

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, February 7, 2013**

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 Richards gave the invocation and led Council in the pledge of allegiance.

Nelson moved, Baker seconded, **CARRIED UNANIMOUSLY**, to approve Special Meeting Minutes from January 16, 2013, and Regular Meeting Minutes from January 17, 2013, as submitted.

ADJUSTMENTS TO THE AGENDA

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

CONFLICT OF INTEREST DECLARATION – None

AWARD PRESENTATION

Mayor Evans presented a Certificate of Meritorious Service to Eagle Scouts Gabe Ostrenga and Michael Whitman for their involvement and participation with Troop 414 in repairing and renovating twenty-five picnic tables from Ludington Park. The distinctive accomplishment reflected credit upon themselves and the community.

BRIEF PUBLIC COMMENT – None

UNFINISHED BUSINESS – None

PUBLIC HEARINGS – None

NEW BUSINESS

Approval – AT&T Centrex Contract - Renewal.

Administration sought Council approval of a three (3) year contract with AT&T for telephone line service and long distance services at the current contract rates. This purchase was included in the current operating budget.

NB-1 Nelson moved, Baribeau seconded, to approve of a three (3) year contract with AT&T for telephone line service and long distance services at the current contract rates.

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

Ayes: Nelson, Baribeau, Baker, Beauchamp, Evans

Nays: None

MOTION CARRIED.

Approval – MERIT Network Internet Contract and City Network Reconfiguration.

Administration sought Council approval to enter into a one (1) year contract with MERIT Network, of Ann Arbor, MI, to provide internet bandwidth to the City of Escanaba in an amount not to exceed \$5,700, with a \$1,150 implementation fee. Additionally, Administration sought Council approval to retain DSTech of Escanaba, MI, to reconfigure the City network control to the City Hall in an amount not to exceed \$2,800.

NB-2 Nelson moved, Beauchamp seconded, to approve to enter into a one (1) year contract with MERIT Network, of Ann Arbor, MI, to provide internet bandwidth to the City of Escanaba in an amount not to exceed \$5,700, with a one time implementation fee of \$1,150, and further gave approval to retain DSTech of Escanaba, MI, to reconfigure the City network control to the City Hall in an amount not to exceed \$2,800.

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

Ayes: Nelson, Beauchamp, Baker, Baribeau, Evans

Nays: None

MOTION CARRIED.

Approval – MERIT Network MeritMail Archive and MERIT Network MeritMail eDiscovery.

Administration sought Council approval to enter into an annual contract with MERIT Network, of Ann Arbor, MI, to provide MeritMail Archiving and eDiscovery for staff accounts at an annual cost of \$ 3,600 with a \$3.00 per account recurring cost and a one-time \$650 implementation fee.

NB-3 Beauchamp moved, Baribeau seconded, to enter into an annual contract with MERIT Network, of Ann Arbor, MI, to provide MeritMail Archiving and eDiscovery for staff accounts at an annual cost of \$ 3,600 with a \$3.00 per account recurring cost and a one-time \$650 implementation fee.

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

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

MOTION CARRIED.

Approval of a Request by the William Bonifas Arts Center to Reserve the Ludington Park Band Shell.

The William Bonifas Art Center requested permission to hold the Annual Waterfront Arts Festival at the Ludington Park Band Shell on Saturday, August 3, 2013, from 6:00 a.m. to 5:00 p.m. Requested for City support services include sanitation, clean-up assistance and a dumpster. Approval was recommended contingent upon the Arts Center providing the necessary insurance, food licenses and volunteers to clean up following the conclusion of the event.

NB-4 Nelson moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve a request from the William Bonifas Art Center to hold the Annual Waterfront Arts Festival at the Ludington Park Band Shell on Saturday, August 3, 2013, from 6:00 a.m. to 5:00 p.m.

Update – Power Generation/Plant Operation Options/Power Purchase – Electric Department.

City Manager O'Toole updated the City Council and public on the status of the Power Plant sale. Manager Jim O'Toole reviewed the following history:

- Escanaba Green Energy (EGE) has been negotiating an agreement with the City to buy the City Power Plant;
- EGE has been in the process of securing \$30 million to pay \$1.6 million for the facility and use the remaining funds to convert the plant to burn biomass;
- On January 16, 2013, EGE informed the City that a financier for EGE, representing 10 percent of the project's funding, backed out. EGE has been in negotiations of securing the lost funding;
- Because EGE's delays, the City has postponed EGE's closing date several times over the past year. In exchange, EGE has agreed to pay \$100,000 more for the plant, and also agreed to pay the City's legal fees incurred because of the delays;
- EGE, as a good faith effort, had made a \$10,000 payment on the City's legal fees, and also offered the City \$100,000 worth of capacity credits after the sale was finalized.

Council Members discussed the possibility of the City obtaining a copy of Escanaba Green Energy's (EGE) business plan for the first three years of the operation of the City Power Plant before the next scheduled meeting. Council Members wished to understand EGE's actions before going forward.

Council Members also discussed the following:

- The agreement to provide the City a two million dollar bond which would ensure EGE's operation of the Power Plant for three years after its sale;
- Reviewed possible costs/procedures required to mothball the Power Plant;
- Discussed possibility of hiring a company to maintain the plant.

After further discussion, Baker moved, Beauchamp seconded, to direct City Administration provide Council with the EGE Business Plan for the first three years of their operation of the Power Plant.

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

Ayes: Baker, Beauchamp, Baribeau
Nays: Nelson Evans

MOTION CARRIED.

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

Mayor Evans, with Council consensus, appointed Brian Black to the City Planning Commission, term ending June 2015.

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 – None

Hearing no further public comment, the Council adjourned at 8:04 p.m.

Respectfully submitted,

City Council Minutes
February 7, 2013 – cont.

Robert S. Richards, CMC
City Clerk

Approved: _____
Leo J. Evans, Mayor