

**OFFICIAL PROCEEDINGS  
CITY COUNCIL  
CITY OF ESCANABA, MICHIGAN  
Regular Council Meeting  
Thursday, August 2, 2012**

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

Present: Mayor Leo J. Evans, Council Members, Walter A. "Pete" Baker, Patricia A. Baribeau, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: None

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

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

Baribeau moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to approve Special Meeting Minutes from July 11, 2012, and Regular Meeting Minutes from July 19, 2012, as submitted.

**ADJUSTMENTS TO THE AGENDA**

Baker moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

**CONFLICT OF INTEREST DECLARATION** - None

**BRIEF PUBLIC COMMENT** - None

**UNFINISHED BUSINESS** - None

**PUBLIC HEARINGS** - None

**NEW BUSINESS**

**Approval - Esky 150 Sesquicentennial Celebration.**

The Esky 150 Organization requested Council authorize the release of \$5,000 that has been budgeted for the upcoming Esky 150 Sesquicentennial Celebration. This will be the second of three payments.

**NB-1** Baker moved, Beauchamp seconded, **CARRIED UNIMOUSLY**, to authorize the release of \$5,000 that has been budgeted for the upcoming Esky 150 Sesquicentennial Celebration.

**Approval – Pawnbroker License - 1704 Ludington Street.**

Mr. Richard Semashko, owner of Wheels & Deals Pawn Shop, 1704 Ludington Street, sought renewal and Council approval to operate as a pawnbroker in the City of Escanaba. Once approved by Council, the Mayor will issue the license per City Ordinance. The Escanaba Department of Public Safety reviewed the application and recommended issuance of the license.

**NB-2** Nelson moved, Baker seconded, **CARRIED UNANIMOUSLY**, to approve Mr. Richard Semashko, owner of Wheels & Deals Pawn Shop, 1704 Ludington Street, renewal and to operate as a pawnbroker in the City of Escanaba.

**Approval – 2012/2013 Property and Liability Insurance Coverage Approval.**

Annually the City Council authorized the purchase of property/general liability insurance to cover all City operations. Administration recommended approval of an insurance contract with the Michigan Municipal Risk Management Authority (MMRMA) in the amount of \$238,045. This contract represented an increase in the premium of nearly \$1,900 or less than 1.0% over last year's rates. Despite the small increase in premiums, the City would see a decrease in the net MMRMA insurance costs of over \$113,000 when compared to last year. The purchase was included in the current operating budget.

**NB-3** Nelson moved, Beauchamp seconded, to approve of an insurance contract with the Michigan Municipal Risk Management Authority (MMRMA) in the amount of \$238,045.

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

Ayes: Nelson, Beauchamp, Baribeau, Baker, Evans

Nays: None

**MOTION CARRIED.**

**Update – Power Generation/Plant Operation Options – City Administration.**

Manager O'Toole updated the City Council and public on the sale of the Power Plant and related items. The regular Electrical Advisory Committee and Special Council meeting will meet next Wednesday, August 8, 2012.

**Discussion/Approval – Power Plant Sale - Amendment to Asset Purchase Agreement.**

Administration discussed a request from Escanaba Green Energy, LLC to extend the escrow deliverable date through August 31, 2012. The following was discussed:

- Reviewed Amendment to Asset Purchase Agreement which contained certain acknowledgements, agreements, waivers and amendments associated with the following proposed changes:
  - The City draws on Buyer's Security and retains \$200,000;
  - The City credits the \$200,000 against the Purchase Price if the deal closes:
  - The date for delivery of the escrow documents in Section 3.5 of the Amended Asset Purchase Agreement was pushed out to August 31, 2012;
  - The Purchase Price of the Power Plant was increased by \$100,000 to \$1,600,000, resulting in the amount to be deposited with the escrow agent being increased to \$1,400,000.
- City Attorney Peterson summarized Green Energy's inability to come up with funds to purchase. Negotiating committee wished to still try and secure a sale, but the Letter of Credit should be executed. The \$200,000 would be credited if funds were deposited into the escrow account, but an additional \$100,000 would be added to the sale price;
- The proposed amended Asset Purchase Agreement terms do not delay the sale of the Power Plant, which was proposed in September;
- MISO documents were processed;
- If the Power Plant sale fell through, it would be recommended a proposal be submitted to the voters in February 2013, for disposal of the Power Plant;
- Discussed not approving the amended Asset Purchase Agreement this evening, and to bring discussion to the Electrical Advisory Committee on August 8th;
- Charles DeTiege, President of Green Energy, stated all financing was completed and paperwork was submitted to FERC. Mr. DeTiege advised they were signing papers the following day and would know within two weeks regarding escrow funds.

Baker moved, Beauchamp seconded, to postpone the amendment to the Asset Purchase Agreement until August 8<sup>th</sup>, and discuss the decision with the City Negotiating team and Electrical Advisory Committee.

Ayes: Baker, Beauchamp  
Nays: Baribeau, Nelson, Evans

**MOTION FAILED.**

- NB-5** Nelson moved, Baribeau seconded, to approve an amendment to the Asset Purchase Agreement with Escanaba Green Energy, LLC, and extend the escrow deliverable date to August 31, 2012.

Ayes: Nelson, Baribeau, Beauchamp, Evans  
Nays: Baker

**MOTION CARRIED.**

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

Mayor Evans, with Council consensus, appointed the following to the Recreation Advisory Board:

Randy Kleiman and Jonathan Harris to the Recreation Advisory Board terms ending June 2014, and June 2015 respectively.

### **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**

- Encouraged members of the public to attend area activities this weekend, FLW Walleye Fishing Tournament, Michigan/Wisconsin Tennis Tournament, Art in the Park, Marina Fest, Aviation Day, and Pedals by the Bay;
- Everyone was asked to get out and vote on August 7<sup>th</sup>;
- Council Members expressed their sympathy to the Family of Neil Carlson upon his passing.
- Planning Commission meeting on August 9<sup>th</sup> to discuss Street Paving priorities.

Hearing no further public comment, the Council adjourned at 7:47 p.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

Approved: \_\_\_\_\_  
Leo J. Evans, Mayor