submitted by MISH Watersports, Wells, Michigan to operate their water sport rental business out of the Aronson Island Beach House facility for the 2016 and 2017 summer season(s).

2. Approval – Service Contract – City Telephone Services.

Explanation: Administration is seeking Council approval to retain TelNet Worldwide for continued telephone line service in the City Hall/Library Complex through 2019 in an amount not to exceed \$19,000. This item is including in the current fiscal year budget.

APPOINTMENTS

BOARD, COMMISSION, AND COMMITTEE REPORTS

GENERAL PUBLIC COMMENT

ANNOUNCEMENTS

ADJOURNMENT

Respectfully Submitted

A handwritten signature in black ink, appearing to read 'J. O'Toole'.

James V. O'Toole
City Manager

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, January 13, 2016

Pursuit to a meeting notice posted January 6, 2016, the meeting was called to order by the Mayor Marc D. Tall at 6:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

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

Absent: None.

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

Absent: Electrical Advisory Committee (EAC) Members: Larry Arkens, Ann Bissell, John Anthony, Glendon Brown, One vacancy and Power Plant Liaison.

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

ADJUSTMENTS TO THE AGENDA

Mayor Tall asked to add an item regarding Power Plant Security to the meeting agenda.

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

CONFLICT OF INTEREST – None

UNFINISHED BUSINESS – None

NEW BUSINESS

Update - Electric Department – General Operations.

Electrical Superintendent Mike Furmanski gave an update on departmental operations. The following items were reviewed:

- Staff activities;
- Update on Alpha Coal Issue;
- Restrictive covenant on Power Plant Sale.

Approval – Substation Engineering Professional Services – Krause Power Engineering.

Administration sought Council approval to retain Krause Power Engineering of Chippewa Falls, WI in an amount not to exceed \$280,000 for professional design services, project oversight, and construction management of the new Escanaba North Substation. This request was budgeted in the current fiscal year budget.

Electric Superintendent Mike Furmanski reviewed the project scope of work. (See Attachment – A)

NB-2 After discussion, Blasier moved, Beauchamp seconded, to retain Krause Power Engineering of Chippewa Falls, WI in an amount not to exceed \$280,000 for professional design services, project oversight, and construction management of the new Escanaba North Substation.

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

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

MOTION CARRIED.

Update – Solar Garden Project – Feasibility Study.

Electric Superintendent Mike Furmanski updated the City Council, Electrical Advisory Committee, and the Citizens of Escanaba on the progress of the solar garden feasibility study. (See Attachment – B) No action was taken.

Update – Power Plant Sale.

Manager O'Toole, and Electric Superintendent Mike Furmanski updated the City Council, Electrical Advisory Committee, and the Citizens of Escanaba regarding the sale of the plant. They advised:

- The Asset Purchase Agreement was approved by Council.
- Update on the Power Plant purchase:
 - City was waiting on the groundwater paperwork from the Michigan Department of Environmental Quality. Earliest response was expected by January 29th;
 - Restrictive covenant on Power Plant Sale;
 - Attorneys were finalizing warranty deed, title easement, and bill of sale legal documents;

Power Plant Security

Manager O'Toole advised Council authorized surveillance at the City Power Plant by Delta Force Surveillance on June 10, 2015, through December 31, 2015, for up to \$36,000. Until the final Power Plant sale was concluded, he asked Council approval for an additional \$10,000 to provide surveillance through February 2016.

After discussion, Blasier moved, Sattem seconded, to authorize an additional \$10,000 to Delta Force Surveillance, to provide Power Plant surveillance through February 29, 2016.

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

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

MOTION CARRIED.

GENERAL PUBLIC COMMENT – None

COUNCIL/COMMITTEE, STAFF REPORTS – None

ADJOURNMENT

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:32 p.m.

Respectfully submitted,

Robert S. Richards
City Clerk

Approved: _____
Marc D. Tall, Mayor

MEMORANDUM

To: Jim O'Toole

From: Mike Furmanski

Date: 08JAN16

Re: Krause Power Engineering approval

We have been using Krause Power Engineering for a number of years now on substation and other distribution system work. Their latest proposal is for the construction of the Escanaba North Substation. Their work for this substation includes:

- Design the substation
- Specify equipment
- Equipment bid solicitation
- Equipment bid evaluation
- Labor bid solicitation
- Labor bid evaluation
- Construction oversight
- Commissioning and testing

Their proposal is for an hourly fee, which is estimated to not exceed \$280,000. The total project is estimated to be \$2,500,000, which puts the engineering costs at 11.2% of the project, which is reasonable.



Krause Power Engineering, LLC
2029 County Highway I, Suite 1
Chippewa Falls, WI 54729
TEL 715 577 1369 FAX 715 861 3916
WEB www.krausepowerengineering.com

December 28, 2015

Mr. Mike Furmanski
City of Escanaba – City Electric Department
410 Ludington Street
Escanaba, MI 49829

RE: Proposal for Professional Services – North Substation Engineering

Dear Mr. Furmanski:

Per your request, Krause Power Engineering, LLC, is pleased to provide you the following proposal for the engineering services associated with the construction of the North Substation and the associated Electric Distribution System feeder reconstruction.

Our proposed Scope of Work includes the following:

- Develop a project budget and timeline based on the current project scope.
- File a revised Transmission Load Interconnection Application with ATC. Support the application through receipt of authorization.
- Provide requirements to a geotechnical testing firm to provide soil borings of the site, soil resistivity testing and a geotechnical engineering report for foundation and grounding grid design requirements.
- Provide a property boundary and topographic survey.
- Design the grounding grid based on the fault current and overcurrent study results we have and the soil resistivity/borings reports.
- Design the substation foundations including power transformer support and bus and switch support foundations.
- Design the structural steel elements including switch and bus support structures.
- Layout the SCADA system architecture.
- Layout the feeder cable routing and conduit provisions.
- Provide standard insurance requirement options for Owner's consideration for use in bidding documents
- Write plans and specifications, advertise and bid, review and recommend the following bid packages (includes contract development and management):
 - Power Transformer
 - Substation construction (includes physical construction and control wiring)
 - Testing and commissioning
- Conduct pre-design meetings and design review meetings with Utility staff.
- Conduct pre-construction meetings as required.
- Provide construction administration for the substation building, foundation work, electrical construction work and testing/commissioning.

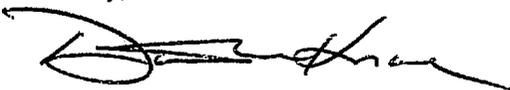
- Provide major material lists as required and assist the Utility with evaluations of materials for procurement (may be a combination of existing excess stock materials, direct purchases and bids).
- Update the Utility's arc-hazard assessment as required.
- Provide pertinent information for the update the Utility's SPCC plan (by others).
- Create relay and voltage regulator control settings files.
- Work with Utility staff for in-house construction activities.
- Create and/or update drawings as required. Provide hard copy, pdf and CADD files for records.
- Train operators/linemen in the operation of the new systems, including on-site training.
- Track estimate to actual construction costs and schedule progress.
- Review contractor applications for payment. Recommend payments as applicable.

We can begin this work with your written authorization to proceed and in accordance with our Miscellaneous Services Contract approved by the Utility on June 24, 2010, for an hourly fee estimated not to exceed \$280,000.00.

If our Proposal for Professional Services is acceptable, please sign and date in the space provided below and return to Krause Power Engineering, LLC, at 2029 County Highway I, Suite 1, Chippewa Falls, WI 54729.

If you have any questions, I can be reached at 715-577-1369 or by email at dkrause@krausepowerengineering.com. Thank you for the opportunity to work with you.

Sincerely,



Dave Krause, P.E.

Note: This proposal may be withdrawn or modified if not accepted within 30 days of the Proposal Date.

Authorized representative:

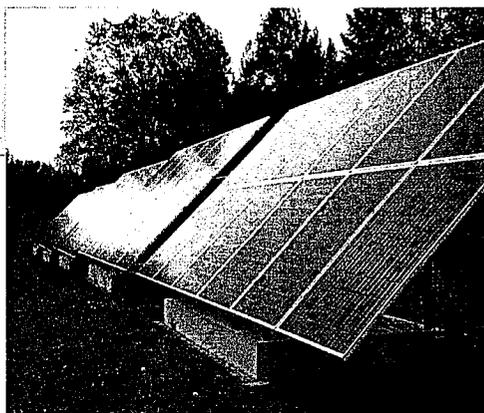
Signature

Date

Breakdown for Krause Power Engineering

| | <u>New Northside Substation Work</u> | <u>Miscellaneous Services</u> | <u>Emergency Substation Restoration</u> | <u>Temporary Substation</u> | |
|------------|--------------------------------------|-------------------------------|---|-----------------------------|----------|
| 5/23/2010 | 4,414.27 | 6/16/2012 | 742.01 | 2/28/2015 | 22144.89 |
| 6/26/2010 | 2,154.80 | 7/21/2012 | 5397.21 | 3/28/2015 | 23332.14 |
| 8/15/2010 | 693.75 | 3/2/2013 | 166.25 | 5/2/2015 | 14904.53 |
| 9/18/2010 | 938.75 | 4/27/2013 | 316.25 | 6/13/2015 | 12471.95 |
| 10/23/2010 | 2,231.67 | 5/20/2014 | 391.25 | 8/29/2015 | 1031.02 |
| 1/8/2011 | 728.75 | 8/29/2015 | 300 | 10/3/2015 | 784.58 |
| 4/2/2011 | 6,322.62 | 10/3/2015 | 80 | | |
| 6/19/2011 | 21,105.58 | 11/7/2015 | 1931.25 | | |
| 8/13/2011 | 3,583.66 | | | | |
| 9/17/2011 | 11,963.82 | | | | |
| 10/22/2011 | 9,848.49 | | | | |
| 12/3/2011 | 3,663.19 | | | | |
| 1/21/2012 | 517.50 | | | | |
| 3/5/2012 | 5,205.47 | | | | |
| 4/7/2012 | 189.15 | | | | |
| 6/16/2012 | 76.05 | | | | |
| 9/29/2012 | 113.35 | | | | |
| 8/29/2015 | 1,446.74 | | | | |
| 10/3/2015 | 6,604.13 | | | | |
| 11/7/2015 | 1,925.60 | | | | |
| 12/5/2015 | 4,060.17 | | | | |
| Totals: | 87,787.51 | 9,324.22 | 13,693.85 | 74,669.11 | |
| | | | Grand Total for Krause: | 185,474.69 | |

Solar Project Update



January 13, 2016

1

• **Basic Information**

- **The City of Escanaba area averages 4.1 Peak Sun Hours/Day.**
- **Panels generate power in DC. The conversion from DC to AC is about 82% efficient.**
- **The federal 30% tax credit has been extended to 12/31/19.**
- **We cannot use Renewable Energy Funds to build a community solar garden if the sale proceeds go into the Electric Fund.**
- **We can use Renewable Energy Funds to build a solar project if we maintain ownership of it.**
- **We can use general Electric Fund money to front a community solar project.**

2

Other information being researched

- How a solar capacity installation would impact our transmission service costs
- How a solar capacity installation would impact our capacity needs
- A reasonable net metering policy

3

Other information needed

- Location for a solar project
- Energy Optimization Rebate applicability
- RFP strategy – lots of options
 - Mounting – post or ballasted?
 - Tracking – single, dual, or none?
 - EPC?
 - Panel supplier?

4

Sample Calculation

- Assuming 1000 watts of panel capacity
- $1000 \text{ watts} * 4.1 \text{ peak sun hours/Day} * 365 \text{ days} * .82 \text{ DC - AC efficiency} = 1,227 \text{ kWh per year}$
- With no panel degradation, 1000 watts of panel capacity would produce 30,675 kWh over 25 years
- Assuming a more realistic 0.5% loss of generation capacity per year after the first year of service, 1000 watts of capacity will produce 28,910 kWh over 25 years
- Assume Capacity costs \$2/watt, for a total of \$2000 for this example
- 25 year levelized cost is: $\$2000/28,910 \text{ kWh} = \$0.0692/\text{kWh}$
- Simple payback at \$0.10/kWh would happen in year 17

5

Next Steps

- Continue researching
 - Location
 - EO rebates
 - RFP
 - Transmission cost impact
 - Capacity needs impact
 - Net metering policy

6

**OFFICIAL PROCEEDINGS
- CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, January 21, 2016**

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

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

Absent: None

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

Pastor Erik Heskin of Bethany Lutheran Church, gave the invocation and led Council in the Pledge of Allegiance.

Blasier moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting Minutes from January 7, 2016, as submitted.

ADJUSTMENTS TO THE AGENDA

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

CONFLICT OF INTEREST DECLARATION

Mayor Tall advised he had a conflict of interest with the Council agenda item regarding the City Advertising Contract and would recuse himself.

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

Public Hearing – Citizen Participation – 2016/17 Fiscal Year Budget Preparation.

Each year, Council holds public hearings to facilitate input from its citizens for the City's next fiscal year budget. This was the first of five (5) scheduled public hearings.

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

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

NEW BUSINESS

Presentation – 2015 Planning Commission Performance and 2016 Plan of Work Report.

The Escanaba Planning Commission Chairman Patrick Connor presented to the City Council and people of Escanaba their annual 2015 Planning Commission Performance Report and 2016 Plan of Work. (See Attachment – A)

Approval – Parking Lot Lease Renewal Agreement – 1812 Ludington Street.

Administration sought Council approval to renew a five (5) year parking lot lease agreement with Ricky and Lisa Benoit, 1812 Ludington Street, for public parking on private property adjacent to the alley. In exchange for the lease, the City will continue to maintain the parking lot and pay an annual lease fee of \$1.00.

NB-2 Blasier moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve to renew a five (5) year parking lot lease agreement with Ricky and Lisa Benoit, 1812 Ludington Street, for public parking on private property adjacent to the alley and in exchange for the lease, the City will continue to maintain the parking lot and pay an annual lease fee of \$1.00.

Approval – Contract to Advertise Legal Notices - Escanaba Daily Press.

Administration sought Council approval of a three (3) year contract with the Escanaba Daily Press for advertising legal notices and other advertisement needs of the City. The need for advertising in a local newspaper of general circulation was mandated by the City Charter. The proposed contracted rates being recommended for approval are \$11.52 for a classified advertisement, and \$15.53 for public notices. This contract reflects an increase of 3 percent over the previous year's rate. This item was included in the current fiscal year budget.

NB-3 Sattem moved, Blasier seconded, to renew a three (3) year contract with the Escanaba Daily Press for advertising legal notices and other advertisement needs of the City at a rate of \$11.52 for a classified advertisement, and \$15.53 for public notices.

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

MOTION CARRIED.

Approval – Use of Public Space – Escanaba Municipal Harbor - Big Brothers Big Sisters of the Bay Area.

Big Brothers Big Sisters of the Bay Area requested approval to use the Escanaba Municipal Harbor for their annual Jig It Ice Fishing Fundraising Event on Saturday, January 23, 2016. Additionally, the group requested the City provide refuse containers, road barricades, and road cones for the event. Administration recommended approval of the request(s) provided: 1) proper liability insurance was filed with the City naming the City as an additional insured, and 2) event staff clean up after the event.

NB-4 Blasier moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve a request from Big Brothers Big Sisters of the Bay Area to use the Escanaba Municipal Harbor for their annual Jig It Ice Fishing Fundraising Event on Saturday, January 23, 2016, in addition that the City provide refuse containers, road barricades, and road cones, provided: 1) proper liability insurance was filed with the City naming the City as an additional insured, and 2) event staff clean up after the event.

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

BOARD, COMMISSION, AND COMMITTEE REPORTS

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

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS

- Escanaba Municipal Harbor for their annual Jig It Ice Fishing Fundraising Event on Saturday, January 23, 2016.

Hearing no further public comment, the Council adjourned at 7:21 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor

2015 PLANNING COMMISSION YEAR END REPORT



January 5, 2016

Dear City Council Members and Residents of the City of Escanaba:

It is with pleasure that the Escanaba Planning Commission submits to you this 2015 Year-End Report on issues and matters brought before the Planning Commission in Calendar Year 2015.

In carrying out the duties and responsibilities of the Planning Commission conveyed under the Municipal Planning Act, Act 285 of 1931, as amended, the City and Village Zoning Act, Act 207 of 1921, as amended and Chapter 21 of the Escanaba Code of Ordinances, the Planning Commission hereby submits the 2015 Planning Commission Year-End Report for your review and consideration.

ROLE OF THE PLANNING COMMISSION

The roles of the Planning Commission include some functions in addition to the statutory duties and responsibilities. The role of the Planning Commission includes the social or cultural expectation that citizens have of the service that the Planning Commission provides in helping to set and implement local land use and development policy. There are eight (8) key roles of the Planning Commission:

- A. Educate the public about local planning issues, the master plan and land use regulations.
- B. Cooperate and coordinate with other units of government on planning matters.
- C. Prepare, adopt and maintain a master plan.
- D. Review other community's draft master plans when submitted for that purpose, and provide coordination of planning and zoning in other units of government.
- E. Draft and present to the City Council a zoning ordinance and amendments and advise on various zoning actions.
- F. Review and comment on proposed public works projects.
- G. Prepare and annually adopt a capital improvement program.
- H. Prepare subdivision regulations and advise on proposed plats.

Respectfully Submitted,
Patrick Connor
Planning Commission Chairman

2016 Meeting Schedule

All meetings are held at 6:00 p.m. in the Council Chambers

- ◆ *January 14, 2016*
- ◆ *February 11, 2016*
- ◆ *March 10, 2016*
- ◆ *April 14, 2016*
- ◆ *May 12, 2016*
- ◆ *June 9, 2016*
- ◆ *July 14, 2016*
- ◆ *August 11, 2016*
- ◆ *September 8, 2016*
- ◆ *October 13, 2016*
- ◆ *November 10, 2016*
- ◆ *December 8, 2016*

PERFORMANCE MATTERS—INDICATOR KEY:



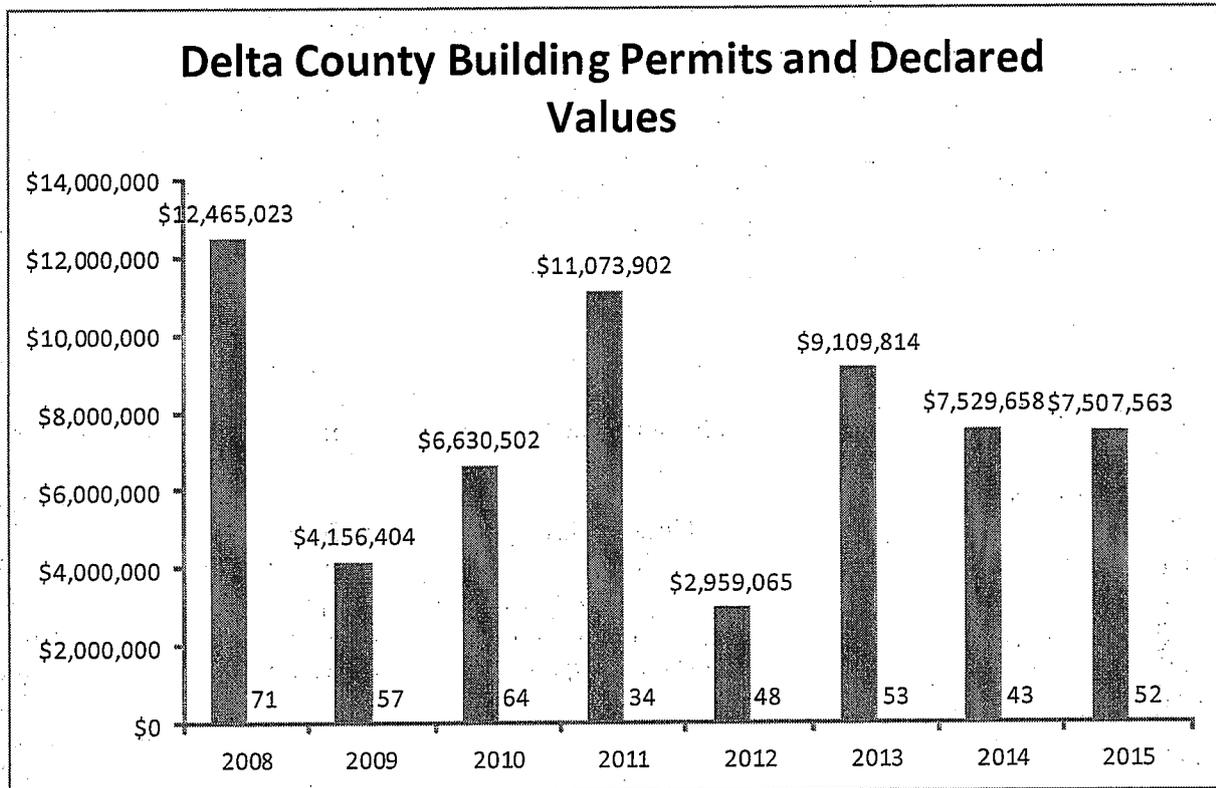
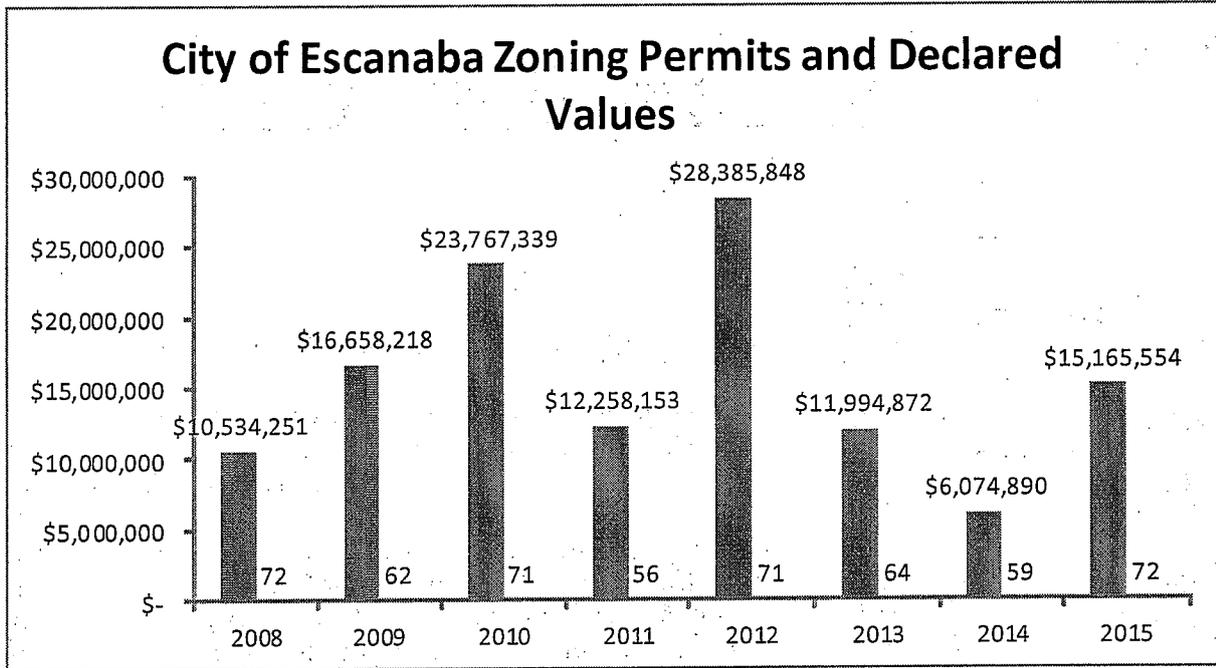
INCREASING



STAYING ABOUT THE SAME



DECLINING

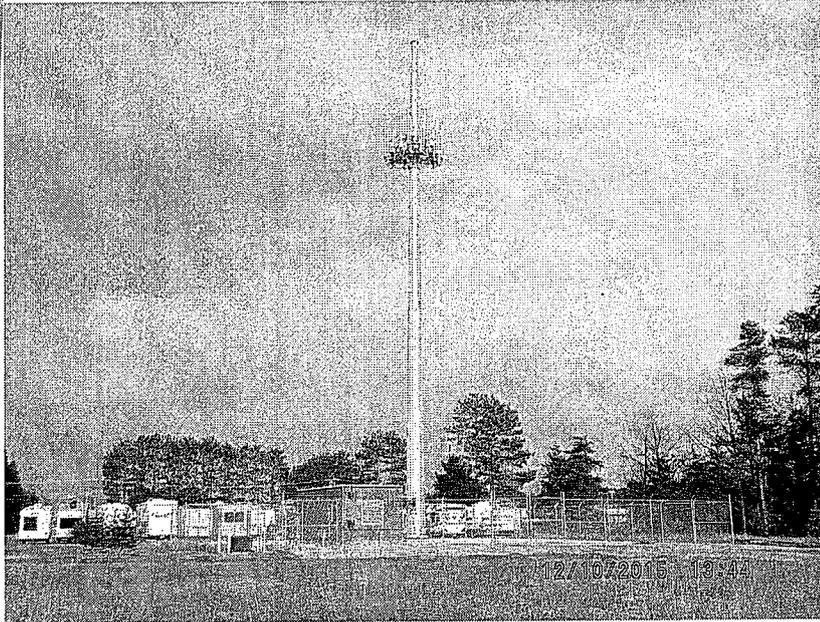


NOTE: The figures on the bottom of both charts reflect how many Zoning Land Use Permits were issued for each year.

SITE PLAN REVIEW/SPECIAL LAND USE PERMITS

Patrick Barron Properties, LLC

Communication Tower and Equipment Shelter



Special Land Use Permit located at 2808 North 28th Street. The Planning Commission conducted a Public Hearing and approved a Special Land Use permit for a 115' monopole communication tower and equipment shelter at 2808 North 28th Street.

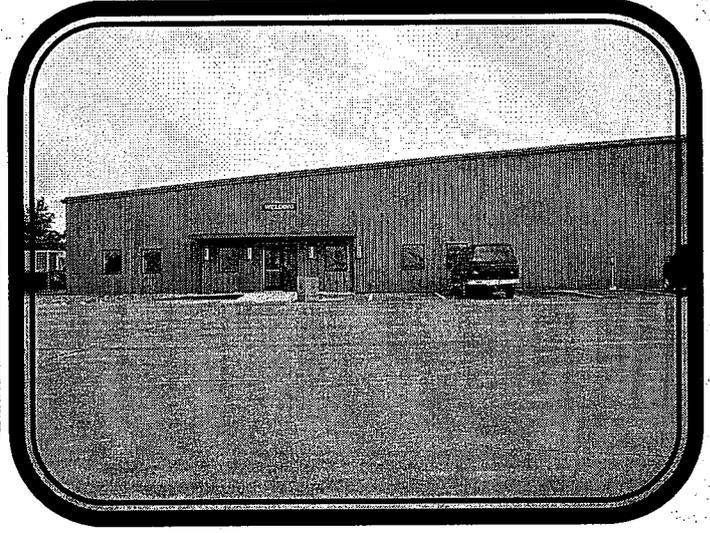
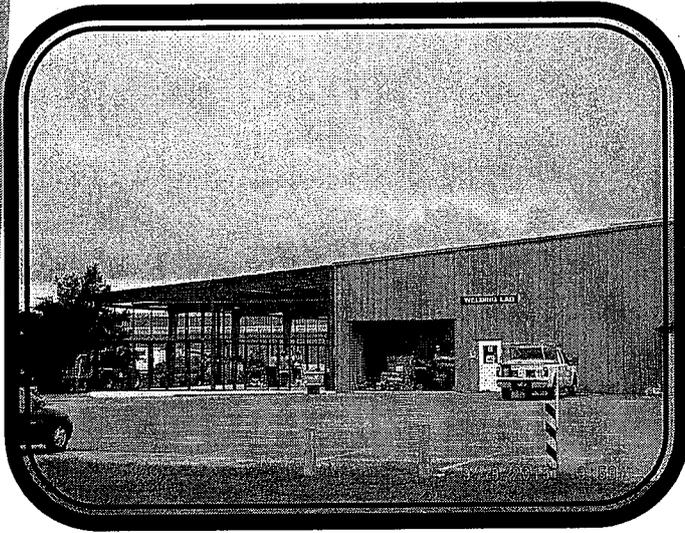
Delta County U.P. State Fair Authority



Special Land Use Permit on or around 9th Avenue North (undeveloped). The Planning Commission conducted a Public Hearing and approved a Special Land Use permit to the Delta County U.P. State Fair Authority on or around 9th Avenue North (undeveloped) for ATC's Bay Lake transmission line construction to have a temporary storage facility.

Bay De Noc Community College

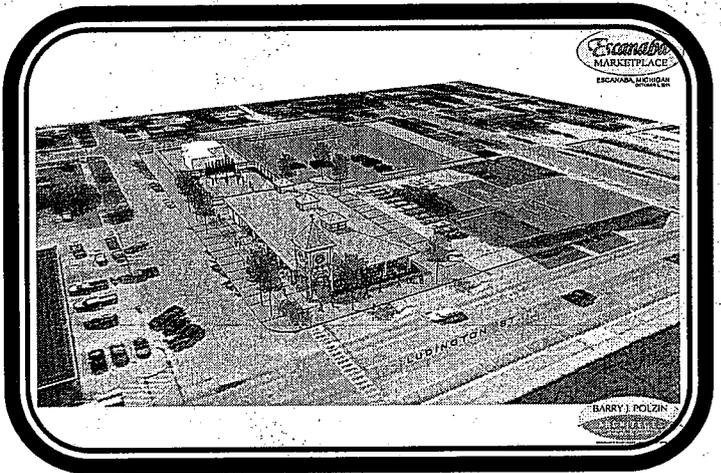
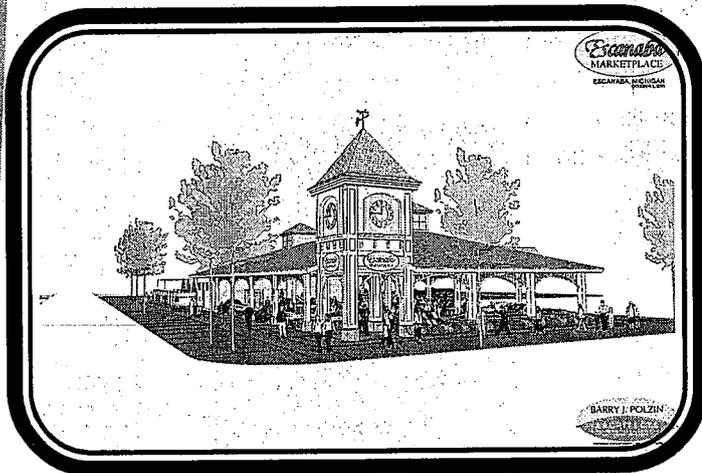
Site Plan Review located at 2001 North Lincoln Road. The Planning Commission conducted a Public Hearing and approved the Bay de Noc Community College site plan for a 6,413 square foot addition to the welding classroom, office, and shop area.



Downtown Development Authority Market Place Project

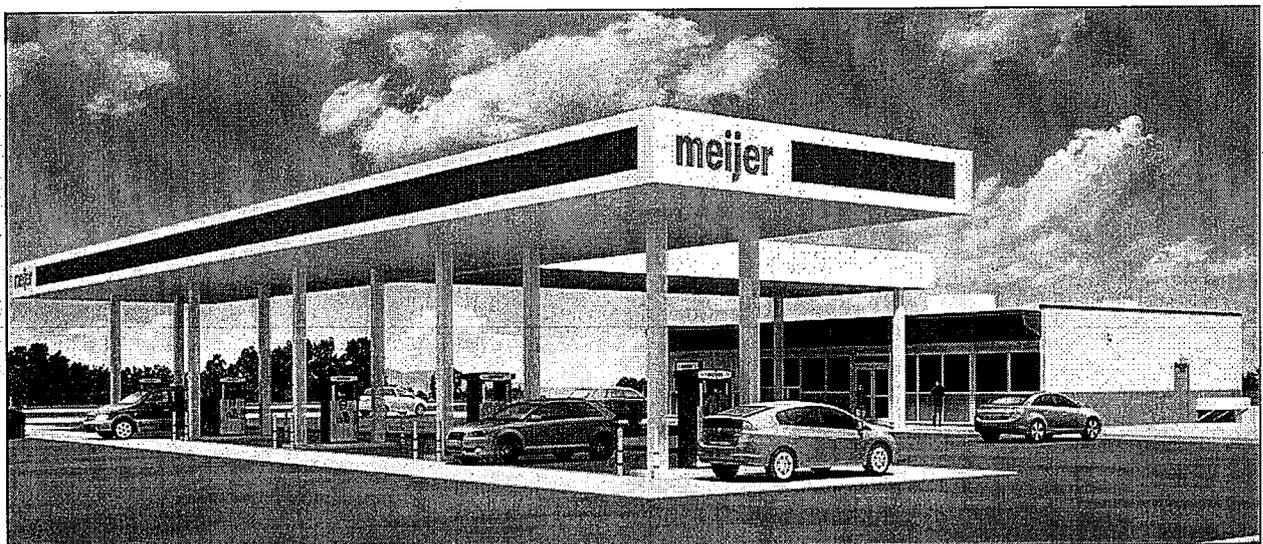
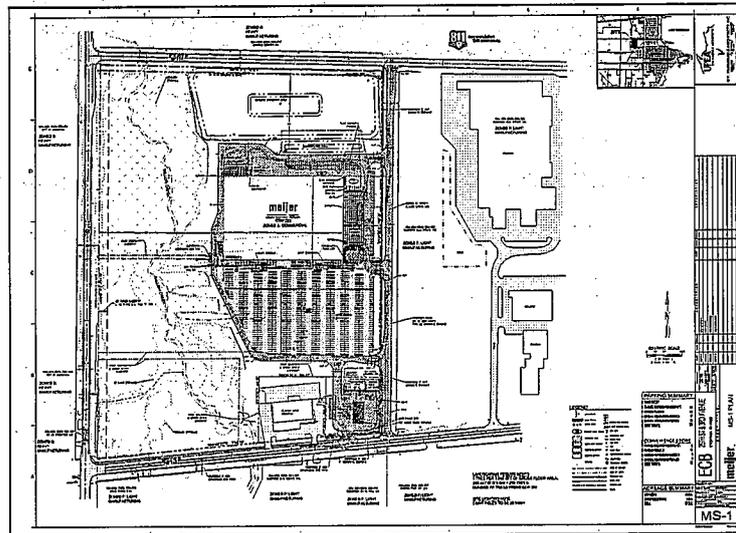
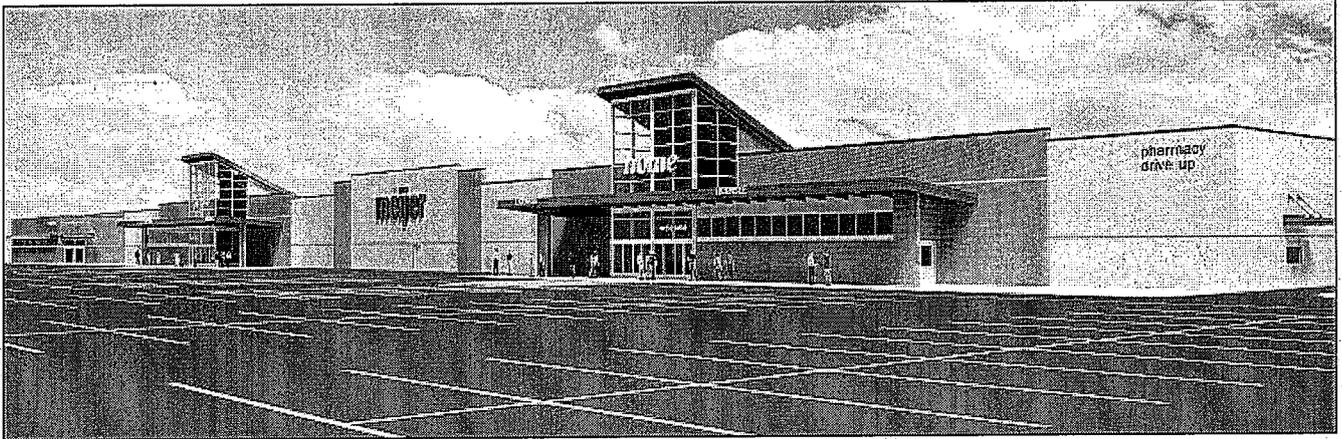
Site Plan Review located at Ludington Street, South 15th Street, and 1st Avenue South.

The Planning Commission conducted a Public Hearing and approved the site plan for the Market Place project to be located at Ludington Street, South 15th Street; and 1st Avenue South.



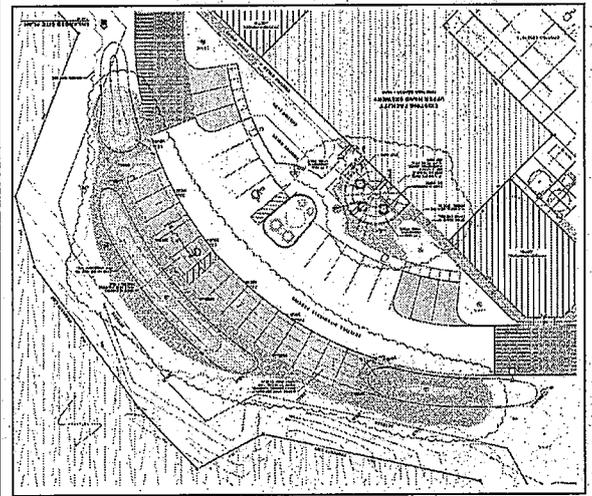
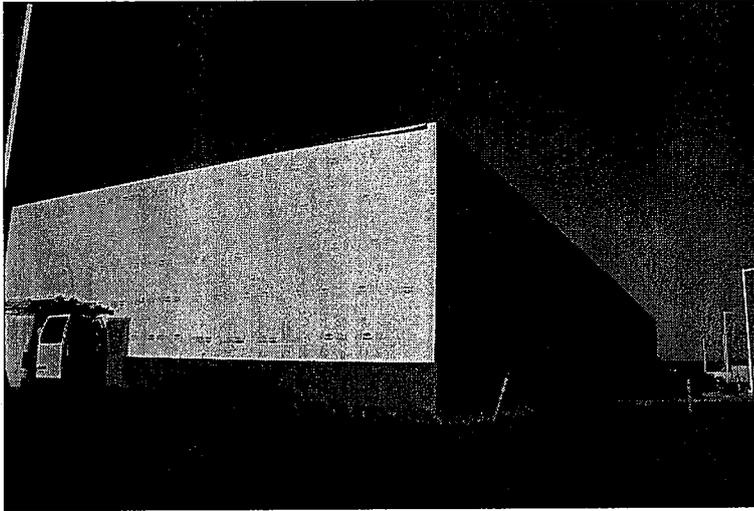
Meijer Store

Site Plan Review for 505 North 26th Street, between 3rd Avenue North and 6th Avenue North.
The Planning Commission conducted a Public Hearing and approved the site plan for Meijer Store to construct a 205,308 square foot retail, grocery facility along with a 2,509 square foot gas station.



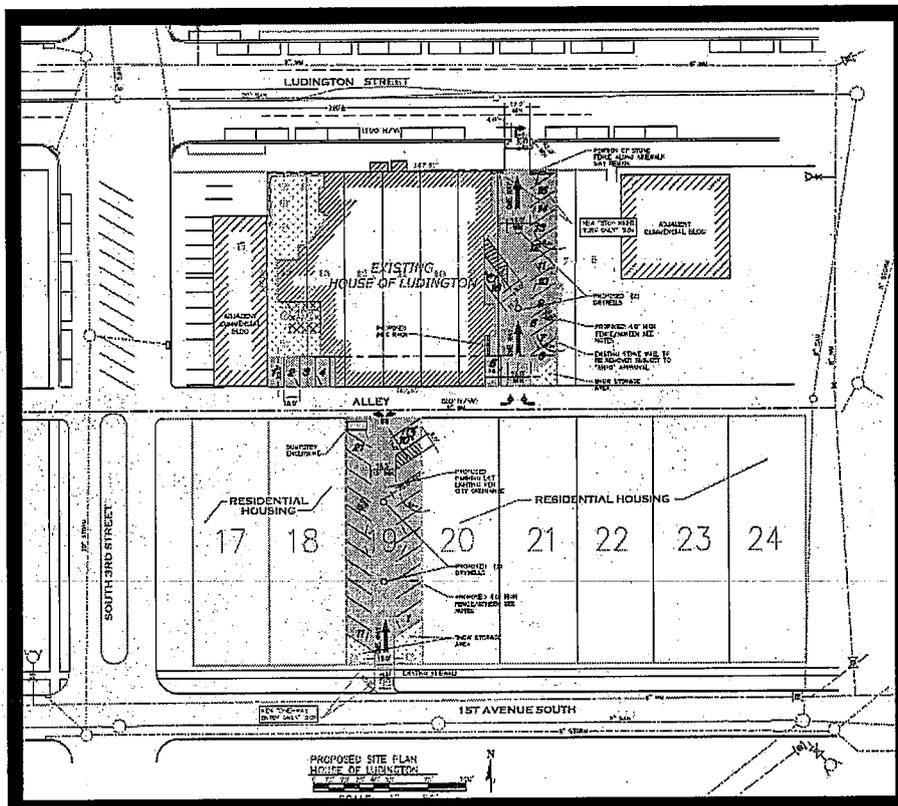
Upper Hand Brewery, Inc.

Site Plan Review located at 3525 Airport Road. The Planning Commission conducted a Public Hearing and approved a site plan for their 6,000 square foot expansion at the Upper Hand Brewery, 3525 Airport Road.



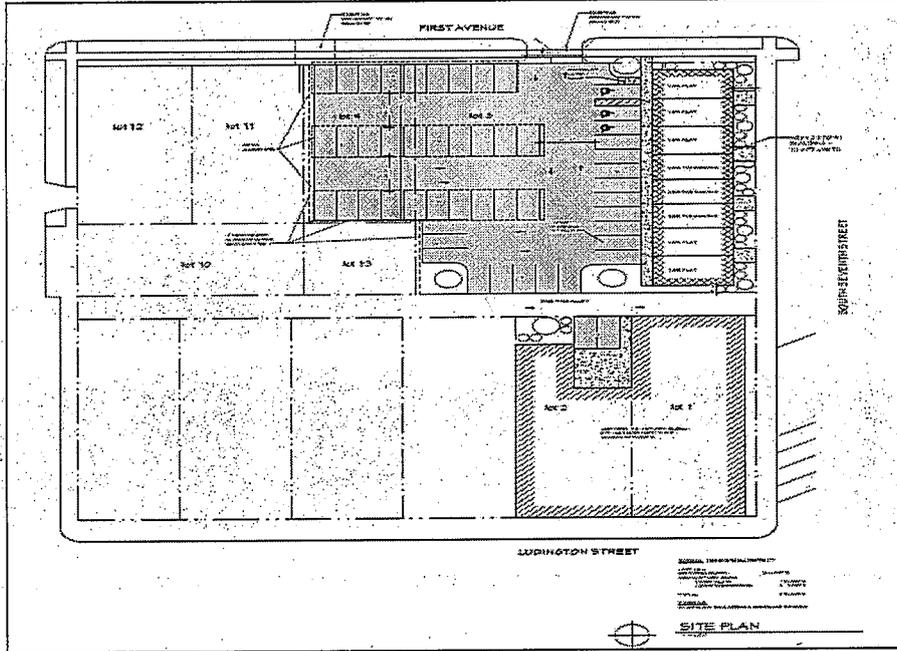
House of Ludington

Public Hearing for a Site Plan Review/Special Land Use at 223 Ludington Street. The Planning Commission conducted a Public Hearing and approved a site plan and a Special Land Use permit for a proposed 34 unit elderly/senior affordable housing project.



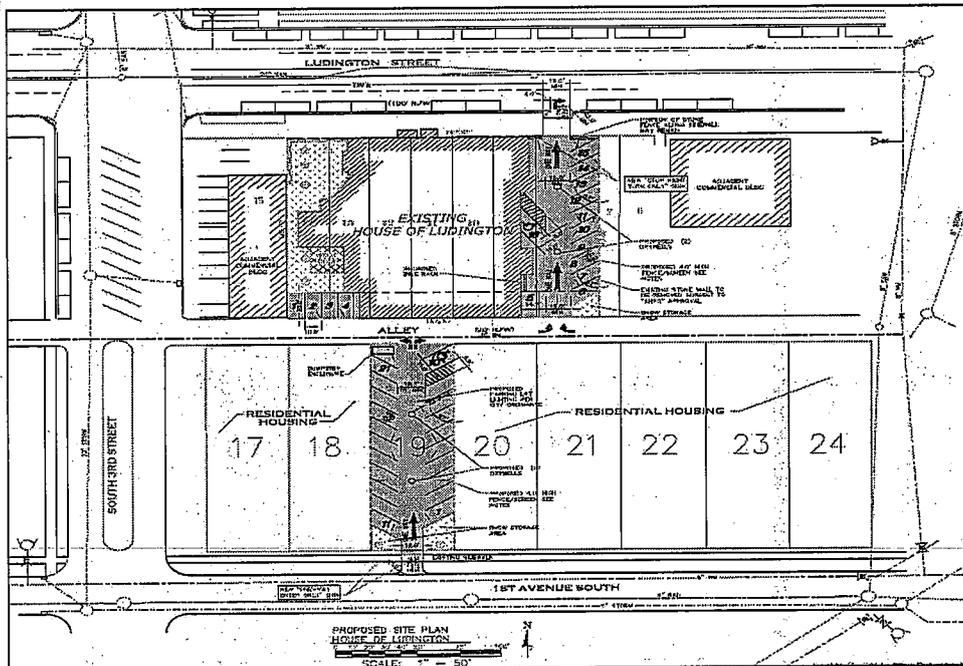
ZONING BOARD OF APPEALS

PK Development Group



Public Hearing for a parking variance request at 617 and 623 Ludington Street/608 and 630 1st Avenue South. The Zoning Board of Appeals conducted a Public Hearing and denied the parking variance request for a dimensional variance to Section 1702 parking space requirements and Table 1702 of the Escanaba Zoning Ordinance, which would allow them to reduce the number of required and combined off street parking spaces from 74 to 51 spaces for a proposed mixed use commercial and 37 unit affordable housing project.

House of Ludington



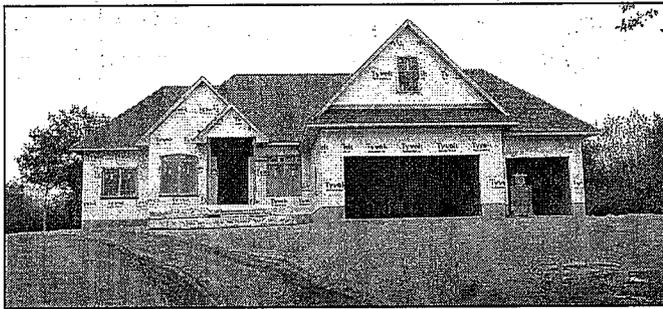
Public Hearing for a parking variance request at 223 Ludington Street. The Zoning Board of Appeals conducted a Public Hearing and accepted the parking variance request for a dimensional variance to Section 1702 parking space requirements and Table 1702 of the Escanaba Zoning Ordinance, allowing them to reduce the number of required and combined off street parking spaces from 68 to 34 spaces for a proposed use for a 34 unit affordable elderly/senior housing project.

January 1, 2015, to December 31, 2015

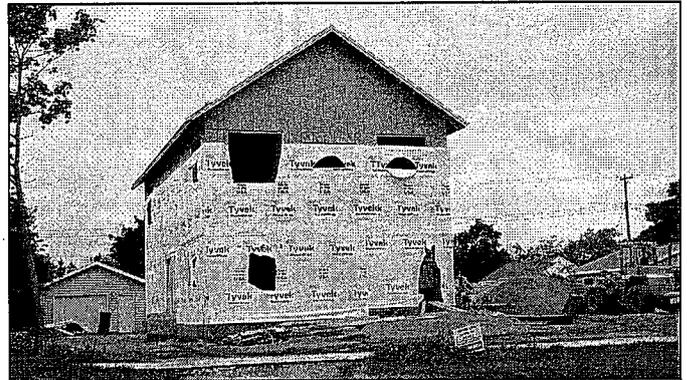
3 New Residential Zoning Permits Were Issued

New Residential Homes - Value \$881,960

| NEW RESIDENTIAL HOMES | | | |
|--------------------------------|-----------|-----------|---|
| | 2014 | 2015 | |
| New Residential Zoning Permits | 3 | 3 | ↔ |
| New Residential Value | \$735,000 | \$881,960 | ↑ |



2005 South 22nd Street



1812 Lake Shore Drive



1710 21st Avenue South

January 1, 2015, to December 31, 2015

29 Residential Remodel Zoning Permits Were Issued

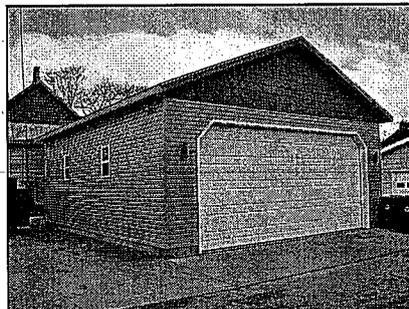
Residential Remodel - Value \$346,524

| RESIDENTIAL REMODEL | | | |
|------------------------------------|-----------|-----------|---|
| | 2014 | 2015 | |
| Residential Remodel Zoning Permits | 36 | 29 | ↓ |
| Residential Remodel Value | \$624,140 | \$346,524 | ↓ |

| | | |
|---|--|--|
| 614 South 20th Street (Garage) | 1702 9th Avenue North (Addition) | 302 South 18th Street (Window) |
| 1921 8 th Avenue North (Deck) | 306 2nd Avenue South (Porch/Deck) | 1122 10th Avenue South (Handicap Ramp) |
| 1712 Lake Shore Drive (Addition) | 1510 South 13th Street (Garage) | 429 South 14th Street (2 Porches) |
| 712 Lake Shore Drive (Porch with Roof) | 1002 South 14th Street (Shed) | 2520 3rd Avenue South (Deck) |
| 1500 Lake Shore Drive (Shed) | 1202 South 21st Street (Shed) | 1313 11th Avenue South (Porch) |
| 1407 Sheridan Road (Garage) | 925 6th Avenue South (Pergola) | |
| 816 Ludington Street (Handicap Ramp) | 901 N 19th Street (Garage) | |
| 1644 South 16 th Street (Shed) | 1315 10th Avenue South (Garage) | |
| 509 South 22 nd Street (Garage/Addition) | 2404 3rd Avenue South (Windows/Doors) | |
| 620 South 19th Street (Garage Addition) | 421 South 8th Street (Garage) | |
| 2100 Lake Shore Drive (Deck) | 326 South 6th Street (Garage) | |
| 815 South 20th Street (Storage Building) | 1534 South 14th Street (Addition/Garage) | |



1712 Lake Shore Drive



421 South 8th Street



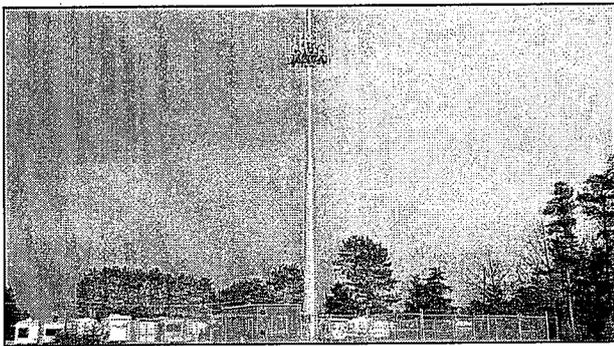
614 South 20th Street

January 1, 2015, to December 31, 2015

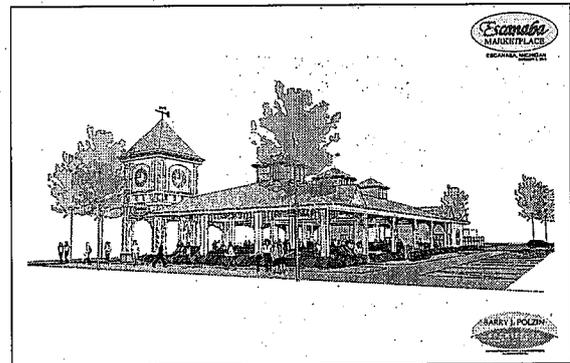
4 New Commercial Zoning Permits Were Issued

New Commercial - Value \$8,252,000

| NEW COMMERCIAL | | | |
|-------------------------------|-------------|-------------|---|
| | 2014 | 2015 | |
| New Commercial Zoning Permits | 5 | 4 | ↓ |
| New Commercial Value | \$1,140,000 | \$8,252,000 | ↑ |



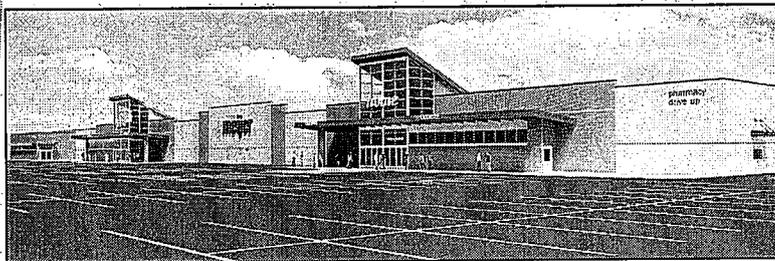
Tower 2808 N. 28th Street



DDA Market Place



609 North Lincoln Road



Meijers Store

January 1, 2015, to December 31, 2015

25 Commercial Remodel Zoning Permits Were Issued

Commercial Remodel - Value \$5,392,120

| COMMERCIAL REMODEL | | | |
|-----------------------------------|-------------|-------------|---|
| | 2014 | 2015 | |
| Commercial Remodel Zoning Permits | 4 | 25 | ↑ |
| Commercial Remodel Value | \$2,835,000 | \$5,392,120 | ↑ |

| | |
|--|--|
| 1700 Sheridan Road (Storage) | 701 North Lincoln Road (Office Addition) |
| 202 North 30 th Street (Wireless Cell Site) | 2601 North 30 th Street (Building Addition) |
| 825 South 26 th Street (Community Building) | 2001 North Lincoln Road (Office Addition/Storage) |
| 202 North 30 th Street (Upgrade Cell Site) | 2001 North Lincoln Road (Welding Addition) |
| 114 North 25 th Street (Storage Shed) | 503 North Lincoln Road (Remodel Menu Board/Drive Thru) |
| 2900 3 rd Avenue North (Adult Day Care) | 3525 Airport Road (Building Addition) |
| 2701 North Lincoln Road (Storage) | 1123 1st Avenue North (Deck) |
| 409 South 22 nd Street (Garage) | 536 North Lincoln Road (Addition of AT&T to Building) |
| 624 Ludington Street (Antenna Update) | 801 Stephenson Avenue (Add Office/Storage) |
| 2007 South 21 st Street (Press Box) | 817 South Lincoln Road (Canopy Addition) |
| 3001 Danforth Road (Storage Building) | 330 South 10th Street (Covered Deck) |
| 2900 3 rd Avenue North (Garage/Storage) | 2502 North 30th Street (Addition) |
| 408 North Lincoln Road (Building Remodel) | |



St. Anne's Parish



Bishop Noa Home

January 1, 2015, to December 31, 2015

10 Demolition Permits Were Issued

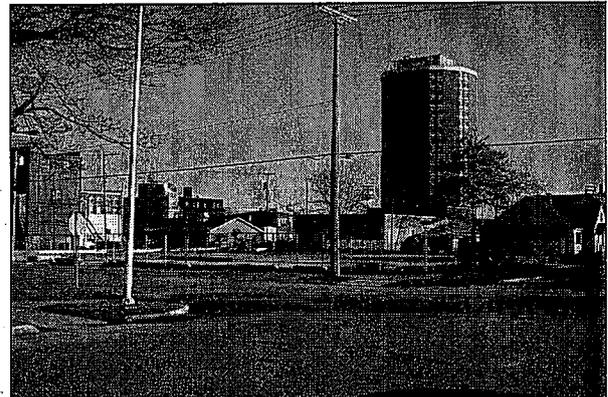
Demolition - Value \$292,950

| DEMOLITION | | | |
|--------------------|----------|-----------|---|
| | 2014 | 2015 | |
| Demolition Permits | 8 | 10 | ↑ |
| Demolition Value | \$40,500 | \$292,950 | ↑ |

| | |
|---|-------------------------------------|
| 609 North Lincoln Road (Restaurant) | 2501 1st Avenue South (Building) |
| 630 1 st Avenue South (Commercial) | 2101 8th Avenue South (Residential) |
| 624 North 19 th Street (Garage) | 212 North 12th Street (Residential) |
| 1328 North 16 th Street (Garage) | 1704 Ludington Street (Building) |
| 117 North 22nd Street (Building) | 1102 8th Avenue South (Residential) |



630 1st Avenue South Before



630 1st Avenue South After

January 1, 2015, to December 31, 2015

1 Change of Use Permit Was Issued

Change of Use - Value \$0

| CHANGE OF USE | | | |
|-----------------------|-------|------|---|
| | 2014 | 2015 | |
| Change of Use Permits | 2 | 1 | ↓ |
| Change of Use Value | \$250 | \$0 | ↓ |

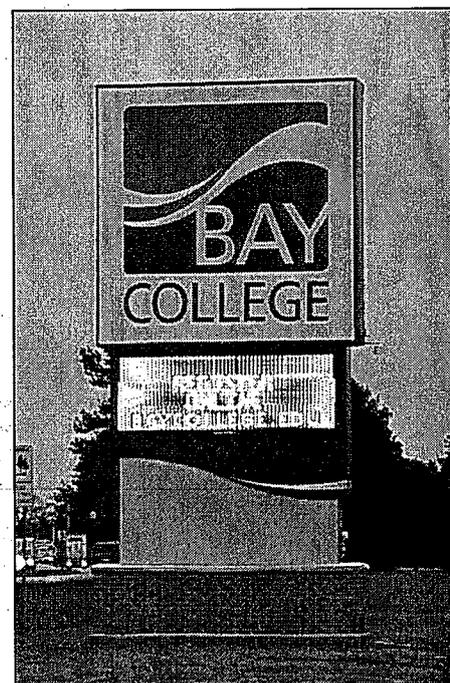
1517 Ludington Street

January 1, 2015, to December 31, 2015

23 Sign Permits Were Issued

| SIGN PERMITS | | | |
|--------------|------|------|---|
| | 2014 | 2015 | |
| Sign Permits | 19 | 23 | ↑ |

| | |
|---|--|
| 218 South 10th Street (Beauchamp Chiropractor) | 1013 1st Avenue North (Social Security Administration) |
| 110 North 14th Street (Dinello's Gourmet Deli & Subs) | 828 Sheridan Road (UP Health Rampart EMS) |
| 710 South Lincoln Road (UP Health System) | 301 North Lincoln Road (Maurices) |
| 1126 North Lincoln Road (GFS Marketplace) | 1818 North Lincoln Road (Nortrax) |
| 811 North Lincoln Road (Jimmy John's) | 503 North Lincoln Road (McDonald's) |
| 501 Stephenson Avenue (Race Driven) | 536 North Lincoln Road (AT & T) |
| 2313 Ludington Street (Dominos) | 843 North Lincoln Road (Edward Jones) |
| 516 North Lincoln Road (Wells Fargo) | 827 North Lincoln Road (Dobber's Pasties) |
| 1205 Ludington Street (Wells Fargo) | 317 North Lincoln Road (Saykly's) |
| 2511 Ludington Street (Riverside Auto Sales—Chrysler) | 805 Stephenson Avenue (Rent-A-Maid) |
| 408 North Lincoln Road (Burger King) | 2001 North Lincoln Road (Bay College) |
| 609 North Lincoln Road (Team Wireless) | |



January 1, 2015, to December 31, 2015

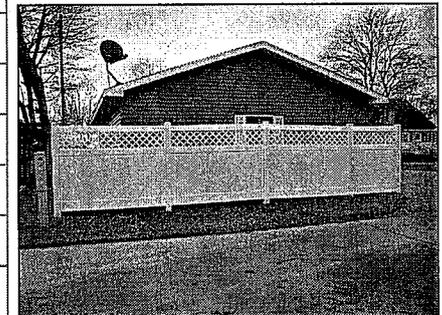
71 Fence Permits Were Issued

| FENCE PERMITS | | | |
|---------------|------|------|---|
| | 2014 | 2015 | |
| Fence Permits | 50 | 71 | ↑ |

| | | |
|---|------------------------|------------------------|
| 218 South 5th Street | 306 2nd Avenue South | 208 South 4th Street |
| 711 South Lincoln Road | 409 South 15th Street | 901 South Lincoln Road |
| 1031 Stephenson Avenue | 1501 16th Avenue South | 1216 North 19th Street |
| 608 South 8th Street | 212 Lakeshore Drive | 910 South 10th Street |
| 721 South 10th Street | 1310 12th Avenue South | 3120 7th Avenue South |
| 2114 6th Avenue South | 602 North 18th Street | 1501 11th Avenue South |
| 1810 3rd Avenue South | 1112 South 15th Street | 1606 North 19th Street |
| 201 North 16th Street | 1409 5th Avenue South | 314 South 8th Street |
| 700 South 20th Street | 1107 South 20th Street | 320 South 11th Street |
| 1700 Ludington Street | 1202 North 19th Street | 1411 North 19th Street |
| 911 South 11th Street | 518 South 10th Street | 403 South 12th Street |
| 1720 21st Avenue South | 610 South 13th Street | 1311 North 18th Street |
| 1306 North 16th Street | 708 South 11th Street | 1123 1st Avenue North |
| 419 South 15th Street | 912 1st Avenue North | 2315 Lake Shore Drive |
| 709 South 16th Street | 522 South 19th Street | 602 South 16th Street |
| 804 South 17th Street | 1921 3rd Avenue North | 2005 8th Avenue South |
| 1710 1st Avenue South | 1115 Washington Avenue | 1818 22nd Avenue South |
| 221 North 16th St. - 217 North 16th St. | 1008 2nd Avenue North | 205 North 20th Street |
| 500 South 29th Street | 319 South 10th Street | 2209 12th Avenue South |
| 309 South 14th Street | 804 South 18th Street | 1900 3rd Avenue North |
| 317 South 15th Street | 1401 Lake Shore Drive | 320 South 18th Street |
| 314 South 6th Street | 1421 9th Avenue South | 511 South 19th Street |
| 405 South 15th Street | 626 South 13th Street | 1901 9th Avenue North |
| 914 2nd Avenue South | 1610 1st Avenue North | |



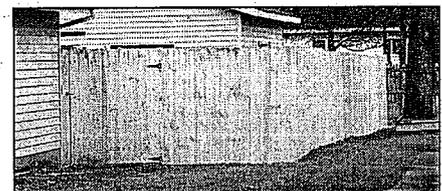
2315 Lake Shore Drive



212 Lake Shore Drive



626 South 13th Street



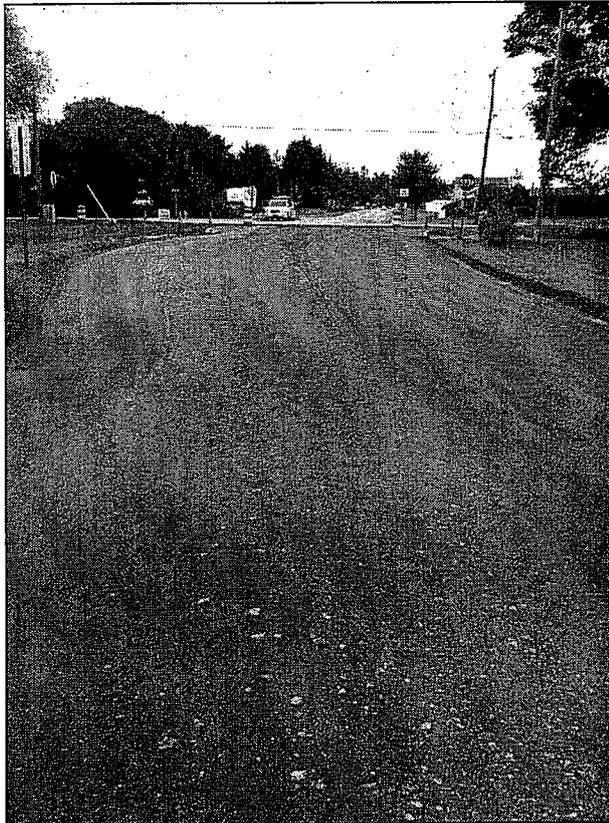
1818 22nd Avenue South

NOTABLE CAPITAL IMPROVEMENTS MADE IN 2015

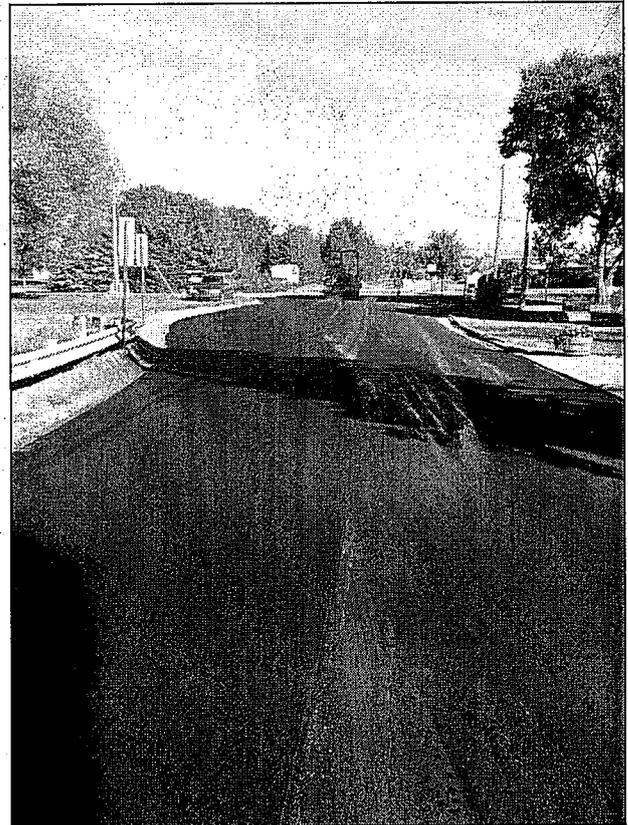
Willow Creek Road Improvement Project.

Willow Creek Road between 8th Avenue South to the waste water facility.

The existing roadway was pulverized with approximately 350 tons of pulverized material salvaged. The remaining material was used to strengthen the base as the road was re-shaped, re-graded, and paved. Approximately 1518 tons of new asphalt was laid to provide a 3" asphalt surface which ran 3700 lineal feet. New shoulders were also installed on the roadway. The estimated project costs were \$165,000.



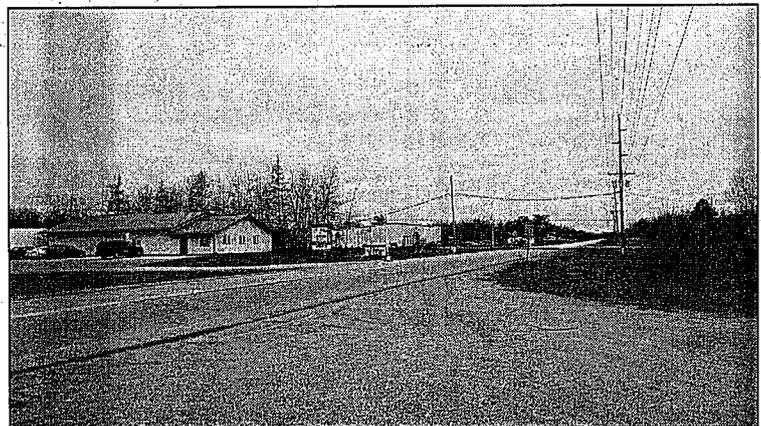
Willow Creek Road, 8th Avenue
Before



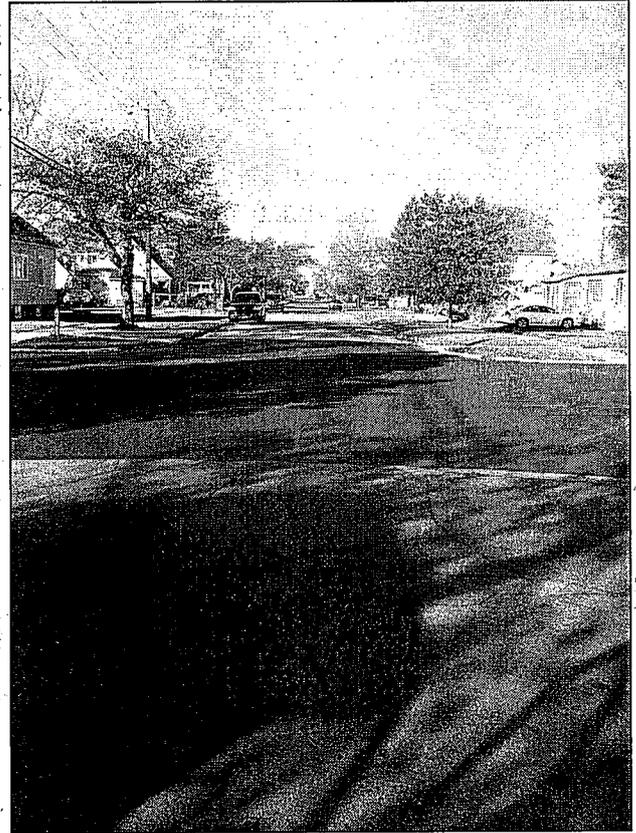
Willow Creek Road, 8th Avenue
After

Whitetail Industrial Park High Speed Network Infrastructure Construction.

New infrastructure to provide a fiber connectivity back-bone to the current and future businesses in the Whitetail Industrial Park was installed. The estimated cost of the project was \$74,287.62.



2nd Avenue North and North 12th Street Intersection. The intersection of 2nd Avenue North and North 12th Street was resurfaced with 2” asphalt or approximately 45.95 tons. Along with the road resurfacing 8 cross walks were brought up to ADA standards. The estimated project cost was \$27,000.



After

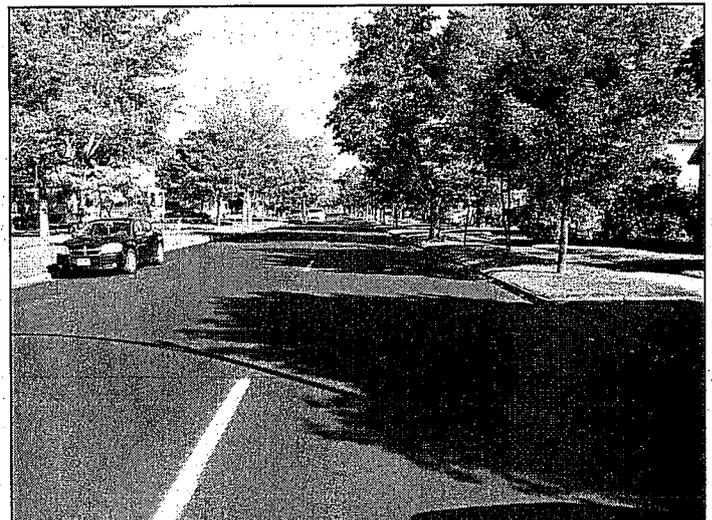
South 14th Street Improvement Project.

South 14th Street from 3rd Avenue South to 6th Avenue South.

The existing roadway surface was milled 2” and resurfaced with 2” of asphalt for 1450 linear feet. Approximately 760 tons of new asphalt was laid. Along with the road resurfacing, 28 crosswalks were brought up to ADA standards. Estimated project cost was \$135,000.

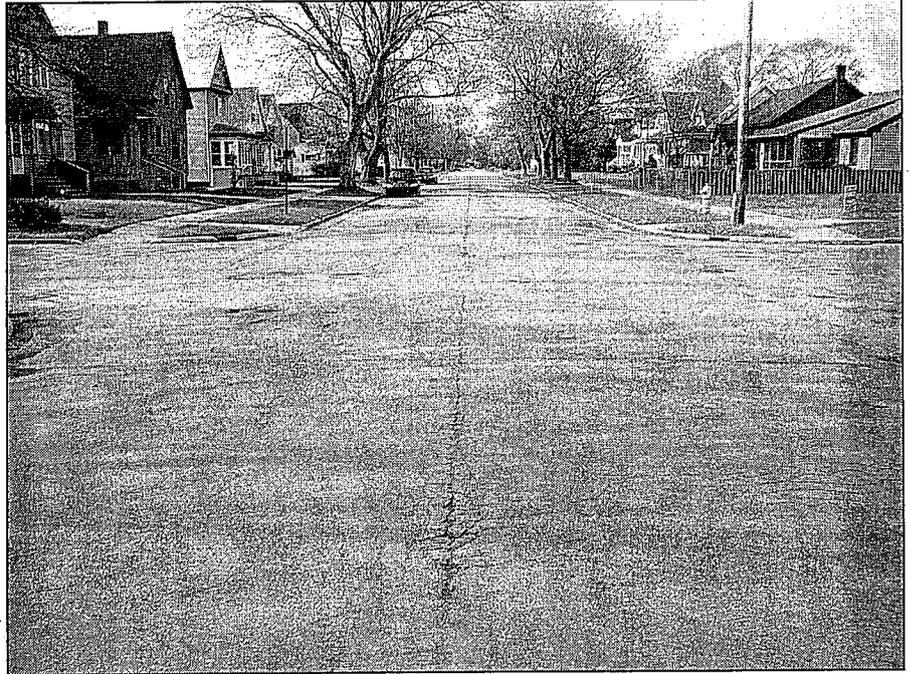


Before

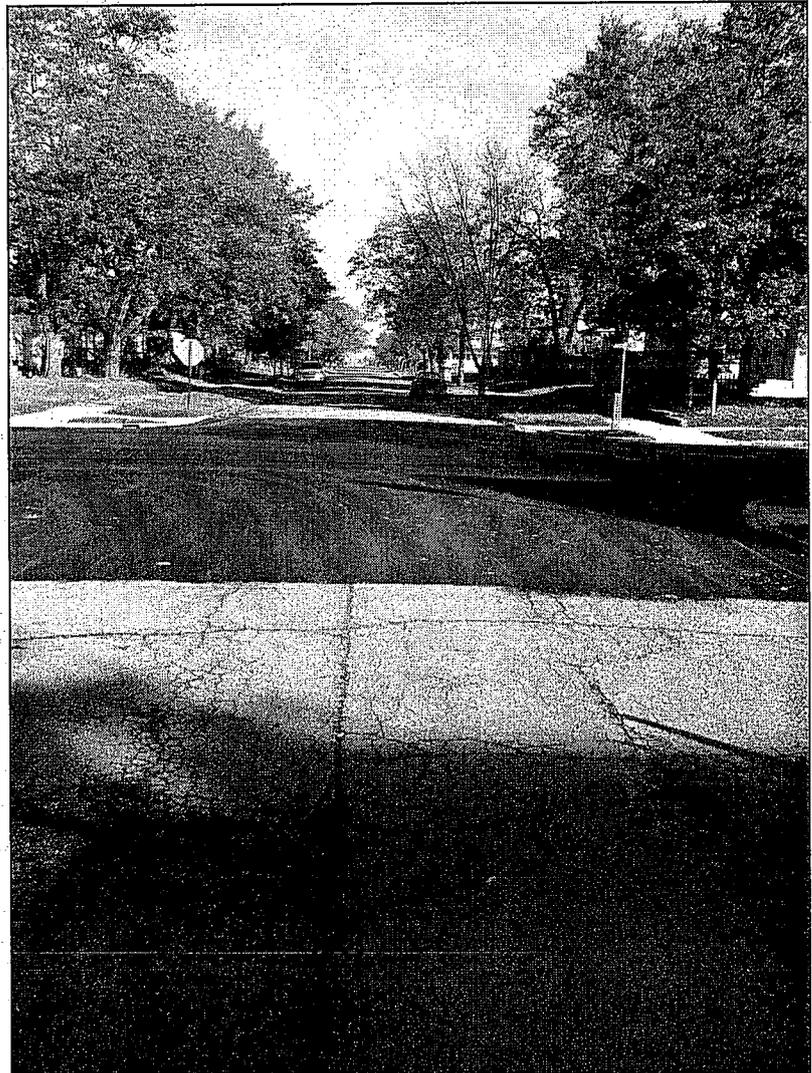


After

15th Avenue North and North 16th Street Intersection. The intersection of 15th Avenue North and North 16th Street was resurfaced with 2” of asphalt or approximately 45.81 tons. Along with the road resurfacing 8 cross walks were brought up to ADA standards. The estimated project cost was \$20,000.



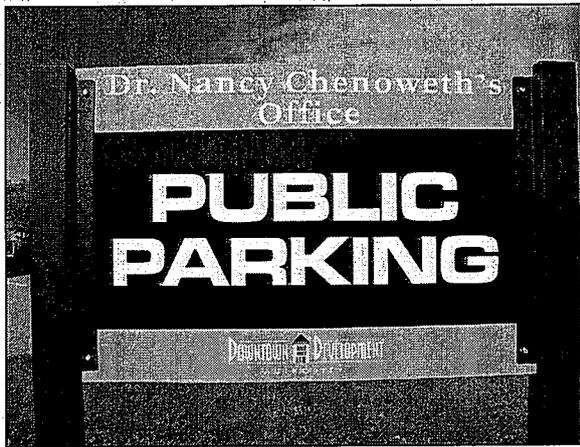
Before



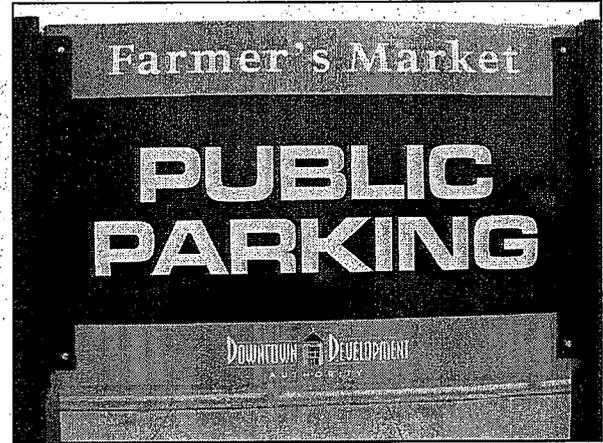
After

Parking Lot Improvements – All DDA Parking Lots.

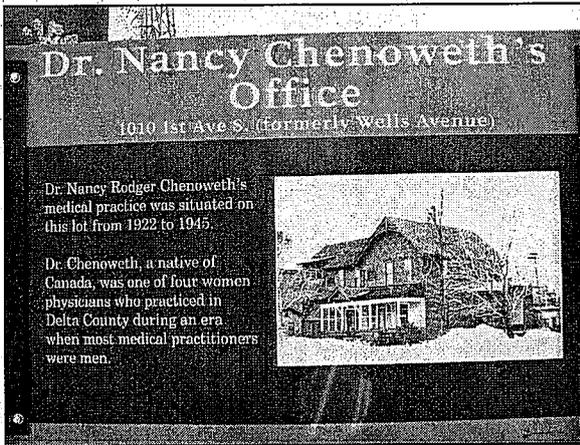
The DDA controlled parking facilities located at 100 block of 1st Avenue South, 1100 block of 1st Avenue North, North 14th Street and 1st Avenue North, South 10th Street and 1st Avenue South, North 9th Street and 1st Avenue North, South 8th Street and 1st Avenue South, 1st Avenue South and South 7th Street, 700 block 1st Avenue North and 600 block and 1st Avenue North have new historically themed signage that would raise the awareness of the public parking lots with the use of new directional signs on Ludington Street and parking lot signs at the public parking lots. The individual sites of the public parking lots all had significant historical events or structures that were at the original lot locations. Signs for Ludington Street directing public to the off Ludington Street parking area will also be included. General maintenance, seal coating, and stripping of lots will take place in the Spring 2016.



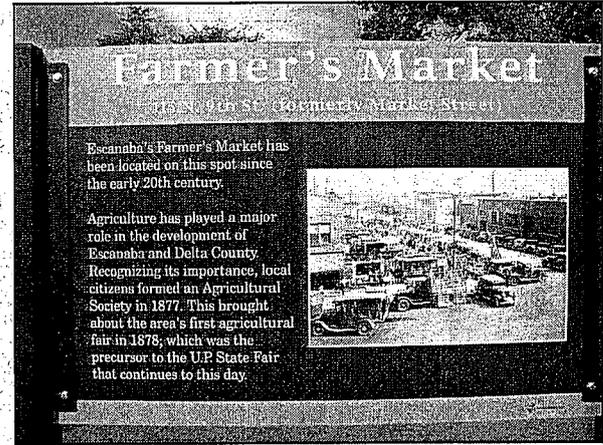
Front of Sign



Front of Sign



Back of Sign



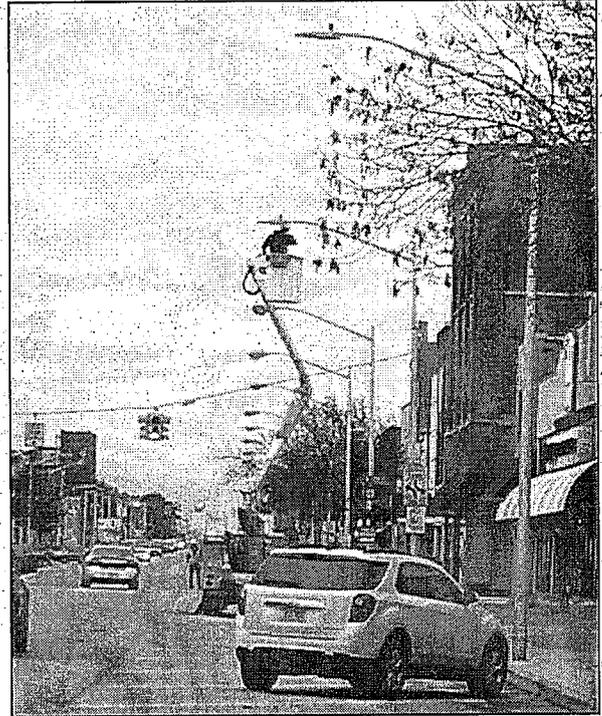
Back of Sign

Power Pole Replacement.

Within the Escanaba distribution system, many poles are approaching or have exceeded their expected life. Pole inspectors have identified poles within our system that need to be replaced. The total number of distribution poles tested in 2015 was 321. The number of distribution poles replaced in 2015 was 80.

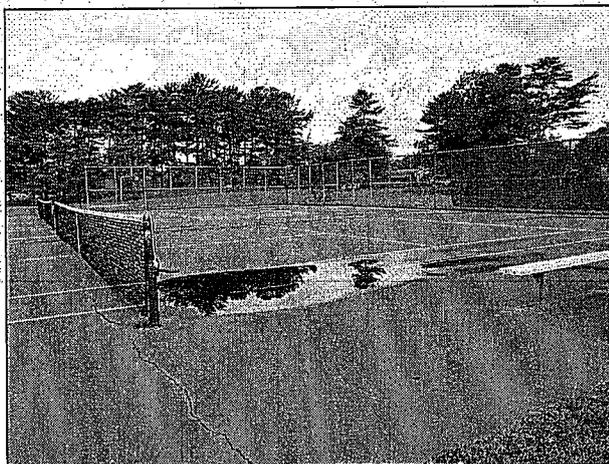
Street Light Replacement.

There have been great advancements made in LED street lighting over the past few years. These advancements resulted in better products and more affordable fixtures. Replacement of the existing HID street lights and dusk-to-dawn lights with LED equivalents continued. The City has approximately 1,550 street lights and 300 dusk-to-dawn lights on the distribution system. The number of street lights replaced with new LED lights in 2015 was 96.

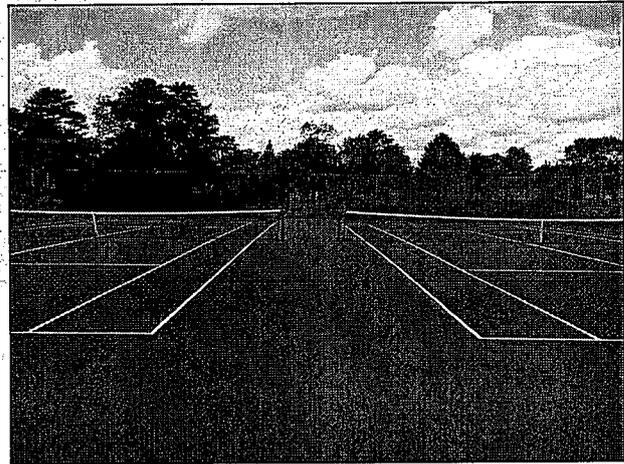


Veteran's Park Tennis Courts Resurfacing.

American Systems of Wisconsin, Inc. of Suamico, WI, provided all labor and materials, filing, resurfacing, and related work to restore the Veteran's Tennis courts. Work included power wash, crack filling, patching, fixing a 6' X 9' bird bath on the South court, two (2) coats dark green acrylic re-surfacer, and two (2) coats dark green acrylic color and 2" wide white playing lines painted. The court dimensions are 120' long X 110' wide. Total project cost was \$9,700.



Before



After

ANTICIPATED CAPITAL IMPROVEMENTS FOR SPRING 2016

Sanitary Sewer Main Replacement or Repair – Alley Between 22nd Avenue South and 23rd Avenue South Extending From Lake Shore Drive to 23rd Avenue South Lift Station.

The current sanitary sewer main is scheduled to be relined.

Sanitary Sewer Main Replacement or Repair – Mall Parking Lot Extending From or Around 2300 Ludington Street North to the 2500 Block 3rd Avenue North.

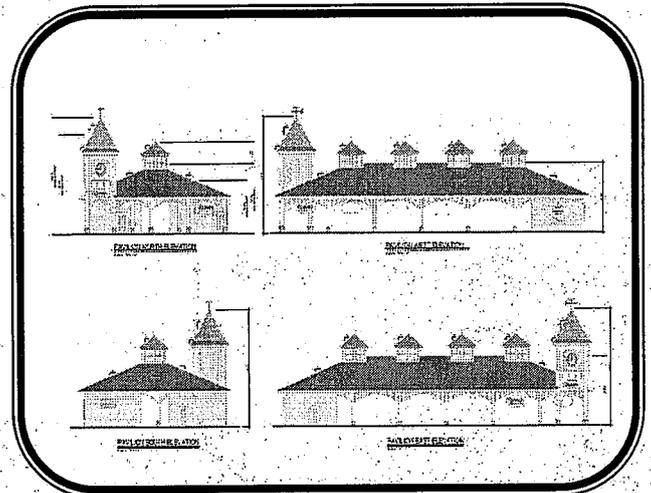
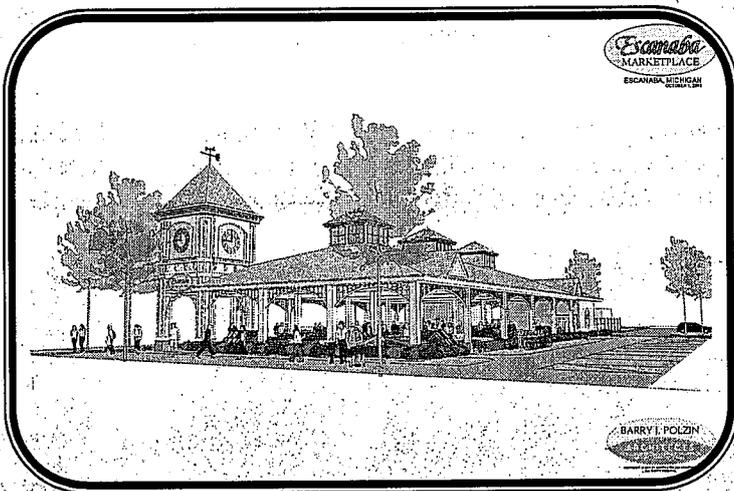
The current sanitary sewer main is scheduled to be relined.

Sanitary Sewer Main Replacement or Repair – Alley West of South 19th Street Extending From 8th Avenue South to 10th Avenue South.

The current sanitary sewer main is scheduled to be relined.

Downtown Market Place Construction Documents — Ludington Street, South 15th Street, and 1st Avenue South.

The DDA has retained the professional services of Mr. Barry Polzin, of Barry J. Polzin Architects, Marquette Michigan, to complete construction drawings for a proposed 8,046 square foot Market Place project with parking to be located on Ludington Street and South 15th Street. The project is expected to be let out for bid by February 15, 2016, with work commencing on or around April 15, 2016. The estimated cost of the project is \$1,062,300.



Marina Sidewalk Replacement.

Replacement sidewalk of approximately 430 feet by 8 feet wide will be installed at the Marina West seawall between docks one and two due to the settling and cracking of the existing sidewalk.

Ludington Park Nine Hole Disc Golf Concrete Tee Boxes.

Nine (9) 4" thick concrete "Tee Box" disc golf pads of various sizes will be installed in Ludington Park. Concrete tee-boxes will be flat and level with the ground as to not interfere with mowing or other maintenance operations. The concrete color will be green.

**Electrical Substation.**

Work will continue on a new substation. The substation will be built in the area of the old compost site off of 20th Avenue North. The substation will consist of one main transformer, which will feed up to four circuits.

Electrical Distribution System Repair – Ford River (along South M35).

The City of Escanaba provides electricity to parts of Ford River along South M-35. A 2,000' section of underground distribution cable located on the Breezy Point curve will be replaced with new 1/0 15kV cable.

RECOMMENDED 2016 PLANNING COMMISSION GOALS/OBJECTIVES

In 2016, the Planning Commission will continue working on becoming a "State of Michigan Redevelopment Ready Community". As a Redevelopment Ready Community, the City of Escanaba would become state certified for supporting community revitalization and the attraction and retention of business, entrepreneurs and talent throughout Michigan. The City of Escanaba is the 19th community in Michigan to be evaluated under the statewide program and on its way to becoming redevelopment ready. With a strong history of proactive planning and strong community vision outlined in our already existing planning documents, the city has positioned itself to strengthen local quality of life and built a reputation for being proactive and business friendly. Despite solid support for redevelopment projects, Escanaba still has work to do in order to receive certification from the state. To that end, the following activities will be worked on through the Planning Commission in 2016:

1. **Community Participation Plan Creation** The Planning Commission will create a Community Participation Plan, as part of the Community Master Planning Update process which will highlight and feature how local residents, elected officials, appointed officials, and boards and commissions engage each other throughout a planning and development process. The purpose of the plan is to make it easier for the public to get involved with planning the future of the City. This plan will take the community one step further by setting out exactly how the city will involve the community both in the way it plans for the future of the city and in how it puts those plans into action.

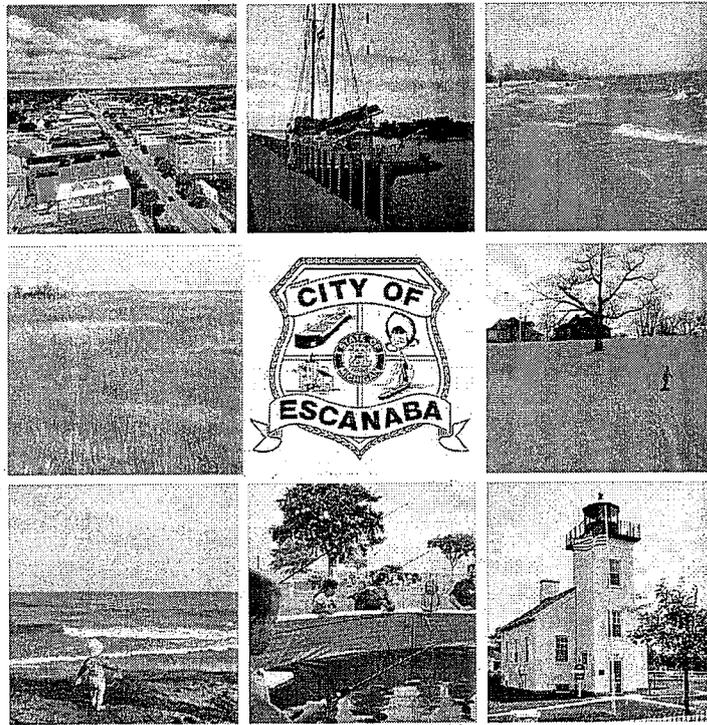
| Redevelopment Ready Communities | | | | | | | |
|--|--------------------|--|---|---------------------------|---------------------|---------------------------------|--------------------|
| Tasks To Be Completed | | | | | | | |
| | Objective | Evaluation Criteria | Recommended Actions for Certification | Primary Responsible Party | | | |
| | | | | City Council | Planning Commission | Down-town Development Authority | Historic Community |
| 1 | Plan review | The governing body has adopted a master plan in the past five years | Adopt an updated master plan in compliance with MPEA and Best Practice 1.1 | ✓ | ✓ | | |
| 2 | Zoning regulations | The governing body has adopted a zoning ordinance that align with the goals of the master plan | Review master plan goals and zoning regulations to ensure zoning ordinance regulates for the master plan vision | | ✓ | ✓ | ✓ |
| 3 | Zoning regulations | The zoning ordinance is user-friendly and accessible online | Add a use matrix or other element and streamline text to improve user-friendliness | | ✓ | | |
| 4 | Zoning regulations | The zoning ordinance includes flexible parking requirements | Add flexible parking standards | | ✓ | ✓ | |

| | | | | | | | |
|----|--|---|---|---|---|---|---|
| 5 | Zoning regulations | The zoning ordinance includes standards for green infrastructure | Incorporate green infrastructure standards into the zoning ordinance | | ✓ | ✓ | |
| 6 | Development review policy and procedures | The community has a method to track development projects | Develop a simple tracking mechanism for development projects | | ✓ | | |
| 7 | Development review policy and procedures | The community annually reviews the successes and challenges with the site plan review and approval procedures | Develop a customer feedback mechanism | | ✓ | | |
| 8 | Guide to Development | The community annually reviews the fee schedule | Review the fee schedule annually | ✓ | | | |
| 9 | Education and training | The community identifies needs and tracks attendance of the governing body, boards, commissions and staff | Develop a mechanism to track training needs and attendance | ✓ | ✓ | ✓ | ✓ |
| 10 | Redevelopment Ready Sites | The community gathers preliminary development research for prioritized redevelopment sites | Gather background information for specific priority sites | ✓ | ✓ | ✓ | ✓ |
| 11 | Redevelopment Ready Sites | The community identifies available resources and incentives for prioritized redevelopment sites | Identify available resources and incentives for priority redevelopment site | | ✓ | ✓ | ✓ |
| 12 | Marketing and promotion | The community has an updated, user-friendly municipal website | Reorganize municipal website to improve the user experience | ✓ | ✓ | ✓ | ✓ |
| | Public participation | The community has a public participation plan for engaging a diverse set of community stakeholders | Draft a public participation plan as outlined in Best Practice 1.2 | ✓ | ✓ | ✓ | ✓ |
| | Redevelopment Ready Sites | The community identifies and prioritizes redevelopment sites | Identify and prioritize redevelopment sites | ✓ | ✓ | | ✓ |
| | Redevelopment Ready Sites | A property information package for the prioritized redevelopment site(s) is assembled | Complete property information package for priority redevelopment site | | ✓ | ✓ | ✓ |
| | Redevelopment Ready Sites | Prioritized redevelopment sites are actively marketed | Post property information package on city's website | | ✓ | ✓ | ✓ |
| | Marketing and promotion | The community has developed a marketing strategy | Develop a unified marketing strategy as outlined in Best Practice 6.2 | ✓ | ✓ | ✓ | ✓ |

Community Master Plan Update. The Planning Commission will continue working on the Community Master Plan update. The Community Master Plan provides a long-range vision for the built environment of a community. It guides the appropriate use of lands within the City of Escanaba in order to protect the public health and safety and to promote general welfare. Among other issues, the Master Plan will identify:

- Suitable locations for commercial, housing, and mixed-use development
- Locations where the City should increase density, use redevelopment, or intervene in other ways
- Opportunities to extend and/or improve open space, recreational areas, and civic facilities
- Strategies from increasing economic development
- Environmental, historic, and cultural resources that need conservation
- Strategies for solving congestion and improving transit services.

City of Escanaba 2016 Master Plan



| PLANNING COMMISSION MEETINGS | | | |
|--|------|------|---|
| | 2014 | 2015 | |
| Regular Planning Commission Meetings | 8 | 10 | ↑ |
| Special/Joint Planning Commission Meetings | 2 | 3 | ↑ |

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Work Session Meeting
Wednesday, January 27, 2016**

Pursuit to a special meeting notice posted December 15, 2015, the meeting was called to order by the Honorable Mayor Marc D. Tall at 8:02 a.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau (Arrived at 8:05 a.m.) Ralph B. Blasier, Ronald J. Beauchamp, and Michael R. Sattem.

Absent: None

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

NEW BUSINESS

Discussion – 2016/2017 Operating Budget Preparation.

Administration led a discussion concerning the upcoming 2016-17 operating budget and sought Council input on items the Council as a whole would like to see considered for inclusion in the budget. Additionally, the various departments updated the Council on budgetary opportunities and challenges for the upcoming year. Administration discussed the following budgets with Council:

- Reviewed proposed budget schedules with departments and Council;
- City Controller Melissa Becotte proposed no significant changes other than an Auditor proposal;
- Assessor Daina Norden provided an update of the Assessor's budget, Dark Store issues and expenditure concern of continuing attorney fees, and veteran exemptions;
- City Clerk Richards updated Council on the proposed Clerk's Office budget, Election budget which included proposed capital expenditures for new State mandated voting machines, and proposed expenditures for network servers and anti-virus and GIS software. Council asked to see if the City Web Site could send text messages to the public when Council minutes and Agendas were available;
- City Treasure/Human Resources Director Robert Valentine provided an update on Human Resources, Utility Billing, departments. Mr. Valentine also commented on a proposal to allow the use of credit cards to pay monthly bills and property taxes, discussed proposed increases in the Public Safety and MERS pension payments. Council requested Mr. Valentine submit a cost analysis regarding the use of credit cards;
- City Recreation Director Kimberly Peterson reviewed Recreation budgets which included tennis courts repaving, Civic Center damaged floor replacement, and a proposal to have only one ice rink behind the Civic Center;

City Council Minutes
January 27, 2016 – cont.

- Public Safety Director Ken Vanderlinden reviewed the Public Safety proposed budgets which included the purchase of a new pumper truck, and increase in the Public Safety pension payments;
- Community Preservation, seeking blight removal funds;
- City Engineer/Public Works Department Bill Farrell reviewed proposed special assessments for streets which included North 26th Street for the new Meijers Store, proposed new furnace/air conditioner for the Engineering Department, proposed SAW Grant expenditures, and reviewed various budgets which included City Parks, Ludington Street project, Major Street projects, Garbage and recycling;
- Downtown Development Authority Director Edward Legault discussed the Escanaba Market Place project with an addition of a handicap park, current and future Downtown Facade Projects;
- Electric Superintendent Mike Furmanski reviewed proposed Electric Budget items which included the new substation project, and Administration update on the closing on the sale of the City Power Plant, and Insurance substation claim;
- Water/WasteWater Superintendent Jeff Lampi provided updates of State mandated Water Capital Improvement Plan, City water loss from broken pipes from winter freezing and replacement of City water meters, disinfection water products, proposal for a blended rate for water rates, SAW Grant expenditures for the Wastewater Plant and slip lining projects;
- City Library Director Carolyn Stacey and Manager O'Toole updated proposed Library budget which included proposed legislation for vanity vehicle plates that would provide small reimbursements to State Libraries, and Library Director Stacey advised the proposed 2016/17 Library Budget would request that the City maintain support at its current level and that the Library was making progress in building capacity through our Friends of the Library;
- Public Works Superintendent Bill Farrell provided an update on the City Equipment Fund proposal for new Public Safety Pumper, new leaf vacuum equipment, various city vehicles, and new salt brine street treatment program which included purchase of brine storage tanks;
- Administration reviewed other various funds which included Central Dispatch, EDA Revolving Loan Fund, Land Development Fund, UDAG and Marina budget proposals.

GENERAL PUBLIC COMMENT – None

Hearing no further public comment, the Council adjourned at 10:01 a.m.

Respectfully submitted,

Robert S. Richards
City Clerk

Approved: _____
Marc D. Tall, Mayor

NB #1
cc 2/4/16

MEMORANDUM

January 27, 2016

TO: James V. O'Toole, City Manager
FROM: Kim Peterson, Recreation Director *KP*
SUBJECT: Ludington Park Beach House Recreation Water Equipment RFP

Five bids were mailed on January 6, 2016, with one proposal being received from MISH Watersports of Wells, Michigan.

Administration is recommending MISH Watersports be granted the Ludington Park Beach House Recreation Water Equipment RFP for the upcoming summer season. MISH Watersports was awarded the RFP last year and there were no concerns.

Cost of \$100 a season is requested to help offset the utility costs.

ATTACHMENTS

NOTICE TO RECREATION WATER EQUIPMENT VENDORS

The City of Escanaba is seeking proposals from recreation water equipment vendors for the purpose of providing recreation water equipment in Escanaba's Ludington Park Beach House during the 2016 summer season. One successful vendor will be awarded exclusive recreation water equipment rights during the summer season.

Sealed proposals will be received by the City of Escanaba Clerk's Office in Room 101 of City Hall, 410 Ludington Street, Escanaba, Michigan, on or before 2:00 p.m. on Tuesday, January 19, 2016, for recreation water equipment at Ludington Park Beach House. The proposals will be publicly opened and read at said time and date. (FAX and E-MAIL transmittals will not be accepted.)

Recreation water equipment proposal forms and specifications are available at the City Clerk's Office, 410 Ludington Street or the Recreation Department Office, 225 North 21st Street. Proposals will not be considered unless the proposal form furnished by the City is properly completed and enclosed in a sealed envelope marked:

LUDINGTON PARK BEACH HOUSE RECREATION WATER EQUIPMENT

The City of Escanaba reserves the right to reject all proposals, or any part of any proposal and to waive irregularities in the proposals received.

Robert S. Richards
City Clerk

**SPECIFICATIONS, POLICIES AND GUIDELINES
FOR LUDINGTON PARK BEACH HOUSE
RECREATION WATER EQUIPMENT
2016 SUMMER SEASON**

1. **GENERAL INFORMATION:** The City of Escanaba is soliciting proposals from recreation water equipment vendors to provide recreation water equipment at the Ludington Park Beach House during the entire 2016 summer season. Ludington Park is a 120 acre city/regional park containing a variety of prime recreation and picnic facilities. Ludington Park services a population of approximately 30,000 persons in Delta County and is utilized daily by several hundred to several thousand users.

The City of Escanaba intends to award one seasonal vendor the right to rent recreation water equipment at the Ludington Park Beach House for the duration of the summer season. Proposals submitted will be evaluated upon several factors including selection of equipment, rental costs, anticipated days and hours the rental business operates at the Ludington Park Beach House and/or past performance with the City of Escanaba.

2. **PURPOSE/GOAL OF THIS CALL FOR PROPOSALS:** The City of Escanaba's purpose and goal of calling for recreation water equipment proposals for the Ludington Park Beach House 2016 summer season is two-fold:

- To serve the users of Ludington Park Beach House with recreation water equipment; and
- To structure the Specifications, Goals and Policies for recreation water equipment, outlined in this document, with sufficient options and flexibility to permit vendors the opportunity to maximize their business and serve the public.

3. **RECREATION WATER EQUIPMENT AREA:** The City intends to designate the Ludington Park Beach House interior area which is approximately 24' x 30'. If exterior property surrounding the Ludington Park Beach House is needed, such must be noted in proposal.

4. **VENDOR'S FEE:** The awarded recreation water equipment vendor shall submit a minimum \$100 fee in order for the City of Escanaba to consider awarding recreation water equipment rights within the Ludington Park Beach House. The appointed recreation water equipment's fees shall be retained by the City to offset incurred utility costs for the 2016 summer season.

5. **RECREATION WATER EQUIPMENT VENDOR'S SELECTION:** Vendor's proposals will be evaluated on a number of factors. Recreation water equipment selection offered by the vendor to the public will be evaluated. Provide a complete list of recreation water equipment selection within the proposal form.

6. **VENDOR'S DAYS/TIMES OF OPERATION:** Provide upon the proposal form, days of the week and daily times the rental operation is anticipated to be present and operational at the Ludington Park Beach House. This will be a critical factor in the City's evaluation of the recreation water equipment vendor's proposal as the City wishes the park/beach to be serviced with recreation water equipment at peak use times both during weekday evenings and on weekends. It is the intent of this paragraph to permit the vendor maximum flexibility to determine best days and times to have the rentals at the Ludington Park Beach House.

7. **INSURANCES:** The vendor shall provide, with this proposal, evidence of the following insurance policies/certification:

Workers Compensation

| | |
|------------|----------------------|
| Coverage A | Statutory – Michigan |
| Coverage B | \$100,000 |

Comprehensive General Liability

| | |
|-----------------|--|
| Bodily Injury | \$1,000,000 Combined Single Limits (minimum) |
| Property Damage | \$1,000,000 Combined Single Limits (minimum) |

Comprehensive Auto Liability

| | |
|----------------|--|
| Auto Liability | \$1,000,000 Combined Single Limits (minimum) |
|----------------|--|

Upon award of vending rights, the vendor shall provide the City of Escanaba with a current and updated Certificate of Insurance providing the minimum coverages, as specified. The City of Escanaba shall be named as "additional insured" to all policies.

8. **VENDOR'S HOURS OF OPERATION:** As per Section 6 of the Specifications, the vendor is to provide his/her anticipated hours of operation at the Ludington Park Beach House. Ludington Park hours are 7:30 a.m. to 11:00 p.m. seven days a week. Vendors may not be open for business outside these hours.

9. **SUMMER SEASON TERM DEFINED:** The summer season at the Ludington Park Beach House is defined as June 1st through August 23rd. The appointed vendor must rent recreation water equipment during this time period as a minimum and may also have rentals available, at his/her discretion before June 1st and beyond August 23rd.

10. **UTILITIES:** The City of Escanaba will provide an electric service connection for the recreation water equipment vendor at the Ludington Park Beach House at 110V. The City, however, is neither obligated nor responsible for service interruptions.

11. **TRASH AND LITTER:** Trash generated by vendors/customers must be bagged, tied, and disposed of daily.

12. **SUB-LEASING:** The successful vendor shall be prohibited from sub-leasing or in any way transferring his/her right to lease the Ludington Park Beach House to any other party or individual.
13. **CONDITION OF PREMISES:** Taking possession by lease of the Ludington Park Beach House by the vendor shall constitute acknowledgment that such premises are in good condition. Vendor shall accept the premises in its existing condition and the City shall not be required to make any alteration.
14. **QUALITY OF SERVICE:** All items rented by the vendor shall be of first class quality, and the services provided by the vendor shall be rendered courteously and efficiently. The City reserves the right to prohibit the rental of any item that it deems objectionable.
15. **APPEARANCE OF LEASED AREA:** The vendor shall submit a photo of the recreation water equipment that will be available with the proposal. The Ludington Park Beach House shall be kept in a neat and orderly fashion.
16. **PUBLICATIONS/PAMPHLETS:** Any publications and/or pamphlets must be reviewed by the Recreation Director prior to any distribution at the Ludington Park Beach House.
17. **SIGNAGE:** No off-site signage can be placed within the Ludington Park area or within City limits without a proper sign permit application filed.
18. **INDEMNIFICATION:** The vendor shall hold the City of Escanaba harmless from and shall defend and indemnify the City of Escanaba from and against all liability for injuries or deaths of persons or damage to property arising from activities under this assignment, including loss predicated on active or passive negligence of the City of Escanaba.
19. **COMMON TERN NESTING SEASON:** The Common Tern nesting season is from approximately May to July. All recreation water equipment shall stay at least fifty yards away from the islands in Portage Bay (south end of Aronson) and the sand pit at Portage Point. If there are no Common Tern nests, the restrictions can be waived which will be determined seasonally.

20. **CITY COORDINATOR:**
Kimberly Peterson, Recreation Director
Catherine Bonifas Civic Center
225 North 21st Street
Escanaba, MI 49829

Mail:
P.O. Box 948
Escanaba, MI 49829
Phone: (906) 786-4141
Fax: (906) 789-3798
E-mail: recreation@escanaba.org

LUDINGTON PARK BEACH HOUSE RECREATION WATER EQUIPMENT PROPOSAL FORM

I/We hereby submit the following proposal to provide recreation equipment rentals at the Ludington Park Beach House, Escanaba, Michigan, for the 2016 Summer Season:

| | | | | | | |
|--|---------------------------------|--------|---------------------|--------|---------------------|-------|
| Name of Company or Non-Profit Organization | <u>MISH Watersports</u> | | | | | |
| Name of Owner/Responsible Individual | <u>Rick Elrod, Jarred Drown</u> | | | | | |
| Address | <u>PO Box 270</u> | | | | | |
| City | <u>Wells, MI</u> | Zip | <u>49894</u> | | | |
| Phone | <u>616-566-8538</u> | (Home) | <u>515-999-6474</u> | (Work) | <u>515-999-6474</u> | (Fax) |
| E-Mail | <u>mish@mishwatersports.com</u> | | | | | |

VENDOR'S RECREATION WATER EQUIPMENT SELECTION: Provide a description of your selection:

Seven single sit on top style kayaks, four tandem sit on top style kayaks, four 10' stand up paddle boards, four 11' stand up paddle boards, two 9' youth stand up paddle boards, and four 12' performance stand up paddle boards. Lifejackets and paddles are provided to all customers.

DESCRIPTION OF VENDOR'S RENTAL UNIT: Provide a description of the rental unit, i.e.: physical size and appearance; facilities and equipment contained. Please include a photo.

8' long 26' long enclosed trailer to be parked on site near boat launch facility.

3' tall x 6' long wooden cashier desk, 6' tall x 8' long life jacket rack, and 8' tall x 4' wide television display to be placed inside the beach house.

VENDOR'S DAY/TIMES OF OPERATION: Provide a list of days/times your rental business is expected at the Ludington Park Beach House:

| <u>DAY</u> | <u>Hours of Operation</u> |
|------------|---------------------------|
| Monday | <u>11am - 8pm</u> |
| Tuesday | <u>11am - 8pm</u> |
| Wednesday | <u>11am - 8pm</u> |
| Thursday | <u>11am - 8pm</u> |
| Friday | <u>11am - 8pm</u> |
| Saturday | <u>11am - 8pm</u> |
| Sunday | <u>11am - 8pm</u> |

Provide dates when your rental business will not be available for service at the Ludington Park Beach House, i.e.: previous commitments:

None currently scheduled

INSURANCE POLICIES/CERTIFICATION:

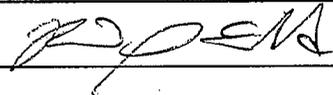
Current insurance certificates (copy) attached;

Do not have current insurance certificate, but will obtain insurances, as per specifications.

I/We have read and understood the **Specifications, Policies, and Guidelines for the Ludington Park Beach House Lease for Recreation Water Equipment - 2016 Summer Season**, and agree to all provisions contained within.

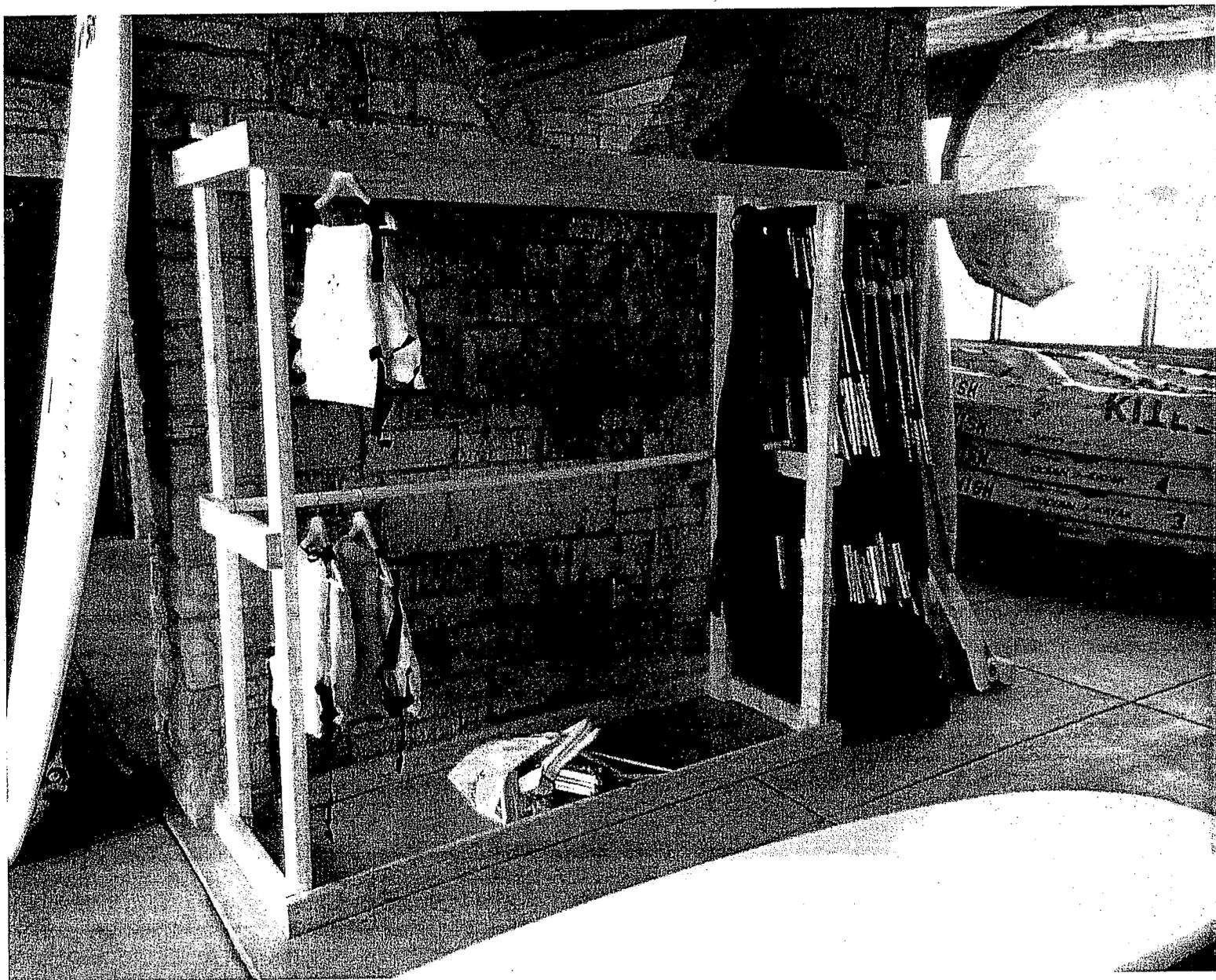
NAME OF COMPANY/ORGANIZATION MISH Watersports

NAME OF OWNER/REPRESENTATIVE Rick Elrod

SIGNATURE OF OWNER/REPRESENTATIVE 

DATE 1/18/2016





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/01/2015

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 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 CBIZ Insurance Services, Inc. 44 Baltimore St Cumberland, MD 21502 301 777-1500 | CONTACT NAME: John Buchanan | FAX (A/C, No): |
| | PHONE (A/C, No, Ext): 301 777-1500 | |
| | INSURER(S): AFFORDING COVERAGE | |
| | INSURER A: New Hampshire Insurance Co. | NAIC # 23841 |
| | INSURER B: | |
| | INSURER C: | |
| | INSURER D: | |
| | INSURER E: | |
| | INSURER F: | |

INSURED
Mish Watersports LLC
PO Box 279
Wellis, MI 49894

COVERAGES CERTIFICATE NUMBER: 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 INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|----------------------|-------------------------|-------------------------|---|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | RPA2070578100 | 06/04/2015 | 06/04/2016 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ UMBRELLA LIAB \$ EXCESS LIAB \$ AGGREGATE \$ WC STATUTORY LIMITS \$ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS UMBRELLA LIAB \$ EXCESS LIAB \$ AGGREGATE \$ W.C. STATUTORY LIMITS \$ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ | | | | | | |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below. | | | N/A | | | |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Certificate holder is added as an additional insured, but only for liability caused, in whole or in part, by the acts or omissions of the named insured. Coverage does not extend to the negligence or errors & omissions of the additional insured.

| | |
|---|--|
| CERTIFICATE HOLDER Clty of Escanaba 410 Ludington Street Escanaba, MI 49829 | CANCELLATION 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  |

NB#2
cc 2/4/16

MEMORANDUM

January 18, 2016

TO: Jim O'Toole, Robert Richards

FROM: Melissa Becotte

SUBJECT: TelNet PRI Contract Renewal

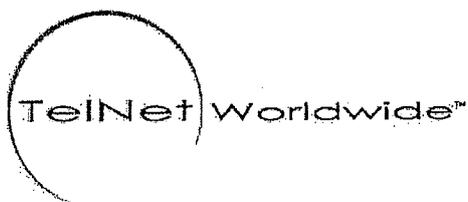
The City Hall/Library complex phones are services by PRI lines provided through TelNet. This contract provides an economical alternative for City telephone lines, but the only building that it works for is the City Hall/Library complex. That's because this contract represents a "bulk" purchase of phone lines to one location and this is our only building meeting their criteria.

TelNet is offering a three year contract with a decrease over the prior contract. In addition to providing us with 21 lines, it also provides free local calling. With monthly billings averaging \$525/month, the three year commitment would be approximately \$19,000.

I've attached a copy of the contract for your review.

I would ask that the renewal of our TelNet PRI contract be placed before the City Council at the February 4th regular council meeting.

TelNet Product/Service Agreement



QUOTE# TNR4596208
DATE 12/19/2015

Quote To:

City of Escanaba
 410 Ludington St
 Escanaba, MI 49829
 Tel 906-786-5911

Service Location:

City of Escanaba
 410 Ludington St
 Escanaba, MI 49829
 Tel 906-786-5911
 CLLI: ESCNMIMN - Tier3

TELNET PRI - 36 mo

| Qty | Description | Unit Price | Total |
|----------------------------------|-------------------------------|------------|-----------------|
| Monthly Recurring Charges | | | |
| 74 | DID | \$0.15 | \$11.10 |
| 9 | Additional Listing | \$6.00 | \$54.00 |
| 1 | Unlimited Local and IntraLATA | \$80.00 | \$80.00 |
| 1 | TelNet PRI | \$285.00 | \$285.00 |
| Total Recurring Charges | | | \$430.10 |

Usage

Local \$0.0000 / call
 Intralata \$0.0000 / min
 Intrastate \$0.0250 / min
 Interstate \$0.0250 / min
 Toll Free Intrastate \$0.0250 / min
 Toll Free Interstate \$0.0250 / min

Prices do not include shipping charges, regulatory fees, applicable taxes, administration or service fees, time and material charges or professional services. Additional charges will be assessed on the completion of the Order and are subject to change. Additional charges may include: \$0.15/mo per DID; \$9.50/mo per additional listing, non published and non-listed number; variable E911 charges based on ratecenter per E911 entry; \$0.99/mo recovery fee per E911 entry. Other charges may apply.

This order constitutes an offer which may be accepted only on the terms and conditions stated on the face of this document and on the attached MSA. The acknowledgement, acceptance, or confirmation used by Buyer shall be of no force or effect whatsoever, unless specifically agreed to in the MSA. This quote is good for 30 days from the quote date.

Note to Agents: Please scan signed document and upload into Compass or fax this completed form back to TelNet Worldwide at 248-485-1090.

Print Name _____

P.O.# _____

Signature _____

Date _____

Title _____



MASTER SERVICE AGREEMENT (MSA)

SERVICES PROVIDED

TelNet Worldwide, Inc. ("TelNet") agrees to provide to the "Customer" (defined as the party signing below and made a party to this Master Service Agreement), with various Telecommunications and Data services (the "Services") as indicated below for the location specified in this agreement.

TELNET PRI

The rates and charges for designated Services are specified in the attached Product/Service Agreement and in the appropriate tariffs.

TERM OF AGREEMENT

The initial term of agreement will begin with the date of installation and will continue for 36 months. Upon completion of the contract period this Agreement will automatically revert to the then current month-to-month rates.

CUSTOMER RESPONSIBILITIES

The Customer agrees to pay for and use the Services based on the following guidelines:

- According to the terms and conditions of this Agreement; and TelNet's general terms and conditions listed on www.telnetww.com which are made part of this Agreement;
- Customer agrees to pay for the Services provided at the rates described in the Product/Service Agreement plus any applicable taxes, fees and regulatory charges.
- Portions of the TelNet Services provided may be regulated services and if so, are governed by tariffs which are made part of this Agreement. Customer understands and agrees to abide by the terms set out in the TelNet tariffs, as applicable.
- Unless otherwise specified in writing, the Customer agrees to be responsible for obtaining and maintaining any equipment used to access, connect to or use the Services.
- Customer is responsible for the identification and payment of any termination fees to any 3rd party that may apply when switching to TelNet services.

CREDIT REVIEW

By signing below, the Customer gives TelNet permission to obtain credit information about the Customer. At its discretion and subject to state law, TelNet may decide not to provide service to the Customer based on the credit information obtained or to require a Customer to make a deposit.

TERMINATION WITHOUT LIABILITY

A. Customer may terminate this Agreement without liability for a Termination Fee for any of the following reasons:

- Customer signs a new MSA Agreement for the same or expanded TelNet Worldwide Services for a term equal to or greater than the term of the original Product/Service Agreement.
- TelNet fails to remedy a documented interruption of service within a reasonable time frame, as determined by TelNet Executive Management.

B. TelNet may terminate this Agreement and the Services for Customer's non-payment in accordance with its rights under its general terms and conditions and its tariffs. Upon termination of this Agreement by TelNet for non-payment, or by the Customer except under A above, the Customer shall be liable for the payment of all Services provided through the date of termination, plus any applicable Termination Fees under a Product/Service Agreement.

C. TelNet may terminate this Agreement without liability if TelNet determines that it is no longer able to offer a product or service due to cost or the product/service is no longer offered in a TelNet tariff. In this instance the Customer will not be liable for any Termination Fee.

TERMINATION WITH LIABILITY

Except as provided above, if Customer terminates the agreement prior to the expiration of its initial term or an Extension of the MSA, or if TelNet terminates the agreement due to non-payment, the Customer will owe TelNet the following Termination Fees per applicable Service: the monthly recurring charge (MRC) times the remaining number of months of the contract period per TelNet PRI, Voice and Data, Voice Service, VoIP, VoIP w/T1, Internet 1.5M, Internet 3.0M, Internet 4.5M, Internet 6.0M, Private Line, Data PRI, IP Drain Access, or Collocation services.

LIMITATION OF LIABILITY OF TELNET

In the event of an interruption in the Services provided, TelNet will use reasonable efforts to repair the interruption as soon as possible. TelNet will provide the Customer with any credits required by applicable law or tariff for interruptions in service. In no event (other than with respect to TelNet's willful misconduct or gross negligence) shall TelNet be liable for any incidental, indirect, special, or consequential damages of any kind whatsoever (including without limitation, lost revenue or profits) regardless of the cause or foresee-ability thereof. Credits within any one month will not exceed the total amount paid by the Customer for monthly service.

WARRANTY DISCLAIMER

WITH RESPECT TO THE SERVICES AND ANY TELNET FURNISHED EQUIPMENT, TELNET HEREBY DISCLAIMS, WITHOUT LIMITATION, ALL WARRANTIES NOT STATED HEREIN, WHETHER EXPRESS, IMPLIED OR STATUTORY, AND IN PARTICULAR DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. FURTHER, TELNET DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE, OR THAT THE CUSTOMER'S SOFTWARE OR 3RD PARTY APPLICATIONS WILL WORK IN ACCORDANCE WITH THE CUSTOMER EXPECTATIONS.

REGULATORY ACTIONS

A portion of TelNet's costs of providing the Services are set by regulatory agencies, legislative bodies and/or incumbent service providers. In the event that any regulatory agency, legislative body, court or incumbent service provider takes actions which increases the overall underlying costs or fees that TelNet must pay for purchasing or providing services, TelNet reserves the right to increase the service rates to Customer or modify its tariff pricing to cover such increases.

GENERAL PROVISIONS

This Agreement, the Product/Service Attachment and other terms expressly made a part of this Agreement constitute the entire agreement between TelNet and the Customer with respect to the Services. This Agreement supersedes any previous agreements for the same services between TelNet and Customer. Except as otherwise provided herein, any changes to this Agreement must be agreed to in writing by TelNet Executive Management. Any changes to this Agreement without said written approval make such changes null and void at TelNet's discretion. If the Customer wishes to assign this Agreement to a third party, it must first receive TelNet's written consent. Any notices required by this Agreement or a tariff shall be mailed as follows: TelNet Worldwide Inc., 1175 W. Long Lake Rd., Suite 101, Troy, MI. 48098

By signing below, the Customer agrees to be bound to the terms of this Agreement:

Authorized Signature

Date

Printed Name

Title

City of Escanaba

410 Ludington St Escanaba MI 49829

Company Name

Service Location Address, City, State, Zip