

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, April 9, 2014

Pursuit to a meeting notice posted April 4, 2014, 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, and Ralph B. Blasier (Arrived at 6:19 p.m.)

Absent: One Vacancy

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, Jon Anthony, Larry Arkens, Ann Bissell, and Glendon Brown

Absent: Two vacancies, and Power Plant Liaison.

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, Jack Scott of Pro Energy Services, Inc., Charles DeTiege of Escanaba Green Energy (EGE), members of the public and media.

After a suggestion to hear NB-5 first after the Public Hearing, Baribeau moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as amended.

UNFINISHED BUSINESS – None

CONFLICT OF INTEREST – None

PUBLIC HEARING

Public Hearing – May 6, 2014 Referendum

Council conducted a public hearing on the upcoming referendum scheduled for May 6, 2014. If the referendum was approved, the Council would be granted the authority to dispose of the power plant equipment and assets, including up to 40 acres of real property. Electric Superintendent Mike Furmanski provided a brief power point presentation on the details as it pertained to the May 6th referendum.

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

Electrical Advisory Committee Member Jon Anthony commented on the ballot language stating he had to explain what the “assets” were to a voter. He suggested Administration keep that in mind when out in the public explaining the referendum.

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

NEW BUSINESS

Update – Power Plant Purchase Agreement/Sale.

An update on the sale of the power plant was provided by Charles DeTiege of Escanaba Green Energy (EGE). The following was reviewed:

- Mr. DeTiege advised EGE closing would occur next Tuesday and City funds should be available to the City the following Monday, April 21, 2014;
- It was suggested EGE use the City funds to pay the Attorney bill;
- Briefly reviewed closing check list which would take up to 45 days;
- A conference call between EGE and City Attorneys would occur on April 11, 2014, to review the check list;
- Council thanked Mr. DeTiege for the good news.

Update - Electric Department –General Operations.

Electrical Superintendent Mike Furmanski updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the following current departmental activities.

- Annual Tree Trimming Program began;
- New services were being scheduled as soon as the weather permitted;
- Commented on proposed changes and repairs to the West Side Substation to help alleviate power outages;
- Commented on the new Substation that would be constructed once the Power Plant was sold.

Update– Operation and Maintenance of Power Plant – Pro Energy Services, Inc.

Pro Energy Services, Inc. updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the status of the operation and maintenance of the power plant.

- No accidents or injuries during the month of March;
- Unit 1 was started one time during the month of March, Unit 2 was not requested to start. The CTG was started one time during March;
- There was approximately 6,343 tons of coal on the dock;
- There was a water monitoring high pH deviation reported due to melting of high pH ice;
- Propane use was high during the winter which was approximately \$85,000.

Approval – New Service Truck.

Administration sought Council approval to purchase a new service truck from Utility Sales and Service of Appleton, WI, as well as two options, for a total amount of \$105,029.00. Superintendent Furmanski briefly reviewed the proposed use of the new vehicle, proposed use of the old unit at the Electrical Department, and advised previous backup unit would be sent to Public Works for further City use.

NB-3 Blasier moved, Baribeau seconded, to purchase a new service truck from Utility Sales and Service of Appleton, WI. In the amount of \$105,029.00

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

Ayes: Blasier, Baribeau, Beauchamp, Tall

Nays: None

MOTION CARRIED.

Approval – Coal Purchase.

Administration sought Council approval to purchase coal from the C. Reiss Coal Company. Superintendent Furmanski briefly reviewed the 3 options that were available to the City. He also discussed the damage to Coal existing on the docks in Gladstone. After discussion, Mr. Furmanski requested Council approval to purchase coal from the C. Reiss Coal Company, option 3, that would be stored on their Dock #2, near Basic Marine, at an FOB price of \$107 per ton with an additional \$1 - \$1.50 per ton surcharge for additional trucking from the dock to the Power Plant, not to exceed \$1,000,000. Mr. Furmanski stated option 3 from C. Reiss Coal Company was attractive given the City would not take ownership of the coal until it was used and brought to the Power Plant.

NB-4 Beauchamp moved, Blasier seconded, to purchase coal on an as needed basis from C. Reiss Coal Company, in the amount of \$107 per ton with the trucking option, not to exceed \$1,000,000.

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

Ayes: Beauchamp, Blasier, Baribeau, Tall

Nays: None

MOTION CARRIED.

GENERAL PUBLIC COMMENT – None

COUNCIL/COMMITTEE, STAFF REPORTS – None

ADJOURNMENT

Joint City Council & Electrical Advisory Minutes
April 9, 2014 – cont.

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:45 p.m.

Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor