

**OFFICIAL PROCEEDINGS  
CITY COUNCIL  
CITY OF ESCANABA, MICHIGAN  
Regular Council Meeting  
Thursday, October 18, 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, Assistant City Attorney John Reardon, City Department Heads, media, and members of the public.

Reverend Scott Harmon of the Central United Methodist Church gave the invocation and City Clerk Richards led Council in the Pledge of Allegiance.

Nelson moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting Minutes from October 4, 2012, and Special Meeting Minutes from October 8, 2012, as submitted.

**ADJUSTMENTS TO THE AGENDA**

Council Member Beauchamp asked that a discussion on the Open Meetings Act as it pertains to Closed Sessions and Labor Negotiations be placed on Next Council Agenda.

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

**CONFLICT OF INTEREST DECLARATION** – None

**PRESENTATION**

Public Safety Citizen Life Saving Award was presented to Collyn Olson by Captain Jamie Segorski. In the late evening hours of Friday, September 14, 2012, Escanaba Public Safety Officers, with the assistance of the Ford River Township Volunteer Fire Department, battled a two-story apartment complex fire. The fire was primarily contained on the second story in the North end apartment occupied by the Erin Lee family. Ms. Lee was working that evening at a local business when the fire erupted. Her son, Collyn was nearly asleep when he heard "crackling" sounds within his bedroom walls. Collyn immediately went to the living room to awaken his Aunt Melissa whereby they hurriedly assisted Collyn's two sisters and Melissa's daughter out of the apartment. Collyn then ran to where his mother was working and had her call 911. His heroic actions saved both lives and property. Therefore, it was with honor Collyn Olson be awarded the Department ***Life Saving Award***.

**BRIEF PUBLIC COMMENT**

Jonathan Harris, from the Recreation Advisory Board, encouraged Council support of the 9 Basket Gold Disc Golf Course in Ludington Park.

**UNFINISHED BUSINESS** - None

**PUBLIC HEARINGS**

**Public Hearing – Consideration of Exemption for New Personal Property.**

Besse, LLC, Besse Wood Products, Inc., DBA Besse Forest Products Group, an eligible business, requested exemption from taxation for Qualified New Personal Property as pursuant to PA 328 of 1998 for their property located at 1720 North Lincoln Road, parcel number 051-420-2918-300-010. This property was located in an Industrial Development District.

City Assessor Daina Norden briefly reviewed details of the personal property tax exemption with Council.

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

Vicki Schwab, of the Delta County Economic Development Alliance, spoke in support of the Besse Forest Group Personal Property Exemption.

Hearing no further public comment, Mayor Evans closed the public hearing.

**PH-1** "By Council Member Nelson, seconded by Council Member Baribeau;

**RESOLUTION TO GRANT BESSE LLC, INC.  
ABATEMENT OF QUALIFIED NEW PERSONAL PROPERTY**

**Whereas,** Pursuant to P.A. 328 of 1998, City Council has the authority to grant an exemption from the collection of taxes on all new personal property of an eligible business in an industrial development district within the City of Escanaba; and

**Whereas,** BESSE, LLC, is an eligible business located within an industrial development district established by this Council on October 8, 2012, and is primarily a hardwood sawmill operation; and

**Whereas,** Written notice has been given by mail to all owners of real property located within the district and to the public by newspaper advertisement in the Daily Press public posting of the hearing on granting the proposed abatement; and

**Whereas,** On October 18, 2012, a public hearing was held at which the assessor and the representatives of all affected taxing units, as well as all residents and taxpayers of the City of Escanaba, were afforded an opportunity to be heard thereon; and

**Whereas,** The Escanaba City Council deems it to be in the public interest of the City of Escanaba to grant an Abatement of Qualified New Personal Property to BESSE, LLC, as proposed,

**Now, Therefore, Be It Resolved** by the City Council of the City of Escanaba that BESSE LLC,

Be and hereby is granted for a period of twelve (12) years an exemption from the payment of property taxes on all new personal property purchased or leased for use at the existing manufacturing plant located at 1720 North Lincoln Road in the City of Escanaba, Delta County, and State of Michigan, and further described as:

PRT SE1/4 OF SEC 13 T39N R23W & PRT SW1/4 SEC 18 & NW1/4 SEC 19 T39N R22W DESC AS; COM @ SW COR SEC 18 TH N0°14'E 224.38 FT TH N88°39'W 20.65 FT TO E RW HWY US2&41&M35 AND THE POB TH N23°09'W 131.88 FT TH S88°39'E 413 FT TH N0°14'E 30 FT TH S88°39'E 954 FT TH S0°05'E 351.30 FT TH N85°06'20"E 319.38 FT TH S75°00'38"W PAR W/ & 130 FT N OF CL MOST NLY TRK OF WI CENTRAL RR 1262.37 FT TO BEG OF 1087.68 FT RAD CURVE TO RT CHORD S79°37'28"W 175.07 FT TH S84°05'43"W 1.43 FT TO ELY RW SD HWY TH N23°09'W 612.56 FT TO POB 16.36 AC M/L

Upon a call of the roll, the vote was:

Ayes: Nelson, Baribeau, Baker, Beauchamp, Evans  
Nays: None

**RESOLUTION DECLARED ADOPTED.**

**Public Hearing – Consideration of an Industrial Facility Tax Exemption.**

Besse, LLC, Besse Wood Products, Inc., DBA Besse Forest Products Group, an eligible business, requested an IFT exemption for new buildings as pursuant to PA 198 of 1974 for their property located at 1720 North Lincoln Road, parcel number 051-420-2918-300-010. This property was located in an Industrial Development District. The exemption requested was for 12 years. The IFT Exemption would give them approximately 50% reduction of taxes on only the new buildings added to their property. All current taxes being paid would continue as they were.

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

City Assessor Daina Norden briefly reviewed details of the real property tax exemption with Council.

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

No public comment was heard.

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

**PH-2** “By Council Member Beauchamp, seconded by Council Member Baribeau;

**CITY OF ESCANABA RESOLUTION APPROVING  
THE APPLICATION OF BESSE, LLC.  
FOR A NEW FACILITY REAL PROPERTY EXEMPTION**

**WHEREAS,** Pursuant to Public Act No. 198 of 1974, MCL 207.551 et seq., after a duly noticed public hearing held on October 8, 2012, this City Council, by resolution, established an Industrial Development District as requested by BESSE, LLC; and

**WHEREAS,** BESSE, LLC, has filed an application for an Industrial Facilities Exemption Certificate with respect to a new facility to be acquired and installed within the Industrial Development District; and

**WHEREAS,** Before acting on said application, the City of Escanaba held a hearing on October 18, 2012, at the City Hall, 410 Ludington Street, in Escanaba at 7:00 p.m., for which hearing the applicant, assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard at said hearing on said application; and

**WHEREAS,** Construction of the facility and/or installation of new machinery and equipment had not begun earlier than six (6) months before October 18, 2012, the date of the acceptance of the application for the Industrial Facilities Exemption Certificate; and

**WHEREAS,** Completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood of retaining, creating, or preventing the loss of employment in the City of Escanaba; and

**WHEREAS,** The aggregate State Equalized Valuation (SEV) of real and personal property exempt from ad valorem taxes within the City of Escanaba, after granting this certificate, will not exceed five percent (5%) of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property exempted under Act 198, 1974, or potentially exempted under Act 146, 2000.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Escanaba that:

The City Council finds and determines that the granting of the Industrial Facilities Exemption Certificate considered, together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974

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shall not have the effect of substantially impeding the operation of the City of Escanaba or of impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Escanaba.

The application of BESSE, LLC, for an Industrial Facilities Exemption Certificate with respect to a new facility to be acquired and installed on the following described parcels of real property situated within the City of Escanaba:

PRT SE1/4 OF SEC 13 T39N R23W & PRT SW1/4 SEC 18 & NW1/4 SEC 19 T39N R22W DESC AS; COM @ SW COR SEC 18 TH N0°14'E 224.38 FT TH N88°39'W 20.65 FT TO E R/W HWY US2&41&M35 AND THE POB TH N23°09'W 131.88 FT TH S88°39'E 413 FT TH N0°14'E 30 FT TH S88°39'E 954 FT TH S0°05'E 351.30 FT TH N85°06'20"E 319.38 FT TH S75°00'38"W PAR W/ & 130 FT N OF CL MOST NLY TRK OF WI CENTRAL RR 1262.37 FT TO BEG OF 1087.68 FT RAD CURVE TO RT CHORD S79°37'28"W 175.07 FT TH S84°05'43"W 1.43 FT TO ELY R/W SD HWY TH N23°09'W 612.56 FT TO POB 16.36 AC M/L

The Industrial Facilities Exemption Certificate, when issued, shall be and remain in force and effect for a period of twelve (12) years beginning December 30, 2012, and ending December 31, 2024."

Be and the same is hereby approved.

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

Ayes: Beauchamp, Baribeau, Baker, Nelson, Evans  
Nays: None

**RESOLUTION DECLARED ADOPTED.**

### **NEW BUSINESS**

#### **Approval – 9 Basket Golf Disc Course - Ludington Park.**

Administration sought Council approval to have a 9 Basket Golf Disc Course installed in Ludington Park. On September 11, 2012, the Recreational Advisory Board met and recommended Council approval. On October 11, 2012, the Planning Commission met and also recommended Council approval.

City Recreation Director Tom Penegor and Recreation Board Member Jonathan Harris commented on the 9 Basket Golf Disc Course and provided a brief demonstration.

**NB-1** Baker moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to approve to have a 9 Basket Golf Disc Course installed in Ludington Park.

**Approval - Purchase of Service Credit - Municipal Employees Retirement System (MERS).**

Administration sought Council approval of a resolution which would allow Kevin Ladouceur, an Equipment Repairman III with the Department of Public Works, to purchase 1.5 years of generic service time as provided for in Section 16(g) of the Teamster's Labor Agreement. If approved, there will be no direct cost to the City.

**NB-2** "By Council Member Nelson, seconded by Council Member Baker;

**Resolved,** That the Escanaba City Council hereby approves the purchase of 1.5 years of generic service time as provided for in Section 16(g) of the Teamster's Labor Agreement by Equipment Repairman III Kevin Ladouceur.

The vote was as follows:

Ayes: Nelson, Baker, Baribeau, Beauchamp, Evans  
Nays: None

**RESOLUTION DECLARED ADOPTED.**

**Approval – Lease – Delta County Historical Society Foundation – Museum Expansion Project.**

Administration sought Council approval to lease City-owned property to the Delta County Historical Society Foundation for the purpose of operating a museum and expanding the existing building to meet the needs of the organization.

Mr. Bloomquist, of Bloomquist Architects, summarized the renovation project. He advised the proposed construction would begin in November 2012, and would conclude in the Spring of 2013.

City Manager O'Toole reviewed the terms of the lease agreement with Council.

Charles Lindquist, President of the Delta County Historical Society, thanked everyone involved with the project.

**NB-3** Baribeau moved, Nelson seconded, to approve a 50 year lease of City-owned property to the Delta County Historical Society Foundation for the purpose of operating a museum and expanding the existing building to meet the needs of the organization.

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

Ayes: Baribeau, Nelson, Baker, Beauchamp, Evans  
Nays: None

**MOTION CARRIED.**

**Approval – Professional Services - Acuitas LLC.**

Administration sought Council approval to continue a professional service agreement with Acuitas, LLC of Lansing, MI in the amount of \$2,800 monthly so that efforts in creating legislation which would support the development of the Escanaba working waterfront can continue along with developing a regional economic development strategy.

Manager O'Toole reviewed details of the service agreement, and legislation, for possible proposed regional economic development strategy.

**NB-4** Baribeau moved, Beauchamp seconded, to approve to continue a professional service agreement with Acuitas, LLC of Lansing, MI in the amount of \$2,800 monthly so that efforts in creating legislation which would support the development of the Escanaba working waterfront can continue along with developing a regional economic development strategy.

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

Ayes: Baribeau, Beauchamp, Baker, Nelson, Evans  
Nays: None

**MOTION CARRIED.**

**Approval– Main Gate Replacement – Waste Water Department.**

Administration sought Council approval to retain Delta Fence of Escanaba, MI to install a new aluminum gate with 1 HP Doorking opener at the Waste Water Plant in the amount of \$9,424.12. This purchase was included in the current fiscal year operating budget.

**NB-5** Nelson moved, Baker seconded, to approve to retain Delta Fence of Escanaba, MI to install a new aluminum gate with 1 HP Doorking opener at the Waste Water Plant in the amount of \$9,424.12.

Water Superintendent Jeff Lampi briefly reviewed the need to install the gate for increased security around the facility.

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

Ayes: Nelson, Baker, Baribeau, Beauchamp, Evans  
Nays: None

**MOTION CARRIED.**

**Approval – Hardware/Software Upgrade – Controller’s Office/Utility Department.**

Administration sought Council approval to contract with Civic Systems, LLC of Madison, WI and DS Tech of Escanaba, MI in an approximate amount of \$46,000 for the delivery of Casselle accounting software, upgrades to the existing Casselle software, and related hardware within the Controller’s Office and Utility Department. This purchase was included in the current fiscal year operating budget.

City Controller Mike Dewar reviewed details of the proposed project.

**NB-6** Nelson moved, Baribeau seconded, to approve to contract with Civic Systems, LLC of Madison, WI and DS Tech of Escanaba, MI in an approximate amount of \$46,000 for the delivery of Casselle accounting software, upgrades to the existing Casselle software, and related hardware within the Controller’s Office and Utility Department.

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

Ayes: Nelson, Baribeau, Baker, Beauchamp, Evans  
Nays: None

**MOTION CARRIED.**

**Approval - State of Michigan Medical Marijuana Act Council Resolution.**

Council Members discussed a resolution pertaining to the State of Michigan Medical Marijuana Act. Members stated this was a Social Economic Emergency Issue. The resolution supported changes to the State of Michigan Medical Marijuana Act and related regulations which would add clarity and certainty to protect qualifying patient’s safe and legal access to medical marijuana and safeguard the interest of the local community. During discussion, the following items were reviewed:

- Asked neighboring communities to also support the resolution;
- Discussed a need for citizen input. It was suggested to schedule a public hearing at the next regular Council Meeting;
- Discussed the need to cite certain actions in the resolution;
- Existing law had loop holes and was posing problems;
- May run into problems with medical privacy issues;
- Urge adoption, it’s a resolution to the State of Michigan. Action needed to be done;
- There was empathy for individuals who had the need for Medical Marijuana.

After discussion, Council Member Nelson moved, seconded by Mayor Evans, to approve a resolution which supports changes to the State of Michigan Medical Marijuana Act (MMMA) and related regulations which would add clarity and certainty to protect qualifying patient’s safe and legal access to medical marijuana and safeguard the interest of the local community.

## MEDICAL MARIJUANA ACT RESOLUTION

**WHEREAS**, On November 4, 2008, by 63 percent of votes, Michigan voters affirmatively voted yes to Proposal No. 1, the Medical Marijuana Act.

**WHEREAS**, On November 4, 2008, by 56 percent of votes, Delta County voters affirmatively voted YES to Proposal No. 1, the Medical Marijuana Act.

**WHEREAS**, On November 4, 2008, by 56 percent of votes, City of Escanaba voters affirmatively voted YES to Proposal No. 1, the Medical Marijuana Act.

**WHEREAS**, The Escanaba City Council supports the voter approved right for those with certain terminal or debilitating chronic conditions to obtain medical marijuana for personal use.

**WHEREAS**, Ever since the passage of the law, numerous questions have arisen about the enforcement of the law, its impact and unintended consequences on local communities and the regulation of medical marijuana dispensaries.

**WHEREAS**, It is the position of the Escanaba City Council that portions of the law, regulations and its administrative rules are vague and confusing for patients, providers, local units of government and law enforcement agencies.

**WHEREAS**, It is the belief of the Escanaba City Council that the State of Michigan Attorney General Bill Schuette, has opined that the MMMA does not codify a right to use marijuana; instead, it merely provides a procedure through which seriously ill individuals using marijuana for its palliative effects can be identified and protected from persecution under state law.

**WHEREAS**, The Escanaba City Council supports changes to the law and regulations which add clarity and certainty to protect not only a qualifying patient's safe and legal access to medical marijuana but the community in general by:

1) Providing greater insulation from the production, processing, and dispensing of medical marijuana in residential neighborhoods.

2) Providing greater insulation from the production, processing, and dispensing of medical marijuana near schools, daycares, playgrounds and other similar uses that are frequented by children.

3) Providing rules which prohibit the discharge of noxious smoke and odors directly upon abutting or adjacent to public or private property or that of another tenant or building occupant.

4) Providing measures which allows law enforcement access to nonpublic information so as to streamline law enforcement response to marijuana complaints, which will assist in both the safety of citizens and law enforcement, by: 1) insuring unnecessary processing of search warrants, 2) insuring that law enforcement is not wasting valuable and limited resources investigating an "allowed" and bona fide marijuana grow operation, 3) establishing who the bona fide users are and locations where marijuana is being manufactured.

5) Insuring a bona fide physician-patient relationship exists by having doctors more involved in a patients need for the treatment.

6) Insuring that an enclosed locked facility means a closet, room, or other comparable stationary and fully enclosed area equipped with secured locks or other functioning security devices that permit access only to the registered primary caregiver or registered qualifying patient.

7) Requiring a primary caregiver to be a Michigan resident who is at least 21 years old and has never been convicted of a felony.

8) Requiring a qualifying patient to be a Michigan resident who has been diagnosed by a physician as having a debilitating medical condition.

9) Requiring the State of Michigan to process primary caregiver and qualifying patient registry identification cards in a more timely fashion as specified by the law.

**WHEREAS**, The City of Escanaba asks that Governor Rick Snyder create a Statewide Medical Marijuana Task Force, consisting of representatives from local units of government, law enforcement, the physician/medical profession, business community, Non-profit organizations serving patients with chronic illness and patients with a chronic illness to study and review the law and regulations and provide the Governor's Office with written feedback and recommendations for changes to the Medical Marijuana Act which uniformly resolves the conflicts and disputes found in the Act.

**NOW, THEREFORE, IT BE RESOLVED**, by the City Council of the City of Escanaba this resolution is forwarded to Governor Rick Snyder, Senator Tom Casperson, and Representative Ed McBroom for immediate consideration and action.

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

Ayes: Nelson, Evans, Baker, Baribeau, Beauchamp

Nays: None

**RESOLUTION DECLARED ADOPTED.**

**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.

**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**

- Reviewed upcoming City Board and Commission Meetings;
- Condolences was given to Manager O'Toole on the loss of his Grandmother;
- Leaf Collection would begin next week, and continue for four weeks;
- Happy and Safe Halloween. Trick or Treating was scheduled for 5:00 to 7:00 p.m.

Hearing no further public comment, the Council adjourned at 8:51 p.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

Approved: \_\_\_\_\_

Leo J. Evans, Mayor