

ALPENA CITY COUNCIL MEETING

February 18, 2019 – 6:00 p.m.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Modifications to the Agenda.
4. Approve Minutes – Open and Closed Sessions of February 4, 2019.
5. Citizens Appearing Before Council on Agenda and Non-Agenda Items (Citizens Shall be Allowed a Maximum of Five (5) Minutes Each to Address Their Concerns. This is the Only Time During a Council Meeting that Citizens are Allowed to Address the Council).
6. Consent Agenda.
Bills to be Allowed, in the Amount of \$366,177.19.
7. Presentations.
8. Announcements.
9. Mayoral Proclamation.
10. Public Hearing.
W.G. Benjey Industrial Facilities Exemption Certificate Application for Property Located at 316-318 Cavanaugh Street.
 - 1) Open Public Hearing.
 - 2) Report by Planning and Development Director, Adam Poll.
 - 3) Open public comment.
 - 4) Request Written Comments Received by the Clerk's Office.
 - 5) Close Public Hearing.
 - 6) Council Discussion.
 - 7) Approval of Resolution 2019-02.
11. Report of Officers.
 - A. Amendment to City Manager Employment Agreement.
 - B. Financial Report for the Quarter Ending December 31, 2018.
12. Communications and Petitions.
 - A. Target Alpena Development Corporation Semi-Annual Report.
 - B. Project Update by Larry Clark of the South Bay Alpena Group.
13. Unfinished Business.

- A. Ordinance No. 19-441 Prohibit All Recreational Marihuana Facilities Within the City of Alpena.
 - B. Ordinance No. 19-442 Prohibit Use of Marihuana in Public Places Within the City of Alpena.
14. New Business.
- A. Proposed Extension of the Management and Response Inter-local Agreement with Presque Isle Township.
 - B. Continuation of Use of Mick-e-ke-wis Park by the Alpena Farmers Market for 2019.
15. Adjourn to Closed Session to Discuss Water/Sewer Litigation.
16. Return to Open Session.
17. Adjourn.

Greg E. Sundin
City Manager

COUNCIL PROCEEDINGS

February 4, 2019

The Municipal Council of the City of Alpena met in regular session at City Hall on the above date and was called to order at 6:00 p.m. by Mayor Pro Tem.

Present: Mayor Pro Tem Johnson, Councilmembers Nielsen and Hess.

Absent: Mayor Waligora and Councilmember Nowak.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

MINUTES

The minutes of the open and closed sessions of the January 22, 2019 meeting were approved as printed.

CONSENT AGENDA

Moved by Councilmember Nielsen, seconded by Councilmember Hess, that the following Consent Agenda items be approved:

1. Bills Allowed – in the Amount of \$245,996.60 be Allowed and the Mayor Pro Tem and City Clerk Authorized to Sign Warrant in Payment of Same.
2. Spirit of the Blues (Formerly the Blues Festival) Request for a Noise Variance from 10 pm – 12 am on June 22, 2019 and a Street Closure from June 21, 2019 at 8 pm until 12 pm on June 23, 2019.
3. Third Annual Sunrise Suds Tap Takeover Request for a Noise Variance from 10 pm- 12 am on September 21, 2019 and a Street Closure from September 20, 2019 at 8 pm until 12 pm on September 22, 2019.

Carried by unanimous vote.

ANNOUNCEMENTS

Mayor Pro Tem Johnson shared the positive comments of the Department of Public Works employees that she received during the snow storms.

SMART PHONE APP DISCONTINUATION

Moved by Councilmember Nielsen, seconded by Councilmember Hess, to discontinue the Smart Phone App and cease the monthly payments to MyCommunityMobile.

Carried by unanimous vote.

2019 CITY CONCRETE PROGRAM

Moved by Councilmember Hess, seconded by Mayor Pro Tem Johnson, to award the City Concrete Program to Bedrock Contracting for the 2019 construction season with the option of a single one (1) year renewal.

Carried by unanimous vote.

Moved by Mayor Pro Tem Johnson, seconded by Councilmember Nielsen that property owner's sidewalk rate be established at \$2.21 which is an increase of \$0.03 per square foot.

Carried by unanimous vote.

RECESS

The Municipal Council recessed at 6:13 p.m.

RECONVENE – CLOSED SESSION

Moved by Councilmember Nielsen, seconded by Councilmember Hess, that the Municipal Council adjourn to closed session at 6:19 p.m. to discuss water and sewer litigation.

Carried by unanimous vote.

RECONVENE – OPEN SESSION

On motion of Councilmember Hess, seconded by Mayor Pro Tem Johnson, the Municipal Council reconvened in open session at 6:58 p.m.

Carried by unanimous vote.

On motion of Councilmember Hess, seconded by Mayor Pro Tem Johnson, the Municipal Council adjourned at 6:59 p.m.

CINDY JOHNSON
MAYOR PRO TEM

ATTEST:

Anna Soik
City Clerk

INVOICE REGISTER

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EXP CHECK RUN DATES 02/19/2019 - 02/19/2019

UNJOURNALIZED

OPEN - CHECK TYPE: PAPER CHECK

6.

| VENDOR | INVOICE # | DESCRIPTION | AMOUNT |
|-----------------------------------|----------------|----------------------------------|------------|
| AIRGAS USA LLC | 9959238423 | VEH MAINT - DPW | 75.90 |
| ALPENA AREA CHAMBER OF COMM | 17667 | DINNER TICKETS | 390.00 |
| ALPENA AREA CHAMBER OF COMM | 17762 | GMA TICKETS | 20.00 |
| ALPENA AUTO ELECTRIC | 57354 | VEH MAINT #36 | 175.00 |
| ALPENA COUNTY TREASURER | 021119 | IT CONTRACTED SVCS 02/19 | 7,803.00 |
| ALPENA DIESEL SERVICE | 59703 | VEH MAINT - DPW | 33.79 |
| ALPENA DIESEL SERVICE | 59739 | VEH MAINT - DPW | 131.03 |
| ALPENA DIESEL SERVICE | 59759 | VEH MAINT #57 | 7.16 |
| ALPENA POWER COMPANY | 021919 | ELECTRIC | 38,899.70 |
| ALPENA SUPPLY CO | S100138295.001 | SUPPLIES - PUBLIC WORKS | 107.94 |
| ALPENA SUPPLY CO | S100138580.001 | SUPPLIES - PUBLIC WORKS | 20.27 |
| AMAZON CAPITAL SERVICES INC | 1D7J-VDWK-FH79 | SUPPLIES - IT | 44.96 |
| AMERICAN MESSAGING | Z2535843TB | PAGER FEES | 35.55 |
| ANNE GENTRY | 021319 | REIMB CHAMBER TICKETS | 70.00 |
| APPLIED INDUSTRIAL TECH-MI LTD | 7015425219 | MAINT - PUBLIC SAFETY BLDG | 46.32 |
| BALL TIRE & GAS INC | 159960 | VEH MAINT - AMB | 818.16 |
| BALL TIRE & GAS INC | 160051 | VEH MAINT - AMB | 330.72 |
| BALL TIRE & GAS INC | 160407 | VEH MAINT - AMB | 272.72 |
| BALL TIRE & GAS INC | 160607 | VEH MAINT - DPW | 105.36 |
| BALL TIRE & GAS INC | 160634 | VEH MAINT #38 | 32.28 |
| BOUND TREE MEDICAL LLC | 83091280 | SUPPLIES - AMB DISP | 713.67 |
| BOUND TREE MEDICAL LLC | 83092663 | SUPPLIES - AMB DISP | 1,441.12 |
| BOUND TREE MEDICAL LLC | 83101084 | SUPPLIES - AMB DISP | 128.89 |
| BOUND TREE MEDICAL LLC | 83104654 | SUPPLIES - AMB DISP | 57.45 |
| BP | 55357438 | GAS/FUEL - FIRE/AMB/EQ/MICU | 12,723.20 |
| BRUCE TILLINGER | 013119 | MECHANICAL INSP SVCS 01/19 | 1,904.00 |
| BRUCE TILLINGER | 013119A | PLUMBING INSP SVCS 01/19 | 586.00 |
| BS&A | 121230 | SVC/SUPPORT FEE - CEM | 464.00 |
| CARQUEST AUTO PARTS | 368507 | VEH MAINT - AMB | 442.46 |
| CARQUEST AUTO PARTS | 368515 | VEH MAINT - AMB | 14.86 |
| CARQUEST AUTO PARTS | 368539 | VEH MAINT - DPW | 40.90 |
| CARQUEST AUTO PARTS | 368540 | VEH MAINT - FIRE EQ | 9.77 |
| CARQUEST AUTO PARTS | 368541 | VEH MAINT - AMB | 2.84 |
| CARQUEST AUTO PARTS | 368542 | VEH MAINT - FIRE EQ | 19.80 |
| CARQUEST AUTO PARTS | 368669 | VEH MAINT - DPW | (2.63) |
| CARQUEST AUTO PARTS | 368721 | VEH MAINT - AMB | 29.11 |
| CARQUEST AUTO PARTS | 368765 | VEH MAINT - AMB | 5.64 |
| CARQUEST AUTO PARTS | 368781 | VEH MAINT - AMB | 50.67 |
| CARQUEST AUTO PARTS | 369018 | VEH MAINT - FIRE EQ | 32.46 |
| CARQUEST AUTO PARTS | 369019 | VEH MAINT - FIRE EQ | 11.07 |
| CARQUEST AUTO PARTS | 369204 | VEH MAINT - POLICE | 21.91 |
| CARQUEST AUTO PARTS | 369471 | VEH MAINT - FIRE EQ | 11.09 |
| CARQUEST AUTO PARTS | 369507 | VEH MAINT - FIRE EQ | 15.91 |
| CARQUEST AUTO PARTS | 369605 | VEH MAINT #49 | 65.46 |
| CARQUEST AUTO PARTS | 369711 | VEH MAINT - AMB | 2.84 |
| CARQUEST AUTO PARTS | 369712 | VEH MAINT - DPW | 36.36 |
| CARQUEST AUTO PARTS | 369716 | VEH MAINT #23 | 23.16 |
| CARQUEST AUTO PARTS | 369820 | VEH MAINT #23 | 35.08 |
| CARQUEST AUTO PARTS | 369960 | VEH MAINT - AMB | 88.98 |
| CARQUEST AUTO PARTS | 370389 | VEH MAINT - AMB | 2.76 |
| CARQUEST AUTO PARTS | 370394 | VEH MAINT - AMB | 16.41 |
| CARQUEST AUTO PARTS | 370415 | VEH MAINT - POLICE | 122.02 |
| CARQUEST AUTO PARTS | 370446 | VEH MAINT - DPW | 25.19 |
| CARQUEST AUTO PARTS | 370447 | VEH MAINT - DPW | 125.93 |
| CARQUEST AUTO PARTS | 370553 | SUPPLIES - FIRE/AMB | 15.82 |
| CARQUEST AUTO PARTS | 370586 | MAINT - FIRE/AMB | 4.44 |
| CHARTER COMMUNICATIONS | 2978 02/19 | WATER TWR INTERNET SIGNALS | 509.88 |
| CHARTER COMMUNICATIONS | 7316 02/19 | FAX LINE - PUBLIC WORKS | 89.98 |
| CLIFF ANSCHUETZ CHEVROLET | CVW222263 | VEH MAINT - AMB | 105.22 |
| CONTROL SOLUTIONS INC | 8352 | MAINT - PUBLIC SAFETY BLDG | 170.00 |
| DANIEL HIBNER | 012119 | TRAVEL EXPENSE - AMB | 112.33 |
| DE LAGE LANDEN FINANCIAL SERVICES | 62310371 | COPIER LEASE 03/19 - DDA | 56.55 |
| DEAN ARBOUR FORD LINCOLN MERCURY | 26732 | VEH MAINT - AMB | 36.02 |
| DEAN ARBOUR FORD LINCOLN MERCURY | 26779 | VEH MAINT - AMB | 3,590.57 |
| DEAN ARBOUR FORD LINCOLN MERCURY | CM26779 | VEH MAINT - AMB | (1,000.00) |
| DONALD H GILMET | 013119 | MILEAGE 01/19 | 186.18 |
| DTE ENERGY | 011119 | GAS - DDA | 112.01 |
| DTE ENERGY | 021919 | GAS | 16,117.06 |
| FASTENAL COMPANY | MIALP163759 | VEH MAINT - DPW | 77.48 |
| FASTENAL COMPANY | MIALP163908 | VEH MAINT - DPW | 212.66 |
| FASTENAL COMPANY | MIALP163916 | VEH MAINT #23 | 9.50 |
| FASTENAL COMPANY | MIALP164037 | SUPP/MAINT-PKS/MAJ/LOC/SEW/WATER | 464.23 |

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| VENDOR | INVOICE # | DESCRIPTION | AMOUNT |
|-------------------------------------|----------------|-------------------------------------|------------|
| FASTENAL COMPANY | MIALP164038 | VEH MAINT - DPW | 11.20 |
| FITZPATRICK'S HARDWARE | 5143153 | SUPPLIES - FIRE/AMB | 39.98 |
| FITZPATRICK'S HARDWARE | 5144024 | SUPPLIES - FIRE/AMB | 5.68 |
| FITZPATRICK'S HARDWARE | 5144908 | SUPPLIES - FIRE/AMB | 24.99 |
| FRANCIS ROSINSKI | 013119 | ELECTRICAL INSP SVCS 01/19 | 3,994.00 |
| FRANKS KEY & LOCK SHOP INC | 28920 | BLDG MAINT - FIRE/AMB | 465.00 |
| FRANKS KEY & LOCK SHOP INC | 29108 | SUPPLIES - PW/PKS | 40.00 |
| FRANKS KEY & LOCK SHOP INC | 29113 | SUPPLIES - CITY HALL | 83.50 |
| FRANKS KEY & LOCK SHOP INC | 29129 | SUPPLIES - FIRE/AMB | 5.00 |
| FRONTIER | 2793 02/19 | TELEPHONE - POL/FIRE/AMB | 104.27 |
| FRONTIER | 4175 02/19 | TELEPHONE - FIRE/AMB | 48.37 |
| FRONTIER | 5445 02/19 | TELEPHONE - FIRE/AMB | 80.84 |
| FRONTIER | 7204 02/19 | ELEVATOR TELEPHONE - CITY HALL | 55.40 |
| FRONTIER | 7430 02/19 | ELEVATOR TELEPHONE - PUBLIC SAFETY | 64.93 |
| FRONTIER | 9535 02/19 | ALARM PHONE LINES - SEWER | 515.64 |
| GALLS LLC | 009982218 | UNIFORMS - FIRE/AMB | (49.99) |
| GALLS LLC | 009149655 | UNIFORMS - FIRE/AMB | 169.96 |
| GALLS LLC | 007177295 | UNIFORMS - POLICE | (59.50) |
| GAMBLES | 82242 | MAINT - FIRE/AMB | 16.99 |
| GEORGIES TOWING & WRECKER SVC | 1204844 | VEH MAINT - POLICE | 60.00 |
| GIAMARCO MULLINS & HORTON PC | 19 | ATTY FEES - POLICE | 540.00 |
| GREENWAY | 013119 | DUMPSTER CHARGES - 01/19 | 410.50 |
| HALLS SERV-ALL | T020419 | RENTAL FEE - POST OFFICE | 76.31 |
| HANSEN SALES & SERVICE | 31595 | VEH MAINT #36 | 154.60 |
| HANSEN SALES & SERVICE | 31598 | VEH MAINT #45 | 428.11 |
| INK AND TONER ALTERNATIVE | 18-5016 | SUPPLIES - IT | 47.97 |
| JOEL W JETT | 021019 | TRAVEL EXPENSE - POLICE | 276.66 |
| JOHN BRODZIAK | 020619 | WORK APPAREL ALLOW - PW | 84.79 |
| JUSTIN GODIN | 020619 | SAFETY SHOE/WORK APPAREL ALLOW - PW | 229.44 |
| KENDALL ELECTRIC INC | S107574506.001 | MAINT - LIGHTS | 60.92 |
| KENDALL ELECTRIC INC | S107578237.001 | MAINT - LIGHTS | 89.91 |
| KODIAK EMERGENCY VEHICLES | 723 | VEH MAINT - FIRE EQ | 948.55 |
| LAKE SHORE PLUMBING, HEATING & | 39821 | MAINT - PUBLIC WORKS | 970.00 |
| LARRY SANDERSON | 626061 | SNOW REMOVAL - DDA | 780.00 |
| LUKE WILLEMIN | AP18-3230C | AMBULANCE REFUND | 603.00 |
| MACARTHUR CONSTRUCTION INC | 020519 | MAINT - WATER | 7,150.00 |
| MACARTHUR CONSTRUCTION INC | US23 2018-04 | US 23N - NEW STREET CONSTRUCTION | 49,585.50 |
| MBANK ALPENA MAIN | 1803 02/19 | LAND PURCHASE - DDA | 1,328.59 |
| MICHAEL TOROK | 021019 | TRAVEL EXPENSE - AMB | 75.00 |
| MICHIGAN MUNICIPAL LEAGUE | 18798 | CONFERENCE REG - COUNCIL | 30.00 |
| MICHIGAN PIPE & VALVE | T88419 | STORES - TAP VALVE/LUGS | 1,453.98 |
| MICHIGAN PIPE & VALVE | T88421 | STORES - REPAIR CLAMPS | 897.00 |
| MICHIGAN STATE POLICE | 551-531873 | SOR REGISTRATION - POLICE | 390.00 |
| MICHIGAN TAX TRIBUNAL REPORTER INC | 010219 | SUBSCRIPTION - CITY ATTY | 235.00 |
| MILLER OFFICE MACHINES | AR5572 | COPIER MAINT 01/19 - CH/PSF | 320.93 |
| NORTHERN TOOL SALES & RENTALS | 71579 | SUPPLIES - FIRE/AMB | 5.99 |
| OFFICE DEPOT | 251771404001 | SUPPLIES - MANAGER | 68.97 |
| OFFICE DEPOT | 256476333001 | SUPPLIES - ENGINEER | 23.39 |
| OFFICE DEPOT | 256477685001 | SUPPLIES - ENGINEER | 40.29 |
| OFFICE DEPOT | 256477686001 | SUPPLIES - ENGINEER | 17.98 |
| OFFICE DEPOT | 263336068001 | SUPPLIES - IT | 159.15 |
| OSSINEKE HARDWARE & BUILDING SUPPLY | B116928 | SUPP - CH/PKS/TRAFF CONTROL | 210.00 |
| OVERHEAD DOOR CO OF ALPENA INC | 57358 | MAINT - PUBLIC WORKS | 2,020.80 |
| PRESQUE ISLE ELECTRIC & GAS CO | 81166373 0119 | ELECTRIC - AIR BASE | 29.56 |
| PRIORITY ONE EMERGENCY | 70049988 | UNIFORMS - POLICE | 129.99 |
| PVS NOLWOOD CHEMICALS INC | 625537 | SODIUM HYPOCHLORITE - SEWER | 4,494.74 |
| PVS TECHNOLOGIES INC | 249962 | FERROUS CHLORIDE - SEWER | 2,955.25 |
| RAFTELIS FINANCIAL CONSULTANTS INC | 10744 | WATER RATE NEGOTIATIONS | 5,010.00 |
| RYAN BROS INC | 1908 | RIPLEY PAVEMENT PATCH - WATER | 3,075.19 |
| SEVAN K INC | 313 01/19 | VEH MAINT - POLICE | 125.25 |
| SHELL | 6133902 | GAS/FUEL - POL/F/A/GEN/MICU/DPW | 1,559.05 |
| SIRCHIE FINGERPRINT LABORATORIES | 0384569-IN | SUPPLIES - POLICE | 89.59 |
| SMITH BOVILL PC | 62043 | WATER RATE NEGOTIATIONS | 2,639.98 |
| STANDARD ELECTRIC CO | 492281-00 | MAINT - LIGHTS | 19.25 |
| SUEZ WATER ENVIRONMENTAL SERVICES | 201935921 | CONT OPERATIONS 01/19 | 137,922.75 |
| SUEZ WATER ENVIRONMENTAL SERVICES | 201935994 | CONT OPERATIONS 01/19 | 30,662.40 |
| SUPERIOR FABRICATING INC | 15072 | MAINT - FIRE/AMB | 35.00 |
| SUPERIOR FABRICATING INC | 15073 | VEH MAINT #39 | 32.00 |
| SUPERIOR FABRICATING INC | 15074 | VEH MAINT #49 | 40.00 |
| SUPERIOR FABRICATING INC | 15075 | VEH MAINT #20 | 65.00 |
| SUPERIOR FABRICATING INC | 15076 | VEH MAINT #94 | 167.00 |
| SUPERIOR FABRICATING INC | 15085 | MAINT - FIRE/AMB | 192.00 |

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OPEN - CHECK TYPE: PAPER CHECK

| VENDOR | INVOICE # | DESCRIPTION | AMOUNT |
|------------------------------|--------------|--|----------|
| SUPERIOR IMAGE CLEANING | 020119 | CITY CUSTODIAL SERVICES | 2,756.58 |
| TELNET | 159138 | TELEPHONE | 426.01 |
| THE ALPENA NEWS | 000180 19/20 | SUBSCRIPTION - MANAGER | 239.20 |
| THE ALPENA NEWS | DC1107 01/19 | PUBLISHING/ADVERTISING | 408.60 |
| THE GRIND-DING SHOP | 132884 | SUPP/MAINT - PKS/MAJ/LOC | 80.81 |
| THE GRIND-DING SHOP | 133091 | SUPP/MAINT - CEM/PKS/MAJ/LOC | 100.00 |
| THE UPS STORE 5054 | 020819 | SHIPPING FEES | 42.35 |
| THOMPSONS LINEN SERVICE | 70483 01/19 | UNIFORMS-PW/CEM/PKS/EQ | 339.60 |
| THUNDER BAY ELECTRIC INC | 227340 | CONDUUIT INST - WATER | 2,165.00 |
| TIM SLOSSER | 010219 | TRAVEL EXPENSE - AMB | 53.19 |
| TOTAL FIRE PROTECTION INC | 46191 | MAINT - PUBLIC WORKS | 300.00 |
| TRACTOR SUPPLY CREDIT PLAN | 100595779 | SUPP/MAINT - CEM/PKS/MAJ/LOC | 199.98 |
| TRACTOR SUPPLY CREDIT PLAN | 200716271 | VEH MAINT - DPW | 49.99 |
| VERIZON WIRELESS | 9823276124 | IPADS - GEN/FIRE/AMB | 840.21 |
| VISA/ELAN FINANCIAL SERVICES | 1104 02/19 | WEBINAR REG/FOOD/SERV - MGR | 154.70 |
| VISA/ELAN FINANCIAL SERVICES | 1790 02/19 | SUPP/TR EXP/MEMBERSHIP DUES - POLICE | 549.17 |
| VISA/ELAN FINANCIAL SERVICES | 2432 02/19 | CONF REG/SHIP FEES - COUNCIL/C/T | 278.82 |
| VISA/ELAN FINANCIAL SERVICES | 3610 02/19 | SUPPLIES/PROMO/DTE - DDA | 190.88 |
| VISA/ELAN FINANCIAL SERVICES | 3660 02/19 | MEMBERSHIP DUES - BLDG OFFL | 175.00 |
| VISA/ELAN FINANCIAL SERVICES | 6134 02/19 | SUPP/CONF REG/SFTWRE/FOOD/SERV-ENGI | 1,135.97 |
| VISA/ELAN FINANCIAL SERVICES | 6116 02/19 | HELMET/SUPP/TR EXP/INTERVIEWS - FIRE/A | 1,035.72 |
| VISA/ELAN FINANCIAL SERVICES | 7337 02/19 | TRAVEL EXPENSE - PLANNER | 9.15 |
| VISA/ELAN FINANCIAL SERVICES | 7661 02/19 | SKILLPATH MEMBERSHIP - C/T | 299.00 |
| YOUNG APPLIANCE CO | 164293 | MAINT - FIRE/AMB | 155.50 |

Total: 366,177.19

Memorandum



Date: February 13, 2019

To: Mayor Matt Waligora and City Council

Copy: Greg Sundin, City Manager

From: Adam Poll, Planning and Development Director

Subject: W.G. Benjey IFT Exemption Certificate Application for Property Located at 316-318 Cavanaugh Street

Attached is a copy of the application filed by W.G. Benjey Inc, for an Industrial Facilities Exemption Certificate for new facility at 316-318 Cavanaugh Street. The project entails the construction of a new 10,800 square foot pre-engineered metal building for use as manufacturing space for a new product line. Real property costs are estimated at \$1,067,000.00 (building and site improvements) with an additional \$1,114,450 in personal property ((equipment), for a total project cost of \$2,181,450.00. It is estimated that an additional twelve (12) new jobs will be created.

This project qualifies for a 9-year abatement under the City's rating system. The project rating form is attached for your review. The proposed tax abatement would run from December 31, 2019 through December 30, 2028.

All new industrial personal property is fully exempt from the 18 mil local school operating millage and the 6 mil State Education Tax under state law. In 2014, industrial personal property was exempted from taxation, and as it is exempt from taxation, it is no longer part of this abatement. The real property improvements will be taxed at one-half the full non-homestead tax rate (local + school millage). It is estimated that the Exemption Certificate will result in an initial tax savings of approximately \$13,500 annually on the real property.

Also attached are the separate IFT and Monitoring Agreements to be signed by the company as part of the IFT Exemption Certificate approval. The IFT Agreement provides a means by which the City **may** request revocation of the Exemption Certificate by the State Tax Commission and **may** demand repayment of all or a portion of the abated taxes, if the commitments stipulated by the company in the application are not satisfied.

Staff recommends support of the application based on the capital expenditure and job creation commitments by the company. The expansion of a local industry provides both short and long term benefits to the community.

A hearing has been scheduled for the February 18 Council meeting to permit the company, affected taxing jurisdictions and the public to comment on the IFT application. If, following the hearing, Council concurs with staff's recommendation, the attached Resolution No. 2019-02 should be adopted. Once adopted staff will prepare the necessary documentation to submit to the State Tax Commission for its review and approval.



RESOLUTION NO. 2019-02
RESOLUTION GRANTING AN
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR W.G. BENJEY INC.

Mayor Waligora announced that this was a hearing on the Application for an Industrial Facilities Exemption Certificate filed by W. G. Benjey Inc. The Clerk informed the Council that a notice of this hearing was mailed by certified mail to W. G. Benjey Inc. and the legislative body of each taxing unit, and hand delivered to this Council and the City Assessor,. All persons present were given an opportunity to be heard.

WHEREAS, pursuant to Act 198, Public Acts of Michigan, 1974, as amended, (“Act 198”), after a duly noticed public hearing held on December 3, 2018, this Municipal Council, by resolution adopted on December 3, 2018, established an industrial development district which has been designated Industrial Development District No. 4 (“District”); and

WHEREAS, on January 15, 2019, W.G. Benjey filed an Application for an Industrial Facilities Exemption Certificate under Act 198 (“Application”) with respect to a new facility located within the District on the land described on the legal description attached to the Application; and

WHEREAS, a public hearing before this Municipal Council was scheduled for February 18, 2019; and

WHEREAS, the City Clerk informed this Municipal Council that a written notice was sent by certified mail on February 1, 2019 to the legislative body of each taxing unit which levies

ad valorem taxes, and hand delivered to this Council and the City Assessor; and

WHEREAS, before acting on the Application, this Council held a hearing on this date at which time the public, February 19, 2019, the Assessor of the City of Alpena and representatives of all taxing units which levy ad valorem taxes were afforded an opportunity to be heard on the Application after being provided with notice thereof; and

WHEREAS, the state equalized valuation of property proposed to be exempt pursuant to the Application, considered together with the aggregate state equalized valuation of property exempt under certificates previously granted and currently in force, will not exceed five percent of the state equalized valuation of the City of Alpena; and

WHEREAS, this Municipal Council finds and determines that granting of an Industrial Facilities Exemption Certificate to W. G. Benjey Inc. in accordance with the Application ("Certificate") considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently in force will not have the effect of substantially impeding the operation of the City of Alpena or impairing the financial soundness of a taxing unit which levies ad valorem taxes in the City of Alpena; and

WHEREAS, this Municipal Council finds and determines that the Application complies with Act 198 and, in particular, the requirements of Section (2) as follows:

- (a) W. G. Benjey Inc. new facility is located within the District which has been duly established in the City of Alpena, which is eligible under Act 198 to establish the District.

- (b) The District was established, and the request for the District was filed, before commencement of the construction of the new facility, and the commencement of such construction occurred not earlier than six months before the filing of the Application.
- (c) The Application relates to a construction program which when completed will constitute a new facility within the meaning of Act 198 and which will be situated within the District as duly established by the City of Alpena, which is eligible under Act 198 to establish the District.
- (d) Completion of the new facility is calculated to, and will at the time of issuance of the Certificate have the reasonable likelihood to, retain existing and create new employment in the City of Alpena.
- (e) Completion of the new facility will not have the effect of transferring employment from one or more local governmental units of the State of Michigan to the City of Alpena.

NOW, THEREFORE, BE IT RESOLVED, that the Application by W. G. Benjey Inc. for its new facility within the District and on the land described in the Application is hereby granted for a period of nine (9) whole years, beginning December 31, 2019, and ending December 31, 2028, and that the City Clerk shall forthwith complete the Application and forward the original and three copies of the Application together with the required attachments to the State Tax Commission.

Councilperson _____ moved for adoption of the above resolution, seconded by
Councilperson _____.

Ayes:

Nays:

Absent:

Resolution declared adopted.

I, Anna Soik, City Clerk of the City of Alpena, **DO HEREBY CERTIFY:** that the above is a
true copy of a resolution adopted by the Municipal Council at a regular meeting held February
18, 2019.

Anna Soik
City Clerk

IFT Agreement Between
City of Alpena
and
W. G. Benjey Inc.
per
Act No. 334, PA 1993, Section 22
for
Industrial Facilities Exemption Certificate

WHEREAS, W. G. Benjey Inc. submitted an application for an Industrial Facilities Exemption certificate to the City of Alpena on January 15, 2019 (a complete copy of said application is on file in the Office of the City Clerk); and

WHEREAS, the Alpena Municipal Council approved said application on February 18, 2019; and

WHEREAS, W. G. Benjey Inc. has committed to the creation of a minimum of twelve (12) new full time jobs, and a capital investment of approximately \$1,067,000.00 as a result of the project.

NOW THEREFORE, the parties agree as follows:

1. If W. G. Benjey Inc. does not retain the number of jobs stated above for the duration of the Industrial Facilities Exemption Certificate, and create the number of new jobs stated in the application within two (2) years of the effective date of the Exemption Certificate, the City of Alpena may, at its discretion, demand, and W. G. Benjey Inc. agrees to pay, reimbursement of all abated taxes in proportion to the shortfall of its commitment.
2. If W. G. Benjey Inc. does not complete the new development within two (2) years of the effective date of the Exemption Certificate and invest the amount of money stated in the application during said two-year period, the City of Alpena has the right to review and request the State Tax Commission to revoke the Certificate in accordance with Section 15 of the Act.
3. If W. G. Benjey Inc. ceases operation at the new facility or re-locates the operations out of Industrial Development District No. 4 before the expiration of the Certificate, the City of Alpena may request the State Tax Commission to revoke the Certificate in accordance with Section 15 of the Act, and may require, and W. G. Benjey Inc. agrees to pay if so required, all or any portion of the property taxes abated under the Exemption Certificate up to the date of its revocation.
4. If W. G. Benjey Inc. fails to file an annual personal property statement by the specified date of each year the Certificate is in effect, the City of Alpena has the right to review and possibly request revocation of the Certificate by the State Tax Commission.

In Witness Wherefore, the parties hereto have executed this Agreement as of February ___, 2019.

CITY OF ALPENA

W.G.BENJEY INC.

By: _____
Matt Waligora, Mayor

By: _____
Alan Dziesinski, President

By: _____
Anna Soik, City Clerk

By: _____

Monitoring Agreement Between
City of Alpena
and
W. G. Benjey Inc.
for
Industrial Facilities Exemption Certificate
Approved February 18, 2019

WHEREAS, W. G. Benjey Inc. submitted an application for a Commercial Rehabilitation Exemption Certificate to the City of Alpena on January 15, 2019; and

WHEREAS, the Alpena Municipal Council approved said application on February 18, 2019.

NOW THEREFORE, the parties agree to the following monitoring requirements as an addendum to the IFT Agreement for the Industrial Facilities Exemption Certificate application filed by W. G. Benjey Inc. on January 15, 2019.

Capital Investment and Employment Report

1. On or before February 20 of each year the Industrial Facilities Exemption Certificate is in effect W. G. Benjey Inc. shall submit an annual report for the preceding calendar year containing the following information:
 - a. Capital investment expended for real property relative to the approved Certificate until completion of the approved project. Figures shall include both calendar year and total expenditures since the commencement of the exemption. If actual capital investment differs substantially from projected investment stated in the application, an explanation shall be provided.
 - b. Employment levels for the facility receiving the tax abatement for the duration of the Exemption Certificate. Report must note changes (+/-) from employment levels stated in the application. If job retention or creation levels fall below those stated in the application, an explanation shall be provided.
2. The reports shall be prepared and signed by personnel of W. G. Benjey Inc. is responsible for the capital investment project and employment at the facility for which the Exemption Certificate was approved.
3. Reports shall be submitted to the Alpena City Clerk, City Hall, 208 N. First Avenue, Alpena, MI 49707-2885.

4. The City shall verify the information and report to the City Council by its second meeting in March.

IN WITNESS WHEREFORE, the parties hereto have executed this Agreement as of February ___, 2019.

CITY OF ALPENA

W.G. BENJEY INC.

By: _____
Matt Walligora, Mayor

By: _____
Alan Dziesinski, President

By: _____
Anna Soik, Deputy City Clerk

By: _____

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

| | |
|---|---|
| To be completed by Clerk of Local Government Unit | |
| Signature of Clerk <i>Anna Soik</i> | Date Received by Local Unit <i>1/15/19</i> |
| STC Use Only | |
| Application Number | Date Received by STC |

APPLICANT INFORMATION


All boxes must be completed.

| | | | |
|---|--|---|--------------------------|
| 1a. Company Name (Applicant must be the occupant/operator of the facility) WG Benjey Inc | | 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3599 | |
| 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 318 Cavanaugh Street and 316 Cavanaugh Street | | 1d. City/Township/Village (indicate which) Alpena | 1e. County Alpena |
| 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(10)) | | 3a. School District where facility is located Alpena | 3b. School Code 04010 |
| <input type="checkbox"/> Transfer <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Increase/Amendment | | 4. Amount of years requested for exemption (1-12 Years) 9 | |
| 5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed. 100 ft. x 130 ft steel building x 24 ft side walls, (3) Crane runways holding (5) 5 ton Bridge Cranes. 20 ft. x 70 ft. extension one side with office space on 1st floor and storage on 2nd floor. The 100 ft. x 130 ft area to be used as machine shop to manufacture parts for WG Benjey products, job shop work for additoinal customer base and machine services to support local and regional industries. Office space for managment and CNC machine programming. | | | |
| 6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun. | | 6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total | |
| 6c. Total Project Costs * Round Costs to Nearest Dollar | | 6d. Total of Real & Personal Costs | |
| 6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun. | | 6d. Total of Real & Personal Costs | |
| 6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total | | 6d. Total of Real & Personal Costs | |
| 6c. Total Project Costs * Round Costs to Nearest Dollar | | 6d. Total of Real & Personal Costs | |
| 7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC. | | | |
| Begin Date (M/D/Y) | | End Date (M/D/Y) | |
| Real Property Improvements 11-15-2018 | | 11-15-2019 | |
| Personal Property Improvements 6-1-2019 | | 11-15-2020 | |
| | | <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased | |
| | | <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased | |
| 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 9. No. of existing jobs at this facility that will be retained as a result of this project. 12 | | 10. No. of new jobs at this facility expected to create within 2 years of completion. 12 | |
| 11. Rehabilitation applications only. Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation. | | | |
| a. TV of Real Property (excluding land) | | | |
| b. TV of Personal Property (excluding inventory) | | | |
| c. Total TV | | | |
| 12a. Check the type of District the facility is located in: <input checked="" type="checkbox"/> Industrial Development District <input type="checkbox"/> Plant Rehabilitation District | | | |
| 12b. Date district was established by local government unit (contact local unit) 12-3-2018 | | 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

| | | | |
|---|--|--|---|
| 13a. Preparer Name Alan Dziesinski | 13b. Telephone Number 989-356-1433 | 13c. Fax Number 989-356-6446 | 13d. E-mail Address msoffice@benjey.com |
| 14a. Name of Contact Person Alan Dziesinski | 14b. Telephone Number 989-356-1433 | 14c. Fax Number 989-356-6446 | 14d. E-mail Address msoffice@benjey.com |
| 15a. Name of Company Officer (No Authorized Agents) Mr. Alan Dziesinski | | | |
| 15b. Signature of Company Officer (No Authorized Agents)  | | 15c. Fax Number 989-356-6446 | 15d. Date 10-23-2018 |
| 15e. Mailing Address (Street, City, State, ZIP Code) WG Benjey Inc. 2293 Werth Road Alpena, MI 49707 | | 15f. Telephone Number 989-356-1433 | 15g. E-mail Address msoffice@benjey.com |

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

| | | | |
|--|--|---|--|
| 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying) | | 16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable) | |
| 16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability. | | | |
| 16c. LUCI Code | | 16d. School Code | |
| 17. Name of Local Government Body | | 18. Date of Resolution Approving/Denying this Application | |

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

| | | |
|--|--------------------|---------------------|
| 19a. Signature of Clerk | 19b. Name of Clerk | 19c. E-mail Address |
| 19d. Clerk's Mailing Address (Street, City, State, ZIP Code) | | |
| 19e. Telephone Number | 19f. Fax Number | |

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)


| STC USE ONLY | | | | |
|--------------|--------------------|------------------------|------------------|----------------------|
| 1. LUCI Code | 2. Begin Date Real | 3. Begin Date Personal | 4. End Date Real | 5. End Date Personal |



Memorandum

Date: February 13, 2019

To: Mayor Matthew J. Waligora
Alpena City Council

From: Greg Sundin, City Manager 

RE: Amendment to City Manager Employment Agreement

My Employment Agreement with the City, dated May 7, 2013, states that I receive employee benefits equivalent to those received by the City's department heads and administrative employees with the same years of service. This includes City health insurance. Currently, for me the most economical plan is a high deductible Health Savings Account (HSA) plan. For the 2018 calendar year the City contributed \$3,000.00 to my and all other employees' HSAs (\$2,000 in January and \$1,000 in July) with the same plan. The same contribution is scheduled for calendar year 2019. As a sure sign of time catching up with me, beginning February 1 I am now enrolled in Medicare Part A. Under federal law once on Medicare I am no longer permitted to contribute myself or have others (e.g., employer) contribute to my HSA. Consequently, I am not eligible to receive the \$3,000 City contribution to my HSA for calendar year 2019 that other employees with the same plan will be receiving.

Since this is due to no fault of my own, I respectfully request that Council consider the following. In lieu of the \$3,000 HSA contribution, the City contribute an additional \$3,000 to my 457(b) Deferred Compensation Plan. This would not be made until July 2019 and would be included in the City's 2019-20 FY budget. This payment will be in addition to the normal City contribution of 4% of my 2018 calendar year gross wages. Ultimately, it is the same monetary contribution, just into a different fund.

Attached is the proposed amendment to Item 4, Employee Benefits, of my agreement for your consideration. It was reviewed by City Attorney Bill Pfeifer and approved. Thank you for your consideration.

**Proposed Amendment to the City Manager Employment Agreement Dated
May 7, 2013 Between the City of Alpena and Greg E. Sundin**

The following paragraph shall be added to Item 4, Employee Benefits, of the above referenced Agreement:

Commencing February 1, 2019 the employee will begin receiving Part A health benefits under the federal Medicare program. As neither the employee nor the employer (City of Alpena) will be eligible under federal law to contribute to the employee's Health Savings Account (HSA), the City cannot make its planned contribution for calendar year 2019 of \$3,000 to the employee's HSA. Consequently, until such time as his retirement the City agrees to contribute a like amount into the employee's 457(b) Deferred Compensation Account. Such payment shall be made the first payday of July or at the time of retirement based on a prorated accrued value.

Memorandum



Date: February 13, 2019
To: Mayor Waligora and Municipal Council Members
From: Anna Soik, Clerk/Treasurer/Finance Director AS
Subject: Second Quarter of FY19 Financial Report

With the completion of the second quarter of the current fiscal year, the City should be at 50% of budget. In comparison to the budget, we have received almost 63% of revenue. Revenue for General Government is at 82% due to receiving over 91% of budget for property taxes. Ambulance revenue is lagging and is down significantly at this point as compared to last year. This is due to the timing of the reversing journal entries. In past years, those entries were done at the end of the fiscal year, but we've changed that process so that revenues and expenses align with our budget and are not overstated throughout the fiscal year. I am assured by Chief Forbush that we will meet or exceed the budgeted revenue. The negative 73% of revenue for the Lights Department is due to the reversing entry. Otherwise, the Light Department has not received any revenue yet this year. The Parks & Rec. Department's revenue is low at just under 33%, due in part to budgeting for receipt of a CZM grant that we have now learned will not come to fruition.

Across the General Fund, expenditures are at 51%. Building Authority is high at 87% but as stated before, that is due to the one-time payment made earlier in the fiscal year. Fire Department expenses are slightly high at 57% due to the annual equipment rental fees hitting the books. Expenses for the Lights Department are low due to not yet expending any of the budgeted capital outlay money, along with a decrease in expenses for street lights power. Other financing uses are also below budget due to transfers to other funds that haven't happened yet.

In regards to cash balances and investments, the Water Fund is no longer negative as a result of a change in the procedure of recording the water and sewer receipts to the appropriate fund instead of making the sewer fund whole as it was done in the past. The Building Inspection Fund has a positive cash balance this year as compared to the previous two years where the fund was negative. The Capital Improvement Fund is nearly depleted after using the monies to upgrade the HVAC system at City Hall. The Retiree Healthcare Fund had a larger increase this

year as compared to the previous two years as a result of increasing the City's contribution to a higher percentage of payroll than in previous years. The balance in the Employees Retirement fund is higher by over \$2 million as compared to a year ago. Recently, a change in investment advisors for the pension system was made. During the transition, assets were sold and purchased which resulted in a loss of \$922,499 in the value of investments along with a re-classification of the types of investments.

Overall, the City's finances are doing well. We are ahead on revenue and slightly above target for expenses as of December 31, 2018.

CITY OF ALPENA QUARTERLY FINANCIAL REPORT

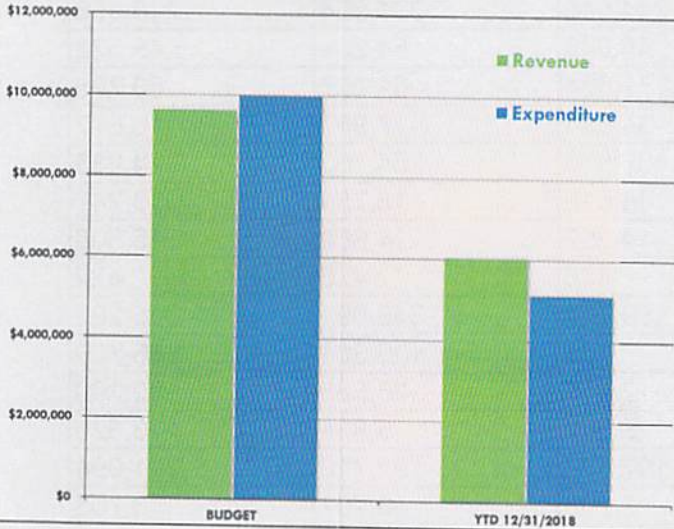
October 1 - December 31, 2018

(Should be at 50% of Budget)

GENERAL FUND REVENUE AND EXPENDITURES

| QTR ENDING 12/31/2018 | BUDGET | YTD 12/31/2018 | % BDGT | YTD 12/31/2017 |
|------------------------------|--------------|----------------|--------|----------------|
| Revenue | \$9,640,636 | \$6,056,429 | 62.82% | \$6,770,887 |
| Expenditure | \$10,010,085 | \$5,139,848 | 51.35% | \$5,679,059 |
| Revenue Over(Under) Expenses | (\$369,449) | \$916,581 | | \$1,091,828 |

BUDGET OVERVIEW



General Fund - Capital & Durable Goods 2018-2019

| Department/Project | Budget | Department/Project | Budget |
|----------------------------------|------------------|------------------------------------|-------------------|
| General | | Police | |
| Appraisal for Insurance Purposes | 15,000 | Patrol Vehicle w/Equipment | 42,500 |
| ED Marketing Program | 10,000 | Mobile Radio for Patrol Vehicle | 4,500 |
| Comprehensive Plan Update | 2,500 | | |
| Fire Alarm System | 17,500 | | |
| | | Subtotal: | \$ 47,000 |
| Subtotal: | \$ 45,000 | Ambulance | |
| I.T. | | Cardiac Monitor Defibrillators (2) | 50,000 |
| PC Replacement | 15,000 | | |
| New Technology | 2,000 | Subtotal: | \$ 50,000 |
| Security Cameras | 1,000 | Fire | |
| Inventory & Work Order Software | 16,000 | Turnout Gear Washer/Extractor | 11,000 |
| Office 365 | 15,000 | SCBA Cylinder | 6,000 |
| Police In-Car Cameras | 12,500 | | |
| Fire Dept. Ruggedized Laptop | 4,000 | Subtotal: | \$ 17,000 |
| Website Management Software | 3,900 | Public Works | |
| Wired City | 1,000 | Downtown Bike Parking | 10,000 |
| Wireless City | 1,000 | Christmas Decorations | 2,500 |
| | | | |
| Subtotal: | \$ 71,400 | Subtotal: | \$ 12,500 |
| Lighting | | Parks & Recreation | |
| City Wide Lighting Efficiency | 22,500 | Dog Park N. Riverfront Park | 31,000 |
| Pedestrian Lighting Upgrades | 10,000 | Bay View Park Bathrooms | 45,000 |
| Street Light Upgrades | 12,500 | Bandshell Sound System | 35,000 |
| | | Design Charette Mich-e-ke-wis | 10,000 |
| Subtotal: | \$ 45,000 | River Plan Improvements | 182,500 |
| Cemetery | | Adapt-A-Park | 5,000 |
| Building Improvements | 45,000 | Public Art | 10,000 |
| Cemetery Fence Replacement | 40,000 | Island Park - Kayak Storage Bldg | 7,000 |
| | | | |
| Subtotal: | \$ 85,000 | Subtotal: | \$ 325,500 |

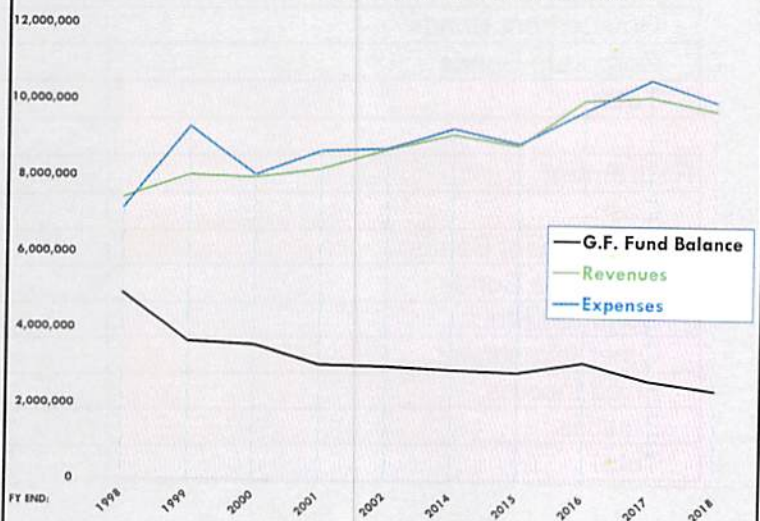
General Fund Grand Total: \$ 698,400

REVENUE AND EXPENDITURE BY DEPARTMENT GENERAL FUND YEAR-TO-DATE 12/31/2018

| REVENUE | AMENDED BUDGETED | YTD 12/31/2018 | % BDGT RECEIVED | YTD 12/31/2017 |
|----------------------|------------------|------------------|-----------------|------------------|
| General | \$ 5,590,130 | \$ 4,600,366 | 82.29% | \$ 4,619,608 |
| City Hall | \$ 707,610 | \$ 315,732 | 44.62% | \$ 598,193 |
| IT | \$ 73,435 | \$ 50,627 | 68.94% | \$ 51,749 |
| Cemetery | \$ 77,700 | \$ 40,768 | 52.47% | \$ 31,603 |
| Police | \$ 157,652 | \$ 65,842 | 41.76% | \$ 59,108 |
| Fire | \$ 114,077 | \$ 64,180 | 56.26% | \$ 71,757 |
| Ambulance | \$ 2,426,978 | \$ 733,770 | 30.23% | \$ 1,065,942 |
| Public Works | \$ 257,868 | \$ 111,009 | 43.05% | \$ 225,304 |
| Lights | \$ 3,000 | \$ (2,206) | -73.54% | \$ 39,250 |
| Parks & Recreation | \$ 232,186 | \$ 76,342 | 32.88% | \$ 8,372 |
| Total Revenue | 9,640,636 | 6,056,429 | 62.82% | 6,770,887 |

| EXPENDITURES | AMENDED BUDGETED | YTD 12/31/2018 | % BDGT USED | YTD 12/31/2017 |
|---------------------------|-------------------|------------------|---------------|------------------|
| General | \$ 1,528,767 | \$ 851,526 | 55.70% | \$ 1,090,995 |
| I.T. | \$ 292,283 | \$ 155,245 | 53.11% | \$ 118,546 |
| Building Authority | \$ 121,735 | \$ 106,000 | 87.07% | \$ 106,500 |
| Cemetery | \$ 232,267 | \$ 91,236 | 39.28% | \$ 90,093 |
| Police | \$ 2,000,871 | \$ 995,918 | 49.77% | \$ 1,056,130 |
| Fire | \$ 1,760,740 | \$ 1,015,817 | 57.69% | \$ 1,020,716 |
| Ambulance | \$ 1,928,480 | \$ 1,048,137 | 54.35% | \$ 1,084,782 |
| Public Works | \$ 658,510 | \$ 269,185 | 40.88% | \$ 330,805 |
| Lights | \$ 244,474 | \$ 87,740 | 35.89% | \$ 149,930 |
| Parks & Recreation | \$ 882,695 | \$ 406,913 | 46.10% | \$ 308,460 |
| Other Financing Uses | \$ 359,263 | \$ 112,132 | 31.21% | \$ 322,100 |
| Total Expenditures | 10,010,085 | 5,139,848 | 51.35% | 5,679,059 |

History of Revenue, Expenses and Fund Balance



| CASH BALANCES AND INVESTMENTS | 12/31/18 | 12/31/17 | 12/31/16 |
|--|-----------------|-----------------|-----------------|
| General | 3,662,454 | 3,534,398 | 4,270,625 |
| Budget Stabilization | 25,049 | 20,027 | 15,026 |
| Major Street | 583,117 | 311,387 | 502,673 |
| Local Street | 542,581 | 771,389 | 571,010 |
| Marina | 102,447 | 99,872 | 88,149 |
| Tree/Park Imp | 39,847 | 49,449 | 99,201 |
| Sewage | 1,688,795 | 1,954,610 | 2,320,031 |
| Water | 1,044,965 | -854,722 | 467,821 |
| D.D.A. #2 | 244,046 | 231,954 | 218,958 |
| D.D.A. #5 | 45,048 | 54,204 | 48,528 |
| Partial Payment | 71,634 | 61,027 | 60,295 |
| Stores | -34,854 | -27,957 | -10,677 |
| General Trust | 437,678 | 264,163 | 324,033 |
| Building Inspection | 45,618 | -18,751 | -16,247 |
| Building Authority Debt | 14,307 | 14,859 | 15,608 |
| Building Authority Construction | 428 | 425 | 424 |
| Construction - Dept of Public Works | 259,734 | 348,091 | 335,202 |
| Capital Improvement | 107 | 105,301 | 186,700 |
| Brownfield Capital Projects | 2,361 | 36,865 | -32,390 |
| Brownfield Redevelopment Authority | 6,988 | 6,834 | 3,820 |
| Brownfield Remediation Revolving | 197,877 | 192,710 | 211,094 |
| Economic Development | 3,708 | 3,707 | 3,705 |
| Retiree (Employee) Health Care | 1,345,351 | 1,187,434 | 1,135,731 |

| | | | |
|------------------|------------------|------------------|------------------|
| Equipment | | | |
| Cash | 916,223 | 582,288 | 551,256 |
| Bonds & Notes | 552,274 | 552,274 | 551,274 |
| Total | 1,468,497 | 1,134,562 | 1,102,530 |

| | | | |
|---------------------------|----------------|----------------|----------------|
| Perpetual Lot Care | | | |
| Cash | 558,726 | 542,477 | 773,688 |
| Certificates of Deposit | 150,000 | 150,000 | 150,000 |
| Government Bonds | 250,000 | 250,000 | 0 |
| Corporate Bonds | 0 | 0 | 0 |
| Total | 958,726 | 942,477 | 923,688 |

| | | | |
|-------------------|-------------------|-------------------|-------------------|
| Retirement | | | |
| Cash | 4,481,802 | 1,179,067 | 45,075 |
| Government Bonds | 0 | 592,312 | 987,129 |
| Corporate Bonds | 0 | 7,100,013 | 9,608,325 |
| Common Stock | 0 | 6,637,432 | 5,501,095 |
| Other Investment | 0 | 8,250,000 | 8,250,000 |
| Fixed Income | 7,287,498 | 0 | 0 |
| Equities | 14,369,760 | 0 | 0 |
| Total | 26,139,060 | 23,758,824 | 24,391,624 |

Target Alpena Development Corporation Semi-Annual Report 2018-2019

Target Alpena Economic Development Corporation

Tel 989.354.4181

235 West Chisholm Street
Alpena, MI 49707

alpenachamber.com/economic-development
jklarich@alpenachamber.com

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| Miscellaneous | 6 |
| Company Information | 8 |
| Contact Information | 9 |

To Our Investors

I would like to thank each of you for your support over the past year.

We are seeing the results of our efforts in many areas. Our unemployment rate is at a 20-year low, home sales are up, prices are reflecting demand, and most other economic data is trending upward.

In keeping with our mission to capture investment and create value across a broad spectrum of community development initiatives we are meeting with success and providing exceptional value to the residents of northeastern Lower Michigan.

The following report is a summary of our recent activities. We feel that these activities will set the stage for future growth, opportunity, and prosperity in our area.

Thank you,

A handwritten signature in black ink, appearing to read 'Jim Klarich', with a stylized flourish at the end.

Jim Klarich
Economic Development Director

Activity Summary

City of Alpena

The City of Alpena continues to invest in initiatives to attract additional investment and our relationship could not be stronger.

Activity relating to the rehabilitation of existing buildings to house new and vibrant businesses continues as does the interest in developing additional second story residential apartments.

We have continued to pursue a mixed-use development for the former Alpena Power Company site downtown. This three-and-a-half-year effort continues to produce a high level of interest and we remain confident that a suitable development will be found.

We sold two lots for development in Commerce Park this year and have had several inquiries about the availability others.

We have met with several developers regarding potential redevelopment sites and vacant sites for attached housing complexes throughout the area.

We have assisted numerous local businesses in a variety of ways, most pertaining to developing long term strategy, business expansions, business startup, and relocation options.

Alpena Township

Regarding the Kmart property, we continue to work to attract tenants in concert with their real estate representatives. We have shown the property several times and have discussed revitalizing options with those parties. We're hopeful that an agreement will be reached in the near term.

We have met with property owners and provided developers with information regarding several opportunities regarding both buildings and land acquisitions.

Alpena County

We are currently preparing a complete site package including all available infrastructure for the property that lies west of Airport Road that will be provided to site selectors targeting the aerospace industry.

We are participating on the Joint Land Use Study Committee for the Alpena Combat Readiness Training Center and surrounding area which will also help to guide future development.

The Unmanned Aerial System project continues to move forward under the leadership of Jim Makowske and we expect that effort to continue trending in a positive direction.

Presque Isle County

We have launched an aggressive small business counseling and loan campaign throughout Presque Isle County. This initiative has helped launch three new businesses in the last 18 months. We have provided SBDC counseling to four clients over the past six months and expect the investment and job impacts to reveal themselves in 2019.

Over the past six months, we have been working diligently with developers and Rogers City staff to capture a large-scale hospitality project on the former Vogelheim property downtown. We remain hopeful that this project will continue to move forward in 2019. Additional separate development opportunities are also being discussed with interested parties.

We've optioned two lots in Air Commerce Park and we worked with the Federal Aviation Administration, the City of Rogers City, and the potential owners to complete and finalize the FAA mandated development approvals on one of the lots.

SBDC Activity Summary (July 2018 - June 30, 2019)

Alpena County

38 clients served

115 counseling hours

5 business starts

7 jobs created

\$375,000 capital creation

City of Alpena (Included in County)

44 clients served

91 counseling hours

3 business starts

5 jobs created

\$46,500 capital creation

Presque Isle County

5 clients served

8 counseling hours

0 business starts

0 jobs created

\$0 capital creation * expect impacts to be logged in 2019

Alpena Area Chamber of Commerce Initiatives

We have a strong relationship with the Alpena Area Chamber of Commerce for our economic development work/needs. The Chamber employs all economic development staff, manages administrative work for the organization, and conducts support in many areas of economic development. Below is a summary of the work they have accomplished.

The Alpena Area Chamber continues to engage with Alpena High School students on educational attainment/workforce development initiatives, reaching every 11th grader for five weeks to teach career readiness skills. They continue to assist students in connecting with job shadow opportunities.

The Chamber is involved with the Marshall Plan for Education initiative and was involved in the successful grant application for funds for Alpena Public Schools.

In addition, the Chamber has a focus on offering educational opportunities to businesses on the topics of leadership, human resource issues, and more. They have made it a strategic goal to offer more educational opportunities in 2019 than in any of the past ten years.

The Chamber continues to hold the Michigan One Stop Operator contract for Alpena Michigan Works.

The Chamber celebrated 18 business ribbon cuttings in 2018.

The Chamber has also added Valerie Skorupski to their staff in a new position, Membership Director. Valerie is charged with membership recruitment, retention, up-selling, and engagement in events.

Additionally, the Chamber is a partner in the Northern Michigan Chamber Alliance and has worked on a variety of legislative issues to make it easier for businesses to survive and thrive. They also work with other Chambers in the region, providing resources for them to use with their own members, and helping to strengthen the work they do.

Miscellaneous

There are always a handful of activities that don't fit directly into previous highlights.

We completed our Michigan Economic Development Corporation sponsored retention calls across Alcona, Alpena, and Presque Isle counties in 2017 – 2018 and are scheduling more for 2019.

We participate on the ACRA Joint Land Use Study committee.

We have been asked to help market many commercial properties throughout the area. While we are not a real estate company we are investigating how we might play an expanded role and help find success for those property owners.

Closing Statement

It is our sincere desire to offer you unparalleled service and positive outcomes. While our reports are a positive indicator of activity and success, they don't effectively communicate the amount of time and effort that's required to achieve them or the failures encountered along the way. Be assured that our goal is simple - to enhance the quality of life and the economic wellbeing of the residents of northeast Lower Michigan.

Respectfully submitted,

Economic Development Board of Directors

Chad Esch, Bannan Funeral Home

Gary Graham, Alpena Power Company

Cameron Habermehl, County Commissioners

Luciana King, Lappan Agency, Inc.

Andrew Kowalski, Edward Jones - Bryan Strong

Jackie Krawczak, Alpena Area Chamber of Commerce

Andrew Kowalski, Edward Jones

Tom Lappan, Lappan Agency, Inc.

Don MacMaster, Alpena Community College

Michael Nowak, City of Alpena

Dennis Schultz, Timm Construction Company, LLC

Tom Sobeck, Presque Isle County

Brian VanWormer, Employment Services Inc

Company Information

Target Alpena Economic Development Corporation is a 501(c)3 corporation and it functions as the economic development arm of the Alpena Area Chamber of Commerce.

Target Alpena's partners include:

Michigan Economic Development Corporation

Michigan Department of Agriculture and Rural Development

Small Business Development Center

Small Business Association

U.S. Department of Agriculture and Rural Development

U.S. Economic Development Administration

Contact Information

235 West Chisholm Street
Alpena, MI 49707

Tel 989.354.4181

alpenachamber.com/economic-development



ORDINANCE NO. 19-441

AN ORDINANCE OF THE CITY OF ALPENA, MICHIGAN, AMENDING CHAPTER 18 – BUSINESSES, ARTICLE I. IN GENERAL, Sec. 18-1 MORITORIUM ON ISSUANCE OF PERMITS OR LICENSES FOR SALE OR DISPENSATION OF MEDICAL MARIHUANA IN THE CITY - BY REPEAL OF SAME AND ADOPTION OF NEW LANGUAGE IN LIEU THEREOF.

BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF ALPENA, STATE OF MICHIGAN, AS FOLLOWS:

Chapter 18 - Businesses, Article I, Sec. 18-1 is hereby repealed in its entirety and in its place the following provisions are hereby adopted:

Sec. 18-1. Prohibition of marihuana businesses and establishments within the city.

(a) **Intent.** The Intent of this Ordinance is to exercise the City of Alpena's authority to prohibit the establishment or operation of marihuana establishments within the City as such facilities are defined in the Michigan Regulation and Taxation of Marihuana Act (the "Act").

(b) **Prohibitions.** Pursuant to the Act, Section 6.1, the City prohibits the establishment or operation of any and all categories of marihuana establishments within its boundaries.

(c) **Effective Date.** This Ordinance shall be in full force and effect immediately due to the need to protect public health, safety, welfare, and the orderly administration of the affairs of the City of Alpena.

Any ordinance or parts of any ordinance in conflict with any provision of this ordinance are hereby repealed.

EFFECTIVE DATE

THE PROVISIONS OF THIS ORDINANCE SHALL TAKE EFFECT IMMEDIATELY AFTER BEING ADOPTED BY THE MUNICIPAL COUNCIL AND SHALL BE DULY PUBLISHED WITHIN 10 DAYS OF ADOPTION.

I HEREBY CERTIFY THAT THE ABOVE ORDINANCE WAS ADOPTED BY THE
MUNICIPAL COUNCIL OF THE CITY OF ALPENA, MICHIGAN, AT A REGULAR MEETING
HELD ON THE _____ DAY OF _____ 2019.

Matthew J. Waligora
Mayor

Anna Soik
City Clerk/Treasurer/Finance Director

First Presented: February 18, 2019
Adopted: _____, 2019
Published: _____, 2019

William A. Pfeifer, City Attorney

ORDINANCE NO. 19-442

AN ORDINANCE OF THE CITY OF ALPENA, MICHIGAN, AMENDING CHAPTER 54 - OFFENSES AND MISCELLANEOUS PROVISIONS, ARTICLE I., IN GENERAL, TO ADD SECTION 54-11.

BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF ALPENA, STATE OF MICHIGAN, AS FOLLOWS:

Chapter 54 – Offenses and Miscellaneous Provisions, Article I. – In General,

Sec, 54-11. **Marihuana and marihuana accessories.**

(a) No person shall consume (including smoking), cultivate, distribute, process, sell, or display marihuana in any form or marihuana accessories in a building owned or operated by the City of Alpena.

(b) No person shall consume (including smoking) marihuana in any form in a public place within the boundaries of the City of Alpena, including but not limited to any street, sidewalk, highway, alley, park, or parking lot located therein, or the city marina or city beaches.

(c) Any person violating this section shall be responsible for a civil infraction and shall be assessed a civil fine not to exceed \$500.

EFFECTIVE DATE

THE PROVISIONS OF THIS ORDINANCE SHALL TAKE EFFECT TEN (10) DAYS AFTER BEING ADOPTED BY THE MUNICIPAL COUNCIL AND DULY PUBLISHED.

I HEREBY CERTIFY THAT THE ABOVE ORDINANCE WAS ADOPTED BY THE MUNICIPAL COUNCIL OF THE CITY OF ALPENA, MICHIGAN, AT A REGULAR MEETING HELD ON _____ DAY OF _____, 2019.

Matthew J. Waligora
Mayor


Anna Soik
City Clerk/Treasurer/Finance Director

First Presented: February 18, 2019
Adopted: _____, 2019
Published: _____, 2019
William A. Pfeifer, City Attorney



Memorandum

To: Honorable Mayor Matthew Waligora and Municipal Council

From: Bill Forbush, Fire Chief 

Date: February 4, 2019

Re: Proposed extension of Presque Isle agreement

The management and response interlocal agreement with Presque Isle Township has been extremely successful. In the time we've been working together, the Presque Isle department has gained 22 volunteers, most of whom have been trained by AFD as Medical First Responders (MFR's), and by Thunder Bay Firefighters or Alpena Community College as Firefighter I or Firefighter I and II. The department now operates two engines, a tanker, a brush/rescue and three specialized trailers. The new crew responded to over 70 calls for service in 2018, with guidance and mentoring from AFD command personnel, primarily Chief Forbush and Deputy Chief Adrian.

The only area lacking at this point is command/supervisory experience and training. The Presque Isle Township Fire Board has asked that the City extend the contract for one more year to allow time for further developing leadership there. City Manager Sundin and I agree that this is appropriate, and recommend a one year extension at the same rate of \$35,000 per year. Upon your approval, the Township Board is expected to do likewise.

Thank you for your consideration.

**EXTENSION OF INTERGOVERNMENTAL AGREEMENT FOR
FIRE DEPARTMENT ORGANIZATIONAL AND
RESPONSE SERVICES**

THE CITY OF ALPENA, a Michigan Municipal Corporation located at 208 N. First Avenue, Alpena, Michigan 49707, "the City", and **PRESQUE ISLE TOWNSHIP**, located in Presque Isle County, Michigan, "the Township", enter into this agreement subject to the following conditions:

The City wishes to continue to provide and Township wishes to receive fire department organizational and response services in the area known as Presque Isle Township Fire District #2.

In mutual consideration of the promises made in the original agreement dated February 2, 2016, the parties agree to extend the agreement with the same terms and conditions until March 31, 2020, at which time it will expire.

CITY OF ALPENA, a Michigan
Municipal Corporation

By:

Date: _____

PRESQUE ISLE TOWNSHIP

By:

Date: _____

Memorandum



Date: February 13, 2019

To: Mayor Matt Waligora and City Council

Copy: Greg Sundin, City Manager

From: Adam Poll, Planning and Development Director

Subject: Use of Mich-e-ke-wis by the Farmers Market

The Alpena Farmers Market has submitted the attached letter in which they are asking to continue to utilize Mich-e-ke-wis Park for 2019. They noted that last year, (their first at Mich-e-ke-wis) brought new growth and excitement to the market, and an increase in the number of tourists that are participating in the market. They credit this to the greater visibility of the Mich-e-ke-wis location and have also noted most vendors had an increase in sales. They are looking forward to participating in the Mich-e-ke-wis Park planning process beginning this spring with the hopes of potentially making Mich-e-ke-wis a more permanent new home.



Poll, Adam

From: Dion Stepanski <dionstep@gmail.com>
Sent: Friday, February 01, 2019 4:42 PM
To: Poll, Adam
Subject: Alpena Farmers Market

Dear Alpena City Council,

On behalf of all the Alpena Farmers Market vendors, we would like to thank you for allowing us to use Mich-e-ke-wis Park for our weekly markets. This past season has brought new growth and excitement to the market. With the added exposure and visibility, we have noticed a large increase in the number of tourists participating in the market, as well as more local foot traffic. Overall, most vendors have reported increases in sales. The community as a whole has been very supportive and positive about the move.

As we envision the 2019 farmers market season, we ask permission to continue using the Mich-e-ke-wis Park location. We understand that development plans for the park are being addressed now and meetings will be held by NEMCOG to get community input. We want to express our interest in being included in these plans for both the short-term and long-term vision of the park.

We do want to share two practical concerns we received from the community and our vendors. The parking area is very muddy and may need to be grated more often in the 2019 season as the market does increase traffic in the park. The handicap accessibility of the park has also been brought to our attention. We don't have a solution to offer at this point, but do want to pass along the concerns. This will hopefully be addressed and remedied in the future development plans for the park.

Again, we express our deepest gratitude and appreciation to the city for allowing us to connect with the community in such a beautiful and visible location.

Thank you for your time.
Alpena Farmers Market Board