

ALPENA CITY COUNCIL MEETING

March 4, 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 18, 2019, and Special Session of February 20, 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.
 - A. Bills to be Allowed, in the Amount of \$335,385.90.
 - B. 2019 Election Workers Wages.
7. Presentations.
8. Announcements.
9. Mayoral Proclamation.
 - A. NEMROC Day, March 7, 2019.
10. Public Hearing.
11. Report of Officers.
 - A. City Manager's State of the City Address.
12. Communications and Petitions.
13. Unfinished Business.
 - A. Second Reading of Ordinance No. 19-441 Prohibit All Recreational Marihuana Facilities Within the City of Alpena.
 - B. Revised Ordinance No. 19-442 Prohibit Use of Marihuana in Public Places Within the City of Alpena – Discussion and First Reading.
14. New Business.
 - A. Bid for Evergreen Chapel Repairs.
 - B. SUEZ Contract Adjustment.
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 18, 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 6:01 p.m. by the Mayor.

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

Absent: None.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

MINUTES

The minutes of the open and closed sessions of the February 4, 2019 meeting were approved as printed.

CONSENT AGENDA

Moved by Councilmember Nowak, seconded by Mayor Pro Tem Johnson, that the following Consent Agenda items be approved:

1. Bills Allowed – in the Amount of \$366,177.19 be Allowed and the Mayor and City Clerk Authorized to Sign Warrant in Payment of Same.

Carried by unanimous vote.

RESOLUTION 2019-02

Moved by Councilmember Nowak, seconded by Councilmember Nielsen, to approve Resolution 2019-02, a resolution granting an industrial facilities exemption certificate for W. G. Benjey for a new facility at 316-318 Cavanaugh Street.

Carried by unanimous vote.

INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

Moved by Councilmember Nowak, seconded by Mayor Pro Tem Johnson, to authorize Mayor Waligora to sign the IFT monitoring and development agreement.

Carried by unanimous vote.

AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

Moved by Councilmember Nowak, seconded by Mayor Pro Tem Johnson, to table the City Manager's request to amend his employment agreement.

Carried by unanimous vote.

CITY FINANCE DIRECTOR'S QUARTERLY FINANCIAL REPORT

Moved by Mayor Pro Tem Johnson, seconded by Councilmember Nowak to receive and file the Finance Director's Quarterly Financial Report of October 1, 2018 through December 31, 2018.

Carried by unanimous vote.

TARGET ALPENA DEVELOPMENT CORPORATION SEMI-ANNUAL REPORT

Moved by Councilmember Nowak, seconded by Mayor Pro Tem Johnson, to receive and file Target Alpena Development Corporation's Semi-Annual Report.

Carried by unanimous vote.

ORDINANCE NO. 19-441

Ordinance number 19-441, an ordinance to prohibit all recreational marihuana facilities within the City of Alpena, was given its first reading.

MANAGEMENT AND RESPONSE INTERLOCAL AGREEMENT

Moved by Mayor Pro Tem Johnson, seconded by Councilmember Nielsen to extend The Management and Response Interlocal Agreement with Presque Isle Township to allow time for further developing leadership.

Carried by unanimous vote.

ABSTAIN FROM DISCUSSION AND VOTING ON MICH-E-KE-WIS

Moved by Councilmember Nowak, seconded by Mayor Pro Tem Johnson, to allow Councilmember Hess to abstain from discussing and voting on continuation of use of Mich-e-ke-wis by the Alpena Farmers Market for 2019, due to a conflict of interest.

Carried by votes as follows:

Ayes: Waligora, Nowak, Nielsen, and Johnson.

Nays: None.

Abstain: Hess.

ALPENA FARMERS MARKET USE OF MICH-E-KE-WIS

Moved by Councilmember Nowak, seconded by Mayor Pro Tem Johnson, to allow the Alpena Farmers Market to continue to use Mich-e-ke-wis Park for the year of 2019.

Carried by votes as follows:

Ayes: Waligora, Nowak, Nielsen, and Johnson.

Nays: None.

Abstain: Hess.

RECESS

The Municipal Council recessed at 7:18 p.m.

RECONVENE – CLOSED SESSION

Moved by Councilmember Nowak, seconded by Mayor Pro Tem Johnson, that the Municipal Council adjourn to closed session at 7:31 p.m. to discuss water and sewer litigation.

Carried by unanimous vote.

RECONVENE – OPEN SESSION

On motion of Councilmember Nowak, seconded by Mayor Pro Tem Johnson, the Municipal Council reconvened in open session at 7:49 p.m.

Carried by unanimous vote.

On motion of Mayor Pro Tem Johnson, seconded by Councilmember Nowak, the Municipal Council adjourned at 7:49 p.m.

MATT WALIGORA
MAYOR

ATTEST:

Anna Soik
City Clerk

COUNCIL PROCEEDINGS

February 20, 2019

The Municipal Council of the City of Alpena met in special session at City Hall on the above date and was called to order at 5:32 p.m. by the Mayor.

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

Absent: None.

2020 – 2025 CAPITAL IMPROVEMENT PLAN

The Municipal Council and the Planning Commission met to hear the Capital Improvement Plan for 2020 – 2025. All department heads presented their reports to the Planning Commission and City Council and answered questions.

Moved by Councilmember Nowak, seconded by Mayor Pro Tem Johnson, to approve the 2020 – 2025 Capital Improvement Plan along with an amendment to the expenditure schedule for police in-car video systems.

Carried by unanimous vote.

On motion of Councilmember Nowak, seconded by Mayor Pro Tem Johnson, the Municipal Council adjourned at 6:29 p.m.

MATTHEW J. WALIGORA
MAYOR

ATTEST:

Anna Soik
City Clerk

INVOICE REGISTER

EXP CHECK RUN DATES 03/05/2019 - 03/05/2019

UNJOURNALIZED

OPEN - CHECK TYPE: PAPER CHECK

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6.A.

| VENDOR | INVOICE # | DESCRIPTION | AMOUNT |
|-------------------------------------|----------------|--------------------------------------|-----------|
| ADVANCED ENGINEERING AND | 61037 | WATER RATE NEGOTIATIONS | 912.00 |
| AIRGAS USA LLC | 9084789071 | SUPPLIES - AMB DISP | 32.40 |
| AIRGAS USA LLC | 9085051987 | SUPPLIES - AMB DISP | 45.64 |
| AIRGAS USA LLC | 9959266248 | SUPPLIES - AMB DISP | 20.70 |
| AIRGAS USA LLC | 9085205280 | SUPPLIES - AMB DISP | 37.88 |
| AIRGAS USA LLC | 9085354955 | VEH MAINT - DPW | 28.12 |
| AIRGAS USA LLC | 9085408010 | SUPPLIES - AMB DISP | 56.60 |
| AIRGAS USA LLC | 9085641526 | SUPPLIES - AMB DISP | 40.16 |
| AIRGAS USA LLC | 9085641527 | SUPPLIES - AMB DISP | 10.96 |
| ALLEGRA ALPENA | 146538 | ADVERTISING - FIRE/AMB | 485.00 |
| ALPENA COMMUNITY COLLEGE | 311231 | 19-20 CONSORTIUM FEE | 500.00 |
| ALPENA DIESEL SERVICE | 59592 | VEH MAINT - DPW | 10.99 |
| ALPENA DIESEL SERVICE | 59936 | VEH MAINT - DPW | 228.92 |
| ALPENA DIESEL SERVICE | 59984 | VEH MAINT - DPW | 64.71 |
| ALPENA EMBROIDERY & TROPHIES LLC | 3223 | CWP/RET PLAQUE PLATES | 87.75 |
| ALPENA MARKETPLACE PRODUCTIONS | 100 01-02/19 | TAPING FEES - COUNCIL MTG | 675.00 |
| ALPENA POWER COMPANY | 030519 | ELECTRIC | 16,997.02 |
| ALPENA TOWNSHIP | 020719 | REIMB GARAGE NATURAL GAS - AMB | 63.44 |
| ALPENA TOWNSHIP | 021419 | REIMB GARAGE NATURAL GAS - AMB | 74.04 |
| ALPENA WILBERT BURIAL VAULT COMPANY | 010119 | MAINT - CEMETERY | 660.00 |
| AMAZON CAPITAL SERVICES INC | 1KGG-YLFT-WD3C | SUPPLIES - PUBLIC WORKS | 47.96 |
| ANNE GENTRY | 022719 | REIMB CELL PHONE EXP - DDA | 120.00 |
| BERG ASSESSING & CONSULTING INC | 022519 | ASSESSING CONTRACTED SVCS 03/19 | 6,250.00 |
| BIG PINE LLC | 1316 | SNOW REMOVAL - CODE ENFORCEMENT | 306.00 |
| BOUND TREE MEDICAL LLC | 83108300 | SUPPLIES - AMB DISP | 57.45 |
| BS&A | 121130 | WORK ORDER/INVENTORY MGMT CONVERS | 2,140.00 |
| CALEB BORCHARD | 021919 | REIMB ACCIDENT REPAIR | 851.04 |
| CHARTER COMMUNICATIONS | 0591 03/19 | FAX LINE - CITY HALL | 79.98 |
| CHARTER COMMUNICATIONS | 5434 03/19 | FAX LINE - PUBLIC SAFETY | 39.99 |
| CLIFF ANSCHUETZ CHEVROLET | CVW222389 | VEH MAINT - AMB | 188.95 |
| CROWNE PLAZA LANSING WEST | 24663784 | LODGING - COUNCIL | 337.08 |
| CUT RATE BATTERIES.COM | 46570 | SUPPLIES - POLICE | 1,184.90 |
| DEAN RIVARD | 022419 | TRAVEL EXPENSE - AMB | 165.38 |
| DOUGLASS SAFETY SYSTEMS LLC | 43957 | MAINT - FIRE | 50.79 |
| EAGLE SUPPLY CO | 109977 | SUPPLIES - FIRE/AMB | 242.75 |
| EAGLE SUPPLY CO | 110045 | SUPPLIES - CITY HALL | 84.00 |
| EAGLE SUPPLY CO | 110046 | SUPPLIES - PUBLIC WORKS | 42.00 |
| ENERCO CORPORATION | 125159 | BOILER CHEMICAL TREATMENT/SVCS - PSF | 550.00 |
| FASTENAL COMPANY | MIALP164114 | SUPPLIES - PUBLIC WORKS | 11.96 |
| FASTENAL COMPANY | MIALP164197 | VEH MAINT - DPW | 82.44 |
| FREES HYDRAULICS & EQUIP REPAIR | 34623 | VEH MAINT #18 | 557.00 |
| GEORGIES TOWING & WRECKER SVC | 115079 | TREE REMOVAL - CODE ENFORCEMENT | 250.00 |
| GREAT LAKES FIRE & SAFETY EQUIPMENT | 6210 | TURNOUT GEAR/EXT MAINT - FIRE | 2,420.45 |
| GREG NOWAK | 022719 | WORK APPAREL ALLOW - PW | 211.97 |
| HAGLUNDS | 2654 | MAINT - FIRE/AMB | 25.00 |
| HAGLUNDS | 2657 | SUPP/MAINT - FIRE/AMB | 40.00 |
| HURON ENGINEERING AND SURVEYING INC | 2982 | CONSTRUCTION ENGR SVCS - MILLER ST | 440.00 |
| INDUSTRIAL MARKETING & CONSULTING | 042614 | VEH MAINT #61 | 281.01 |
| INK AND TONER ALTERNATIVE | 18-4990 | SUPPLIES - IT | 110.97 |
| INK AND TONER ALTERNATIVE | 18-5120 | SUPPLIES - IT | 221.98 |
| JAMES STACHLEWITZ | 022519 | TRAVEL EXPENSE - AMB | 76.22 |
| JEFFERY KING | 070618 | TRAVEL EXPENSE - AMB | 13.61 |
| JEFFERY KING | 022519 | TRAVEL EXPENSE - AMB | 116.50 |
| JEROMES TOWING | 18-2618 | VEH MAINT - AMB | 356.25 |
| JEROMES TOWING | 18-2630 | VEH MAINT - AMB | 75.00 |
| JOHN NYE | 021919 | WORK APPAREL ALLOW - PKS | 81.33 |
| KINGSLI KRAFT | 022719 | SUPPLIES - DDA | 199.18 |
| LEFAVE PHARMACY INC | 617011 | SUPPLIES - AMB DISP | 65.00 |
| MACARTHUR CONSTRUCTION INC | 022719 | MAINT - WATER | 2,500.00 |
| MCDONALD AUTO SUPPLY INC | 896789 | SUPPLIES - FIRE | 4.77 |
| MCDONALD AUTO SUPPLY INC | 897382 | VEH MAINT - AMB | 95.94 |
| MERIDIAN CONTRACTING SERVICES LLC | 1854 | DOOR REPLACEMENT - PUBLIC SAFETY BLD | 2,447.00 |
| MHR BILLING | 3359 | BILLING 01/19 - AMBULANCE | 10,367.25 |
| MICHIGAN CAT | PD9521934 | VEH MAINT #57 | 406.74 |
| MICHIGAN PIPE & VALVE | 91491 | STORES - CLAMPS/SLEEVES | 1,716.00 |
| MICHIGAN PIPE & VALVE | T000013 | STORES - CLAMPS | 166.00 |
| MICHIGAN STATE POLICE | 551-532294 | COURSE REGISTRATION - FIRE | 300.00 |
| MID MICHIGAN MEDICAL CENTER-ALPENA | 120518 | SUPPLIES - AMB DISP | 415.00 |
| MID MICHIGAN MEDICAL CENTER-ALPENA | 010519 | SUPPLIES - AMB DISP | 450.00 |
| MID MICHIGAN MEDICAL CENTER-ALPENA | 020519 | SUPPLIES - AMB DISP | 510.00 |
| MY COMMUNITY MOBILE | 1182 | CITY APP SUPPORT 01/19 | 99.00 |
| NEMROC INC | 27220 | SUPPLIES - ENGINEER | 582.00 |

INVOICE REGISTER

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EXP CHECK RUN DATES 03/05/2019 - 03/05/2019

UNJOURNALIZED

OPEN - CHECK TYPE: PAPER CHECK

| VENDOR | INVOICE # | DESCRIPTION | AMOUNT |
|---------------------------------|------------------|------------------------------------|------------|
| OFFICE DEPOT | 252205786001 | SUPPLIES - FIRE | 41.78 |
| OFFICE DEPOT | 252208909001 | SUPPLIES - FIRE | 4.19 |
| OFFICE DEPOT | 252209990001 | SUPPLIES - FIRE | 16.49 |
| OFFICE DEPOT | 253183662001 | SUPPLIES - POLICE | 24.99 |
| OFFICE DEPOT | 255431034001 | SUPPLIES - FIRE/AMB | 7.55 |
| OFFICE DEPOT | 259939888001 | SUPPLIES - FIRE/AMB | 284.99 |
| OFFICE DEPOT | 261014458001 | SUPPLIES - FIRE | 4.29 |
| OFFICE DEPOT | 263381374001 | SUPPLIES - POLICE | 21.27 |
| OFFICE DEPOT | 265234087001 | SUPPLIES - AMB | 12.29 |
| OFFICE DEPOT | 265234236001 | SUPPLIES - FIRE | 5.03 |
| OFFICE DEPOT | 267954139001 | SUPPLIES - PUBLIC SAFETY | 79.16 |
| PRIORITY ONE EMERGENCY | 70050092 | UNIFORMS - FIRE/AMB | 87.90 |
| PRIORITY ONE EMERGENCY | 70050362 | UNIFORMS - POLICE | 277.96 |
| PRIORITY ONE EMERGENCY | 70050363 | UNIFORMS - POLICE | 149.98 |
| RADISSON HOTEL - LANSING | 46728142 | LODGING - COUNCIL | 413.02 |
| REVITALIZE LLC | 030519 | MEDC GRANT ADMINISTRATIVE SVCS | 1,460.00 |
| RICHARD O SULLENGER | 022519 | TRAVEL EXPENSE - ENGINEER | 272.60 |
| ROGER A DORR | 1701 | COURT SERVICES/SUMMONS | 34.70 |
| STATE OF MICHIGAN | CACR591190000002 | MAJ ST/SEW/WATER MAINS - MILLER ST | 228,494.11 |
| STRALEY LAMP & KRAENZLEIN PC | 29012 | MONTHLY FEE 01/19 | 4,635.00 |
| TED FESTERLING LLC | 7828 | VEH MAINT - DPW | 98.58 |
| THE ALPENA NEWS | 000170 19/20 | SUBSCRIPTION - CITY HILL | 239.20 |
| THE BANK OF NEW YORK MELLON | 252-2174841 | BOND FEE - 2007 CAP IMPROV BONDS | 750.00 |
| THUNDER BAY ELECTRIC INC | 227259 | NO INDUSTRIAL WTR TWR PUMP MOTOR | 857.02 |
| THUNDER BAY ELECTRIC INC | 227260 | MAINT - LIGHTS | 468.29 |
| THUNDER BAY ELECTRIC INC | 227273 | CONTRACTUAL SERVICE | 117.30 |
| THUNDER BAY ELECTRIC INC | 227279 | TRAFF SIGNAL MAINT - MAJ ST | 70.14 |
| THUNDER BAY ELECTRIC INC | 227280 | MAINT - BOAT HARBOR | 210.90 |
| THUNDER BAY ELECTRIC INC | 227328 | MAINT - XMAS LIGHTS | 70.38 |
| THUNDER BAY ELECTRIC INC | 227395 | NO INDUSTRIAL WTR TWR PUMP MOTOR | 30,000.00 |
| THUNDER BAY THEATRE | 1237 | PLAYBILL ADVERTISING - DDA | 750.00 |
| VALLEY TRUCK PARTS INC | 3-1207482 | VEH MAINT #40 | 3,091.78 |
| VALLEY TRUCK PARTS INC | 3-1207550 | VEH MAINT - DPW | 892.93 |
| VERIZON WIRELESS | 9823887072 | TELEPHONE | 1,084.80 |
| VERIZON WIRELESS | 9823887071 | TELEPHONE | 332.39 |
| WEINKAUF PLUMBING & HEATING INC | 2936 | BRIDGE MAINT - MAJ ST | 302.97 |
| WEINKAUF PLUMBING & HEATING INC | 3004 | MAINT - PUBLIC SAFETY BLDG | 168.75 |
| YOUNG APPLIANCE CO | 164347 | MAINT - FIRE/AMB | 88.00 |

Total: 335,385.90

Memorandum



Date: February 26, 2019

To: Mayor Waligora and Municipal Council Members

From: Anna Soik, Clerk/Treasurer/Finance Director *AS*

Subject: 2019 Election Workers Wages

The last increase for election workers was approved in 2017. I am requesting an increase of 2% for all positions which include: inspectors, deputies and chairpersons. Training is paid at minimum wage which is currently \$9.25/hour, however it is expected to increase to \$9.45/hour in the near future.

| Hourly Rates | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 Proposed |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------------|
| Chairperson | \$12.86 | \$12.86 | \$13.00 | \$13.00 | \$13.21 | \$14.64 | \$14.64 | \$14.93 |
| Deputy | \$11.04 | \$11.04 | \$11.14 | \$11.14 | \$11.29 | \$12.71 | \$12.71 | \$12.96 |
| Inspector | \$9.21 | \$9.21 | \$9.29 | \$9.29 | \$9.43 | \$10.71 | \$10.71 | \$10.92 |

Election days can be very long, lasting 14 hours or more. Setup begins at approximately 6 am on Election day. Polls are open 7 am – 8 pm, with reconciliation and tear down lasting until 9-10 pm, but most often later. The workers are very exhausted at the end of the night. It is my hope that increasing wages will attract new workers as the pool of election workers to choose from is decreasing. Therefore, it is my recommendation to increase election worker wages by 2%.



City Hall
208 North First Avenue
Alpena, Michigan 49707
www.alpena.mi.us

Proclamation

Whereas, on January 26, 1968 Northeastern Michigan Rehabilitation and Opportunity Center, (NEMROC, Inc.) received its articles of incorporation from the Michigan Department of Treasury; and

Whereas, since inception, it is known that NEMROC's mission provides vocational, personal, and social development opportunities for individuals with disabilities to fully integrate into their community; and

Whereas, with the support from the Alpena Community, NEMROC was able to establish programs to educate, train, and develop persons with disabilities and other barriers to employment to become quality employees for local employers; and

Whereas, it is recognized NEMROC initially served 3 individuals with a director in 1968, and has since grown to serve and employ as many as 150 local citizens; and

Whereas, it is known that NEMROC has developed a self-sustaining business enterprise which provides gainful employment for persons with disabilities and other barriers to employment for over 50 years; and

Whereas, NEMROC locally supports area businesses with requirements of raw materials, supplies, and services surpassing 7 million dollars, which supports a payroll of nearly 3 million dollars on an annual basis; and

Whereas, NEMROC will continue to grow and create additional vocational opportunities for more people with disabilities in order to prepare them for constantly changing technologies, and community job placement requirements; and

Whereas, be it known that on March 7, 2019 NEMROC will be hosting an open house celebrating 50 years of vocational training for people with disabilities in the Alpena community; and

Whereas, the City of Alpena recognizes NEMROC as a community employer, which has a vested interest in the Alpena area providing employment for persons with disabilities, and these same individuals have further demonstrated their value as contributing citizens of Alpena.

Now, THEREFORE, I Matthew J. Waligora, by virtue of the authority vested in me as Mayor of the City of Alpena, **DO HEREBY PROCLAIM** March 7, 2019 as:

NEMROC Day

in the City of Alpena, and urge all area citizens to recognize and support the efforts of NEMROC and the quality products and services created and produced by their employees.

Signed at Alpena, Michigan this 4th day of March 2019.

Matthew J. Waligora
Mayor



City Hall
208 North First Avenue
Alpena, Michigan 49707
www.alpena.mi.us

City Manager

State of the City, 2018-19,
A Manager's Perspective, Volume IV

As I sat down to prepare my fourth State of the City Address I began to replay in my mind how our City and the community as a whole has grown and diversified since I became Interim City Manager in May 2012 and permanent Manager in May 2013. Although the industrial sector remains pivotal to our economic success, it has been overshadowed by the much more dramatic growth of the retail, restaurant, service, health and financial sectors. For many years we have witnessed this growth just beyond our borders in Alpena Charter Township or even other communities such as Gaylord. However, the past several years has seen a surge of activity within the City itself, especially in the past year. These I will highlight later.

Internally, the City continues to take actions that, both personnel wise and structurally, should provide the foundation to ensure not only its sustainability, but enable it to adapt to an ever changing economic, political and regulatory climate. Though at times I grapple with the decisions we make and the actions I and staff recommend to Council, in the end I am confident that the heading we have charted for our City will make it stronger and a better place for each of us to live, work and play.

Financially, this was borne out by our most recent audit that found the City on a solid financial footing, with steps being taken to stabilize both our retirement and retiree health insurance liabilities. Although our fund balance dropped by nearly \$233,000, all of that, and then some, can be attributed to a one-time unexpected, yet necessary, expense of \$270,000 for the repair of the collapsed river boardwalk in North Riverfront Park. Despite this, the fund balance remains at a healthy 25% providing a 3-month cushion in the event of a major calamity. Credit for balancing the needs of the City (personnel, equipment, infrastructure, programs and services) against the ever tightening revenue stream falls squarely on the Clerk/Treasurer/Finance office led by Anna Soik, each of the Department Heads and each and every employee of the City.

In the balance of my address I will highlight the successes of the past year, as well as our shortfalls, and look at the opportunities and challenges that lie ahead in the coming year and beyond.

Our Community

Economic Rebound Continuing

2018 saw modest gains in property assessed values in both residential, 2.61%, and commercial, 2.61%, while industrial values remained constant. 2019 will show some definite volatility as compared to last year. Residential values saw the greatest increase, showing an 8.51% gain. Commercial flattened off showing no increase, while industrial values, which been stagnant the last two years, increased 3.05%. With some of the larger developments, discussed later, moving towards or at completion in 2019, we should see positive growth in 2020 as well.

City-wide Economic and Community Development Projects

As stated in the January 16 Alpena News article, 2018 was a banner year for new construction in both the City and Alpena Charter Township. Although the number of City permits dropped 5.6%, the construction value of those permits more than tripled from \$5.3 million to \$18.2 million. Much of this is attributable to several new projects that had been in the planning process for over a year finally breaking ground. Some will have an immediate impact within the next year or two, while others will take longer. These projects are located throughout the City and include:

Private Sector

Two impactful projects moved from the planning stage into actual construction.

- Groundbreaking in July 2018 for the new four story Northland Area Federal Credit Union headquarters building at 1161 Bagley Street on the City's far west side. With the steel framework nearing completion, the \$11 million 58,000 square foot facility has a projected opening date in the first half of 2020 resulting in the creation of 30 new jobs. When completed it will be the architectural centerpiece of the Bagley and M-32 corridors.
- Also breaking ground in the fall of 2018 is the \$6 million Besser Senior Assisted Living Facility located at the northeast corner of Johnson and Wilson Streets. Upon its completion late this year the facility will boast 47 residential units and a variety of

amenities. A second phase to the north of the current building footprint is also being planned, as well as, another related development. The phase one project will create 48 fulltime jobs, with the likelihood of more to follow.

Other notable projects included:

- The opening of a new Biggby Coffee franchise in the rehabilitated former Summit Sporting Goods building on Chisholm Street between State and First Avenues. The \$300,000+ project included the demolition of the Harkins & Karsten optometry building and the relocation of that business into a new office attached to Biggby's.
- The purchase and re-opening of the former Thunder Bay Manufacturing/Alleghany Technologies facility on Eleventh Avenue by local businessman Jeff Konczak. Although a work in progress, the potential in terms of investment and job creation could readily develop over the next few years, finally putting back into productive use this vacant long time Alpena manufacturing fixture.
- The 2018 groundbreaking for a \$2.2 million expansion of the WG Benjey manufacturing facility on Cavanaugh Street. When completed later this year, the expansion will result in the creation of twelve (12) new jobs.
- The opening of a second Mangos restaurant, Mangos Tequila Bar, in the vacant Owl Restaurant building on Chisholm street downtown.
- The opening of the Owl's Nest by the owner of the former Owl Restaurant in the vacant Burgies restaurant at 628 W. Chisholm Street.

Projects currently in the planning and development phase that could be under construction yet this year or in the near future:

- Redevelopment of the former Dry Dock bar and the adjacent former Concert Connection on River Street adjacent to Cabin Creek Coffee into a new restaurant bar and the complete redevelopment of five (5) residential rental units on the second floor. Construction should commence by mid-year and once completed the project will complement the existing commercial/residential development on this block.
- Redevelopment of the former Alpena Power Company site at Second and Water downtown. Target Alpena, the property's owner, has been working diligently the past few years to find the right developer. Discussions with a potential developer appear

promising, though nothing is ever guaranteed. If things work out, we could see activity on the site in the next year or two.

- Over the years there has been on again off again interest in the redevelopment of the 200 block of N. Second Avenue occupied by the John Henry Antique Mall. With the unfortunate passing of its owner and the building for sale, an opportunity may present itself that could lead to a major significant rehab project not seen in the downtown since the Center Building project.

Additional projects are in the discussion phase and may or may not proceed to actual developments. When combined with the opportunities listed above, they have the ability to significantly impact the economic transformation of the City into the live, work, recreate destination that we strive to become.

On the Public/Community Development side this past year was also very productive.

- After 2-3 years of private fundraising and City grant seeking the highly anticipated new Rotary Splash Park at Starlite Beach officially opened June 30 of last year to much acclaim and heavy use by kids of all ages. Combined with the ancillary improvements to the park completed by the City with the assistance of a MDNR Trust Fund Grant, Starlite Beach has nearly fulfilled the vision of the 2004 park plan. The Splash Park will be an attraction for both locals and visitors for years to come.
- Dedication of additional new public sculptures with one located in Gleason Park near the Washington and Eleventh Avenues intersection and a series of five sculptures beside Van Lare Hall on Johnson Street adjacent to the original leg of the City Bi-Path. This is the second group of sculptures in a multi-year program to create and display public art, primarily, but not exclusively along the City's Bi-Path. The City contributed \$5,000 toward the Gleason Park sculpture. There are plans for additional sculptures in 2019. The City will consider financial support for these future projects when appropriate and as budget allows. As a longtime proponent of public art and its value to the community, I am excited to see this initiative progress.
- Completion of numerous water/sewer and street projects throughout the City as part of the City's Capital Improvement Plan. These included Miller Street (Second to Walnut), Fourth/Fifth/Bedford area near Ella White School, one block each of Sable and Tawas, Hobbs Drive from Third to Grant, one block each on Seventh and Eighth, and Long

Rapids Plaza. All told these projects totaled \$2.1 million in local expenditures from the City's Water, Sewer and Street Funds, along with \$375,000 in MDOT funding.

- After years working to obtain the necessary permits from the MDEQ, work began on extending water, sewer and street (including a new culvert spanning an existing wetland) into the interior of the City's US 23 North property. This is necessary to fully open up this long dormant development site to new investment. This \$398,000 project will be finished by June of this year.
- Completion of the \$270,000 reconstruction of the collapsed boardwalk on the Thunder Bay River in North Riverfront Park.
- With the work on the collapsed boardwalk completed last June the yearlong delayed Dog Park in North Riverfront Park was begun. Work was sufficiently completed to allow a soft opening in the fall of last year. Final signage and details will be completed this spring followed by a formal dedication of the Thomas Stafford Dog Park.

In total these projects equate to approximately \$25,000,000 in public and private expenditures in 2018 and moving forward through 2019. And with other projects on the horizon the future looks bright for our City.

Several of these projects were or will be assisted with grants from the MEDC obtained by the City through the Planning and Development Department, as well as targeted tax abatements approved by City Council. New opportunities for economic and community development continue to present themselves, which bodes well for the economic well-being and the overall quality of life in our City.

Challenges and Opportunities

With all the positive activity occurring within our City, development challenges and unmet priorities still lie ahead including, but not limited to:

- Former APC Property (Second and Water Street)
This previously mentioned project, spearheaded by Target Alpena, has been a tougher nut to crack than originally anticipated. The configuration and limited size of the parcel has created a real challenge to potential developers. Current discussions appear to have a substance and determination that never fully developed in previous efforts.

Although promising, the devil is always in the details, so nothing is guaranteed. However, both Jim Klarich of Target Alpena and the City's Adam Poll are determined to bring a quality and game changing development to this important and highly visible parcel in our downtown.

- Mich-e-ke-wis Park Revitalization

With the determination by City Council not to include an RV Park in the park's future, staff looked at updating the 14-year old master plan before proposing any major investments in the park. As the original plan was created through a design charrette process including extensive public participation, a similar format will be utilized in preparing its update. Originally planned for the fall of last year, scheduling conflicts have pushed it back. The initial charrette will be held March 12 at NOAA. The City has contracted with NEMCOG to facilitate the charrette process that will be headed internally by the City's Engineering and Planning and Development Departments. Once completed the new plan will be incorporated into the City's updated Recreation Plan that will then be adopted by the City's Recreation Advisory Board, Planning Commission and City Council. It will then be forwarded to the Michigan Department of Natural Resources, allowing the City to apply for MDNR Trust Fund grants in early 2020 to assist in the implementation of the plan elements.

Community Activism

Several of the projects mentioned above, as well as numerous others, would not have occurred, if not for the dedication and involvement of various civic organizations, businesses and individual citizens. This is a recurring theme throughout our City, and is one that we can be justly proud of. It is a true measure of a community's inner strength and commitment and we have more than our share. Several of the examples listed below have been mentioned in previous addresses, but it is important to continue this recognition of their ongoing efforts over many years.

- City employees continue to immerse themselves in the community through their volunteer efforts, contributing countless hours to over 40 community organizations.
- Individual citizens and groups continue to step up to adopt a park or a part of a park. Others have adopted City streets and remove trash once or twice a year.

- The Alpena Garden Club continues its faithful maintenance of flower and planting beds at the Water Tower Park rain garden along the Thunder Bay River and the flower beds in the rock garden and along the entry path to the Island Park Covered Bridge.
- City employees donating to four different community service organizations each year through its Friday dress down day fundraiser.
- Ongoing improvements in our highly visible and heavily used Culligan Plaza, spearheaded by Doug Pratt, Prattscape Landscaping, and Councilmember Cindy Johnson.
- Completion of the redesigned downtown Pocket Park landscaping again led by Doug Pratt. In conjunction with the reinstallation of the restored mural following its near total destruction in a violent wind storm in late 2017 (only the placement of the 3-dimensional fish is needed for its completion) the park will once again be a centerpiece in the 100 block of W. Chisholm Street.
- The previously mentioned ongoing public sculpture project along the City's Bi-Path.
- The tenacious efforts of a group of interested citizens in having a free public outdoor skating rink resulting in the development of such a rink in Bay View Park near the Bandshell along Prentiss Street. If successful, a future more permanent facility could be developed in conjunction with the City.
- A variety of special downtown events sponsored by various businesses and groups scheduled throughout the summer and fall seasons bringing people downtown to enjoy food, drink, entertainment and shopping.
- The many other community activities forged by individuals, groups and businesses, often in combination, that I have forgotten and consequently failed to mention. To all of you we say thank you, and ask that you continue in your endeavors to provide exciting activities for our residents and visitors.

City Intergovernmental Initiatives and Projects

Previously, I had mentioned the various development projects in planning, under construction or recently completed in the City. Several of these have included direct or indirect participation by the City to further support economic and community development efforts. The City continues to partner with neighboring communities on joint efforts that benefit our region, while also implementing projects that are internal to the City, all with the purpose of enhancing the quality of life for the City and region. These include:

- The 3-year agreement between the City and Presque Isle Township, whereby the City Fire/EMS Department has provided first responder fire protection and EMS services to Presque Isle Township Fire District #2, while also assisting the Township in re-establishing its own District #2 Fire/EMS department, was scheduled to come to an end in March of this year. During that time our City Department has utilized its expertise and guidance in the hiring and training of new recruits and the purchase of necessary equipment with the goal of having a fully functional Township Fire/EMS Department by the end of the 3-year agreement. For all practical purposes these goals have been met. Twenty-two (22) volunteers have been recruited, trained, equipped and in service with the Department. All but four (4) have received Medical First Responder training from AFD staff and Firefighter 1 training. These newer volunteers will receive this necessary training from AFD and the new fire academy offered through Alpena Community College. Four (4) vehicles, three (3) trailers, a portable pump and a Jaws of Life are now in service with training provided by AFD staff. In 2018 the Township responded to 72 emergency calls (primarily medical). AFD mentors participated on all the runs, usually the Chief or Deputy Chief.

Although the results have been impressive, the Township felt that an additional year of mentoring by AFD personnel would solidify the organizational structure of the new Department and the skill sets of its core of volunteers, especially its leadership. Consequently, a 1-year extension of the agreement through March 2020 was requested and approved by City Council at its last meeting.

This has been a challenging and intense effort by both the City AFD and Presque Isle Township. However, in the end the creation of a new fully functional governmental Fire/EMS Department is something that both can be proud of. Ultimately, this was the right endeavor to undertake and the results speak for themselves.

- The current City/County Ambulance Agreement expired at the end of last year with no interruption in service as a new agreement was negotiated. The City has provided County-wide Advanced Life Support (ALS) ambulance service since 1992. Due to the dramatic downturn in property values during the Great Recession the funding generated by the 1-mil County levee dropped significantly. Consequently, the last 5-year ambulance agreement had 0% funding increases for its duration with only one (1)

ambulance being purchased during that period rather the usual two (2). Funding became so acute that in mid December the County was forced to terminate first responder payments to all the Townships and the City. For the last half of the current fiscal year this will cost the City Ambulance Fund approximately \$24,000.

In January Chief Forbush, Deputy Chief Adrian and I met with the County Ambulance Committee to work on a new contract. The current ambulance millage will be up for renewal in 2020. This led all parties to agree to a shorter 2-year contract with a new one to be negotiated following the millage vote. We agreed to 2% annual increases and one (1) new ambulance at the price of no first responder fees for the term of the agreement. This agreement should come before Council with the month. We impressed upon the Committee the need to rethink the operational paradigm of County ambulance service. Traditionally first responders from the appropriate Township would arrive at the scene to provide initial aid until the City Ambulance and crew arrived. They would provide additional aid and transport the individual to the hospital, where upon the County service ended. Today that is no longer the case. 90+% of the seriously ill or injured patients are transferred to another hospital in the state. In most cases this service is provided by the City EMS Department. Consequently, we recommended that County first responder and emergency ambulance services and long distance transfers (LDTs) no longer be viewed as separate services, one performed via the County millage and the other by the City. Instead they need to be viewed as an integrated operation providing a continuum of care service from first response to final treatment destination.

This model and its costs would then determine the millage request in 2020. All are in agreement that the current 1 mil levee (currently less than that due to a Headlee rollback) is insufficient to meet today's ambulance service needs for the citizens of Alpena County. City staff will be working with the County Committee to accurately assess the financial requirements to provide this service in the future and prepare a new millage request in 2020 that reflects the needs of a 21st century County ambulance service.

- Camp Grayling/CRTC Joint Land Use Study (JLUS)

The final JLUS was completed and adopted by both the Technical Advisory and Policy Committees in January of this year. In regard to the CRTC, a number of recommendations were included, but not limited to, base/community relations and

communication, surrounding land use, transportation, and environmental issues. The Plan calls for the creation of Implementation Committees for each base consisting of representatives from the base and surrounding communities. Recently the CRTC Command staff and local representatives (including the Mayor) met to discuss the creation of a Base Community Council. Whether this will serve as the JLUS Implementation Committee or an adjunct to it, is not yet clear. The relationship between the CRTC and the surrounding communities has historically been good, but there is always room for improvement and communication is a two-way street. As these groups evolve I trust that the goal will be the implementation to the extent possible of the JLUS recommendations and an even closer working relationship between the base and the nearby Alpena communities

City Management and Operations

Staffing

The transition of leadership in the City Clerk/Treasurer/Finance Department has proceeded more smoothly than I had anticipated with the simultaneous retirements of both Clerk/Treasurer/Finance Director Karen Hebert and her Deputy Julie Krajniak in January of last year. Anna Soik continues a smooth transition as Karen's replacement and has initiated thought provoking discussion regarding new ways to address a variety of issues, while implementing new procedures. Leilan, as the new Department Deputy, has also transitioned well. The balance of the staff, which has also undergone significant job changes, has more that stepped up to the plate and have kept the Department working smoothly.

The aftermath of the retirement of Jeff Shea as City Assessor did not go quite so easily. Due to a statewide shortage of level three assessors, the City was unable to find a suitable candidate to fill the vacant position. Consequently, Council approved the hiring of Berg Assessing and Consulting of Rogers City to serve as our contracted City Assessor. Despite not having a City Assessor located in City Hall itself, and the minor difficulties that resulted, we have found the system to work remarkably well. Many simple requests can still be handled by City Hall staff; however, those citizens who need to contact the assessor directly can do so via a local phone number or e-mail. Overall the results have been more than satisfactory.

The retirement of Captain Brian Caldwell after 26 years of service with the City Fire/EMS Department along with the creation of the new Community Risk Reduction (CRR) officer (replacing the former Fire Inspector position), triggered a domino effect of vacancies and promotions. All told, one Captain and two Lieutenant vacancies were filled through the promotion process, leaving one vacancy yet open in the rank and file. Staff is currently working through the process of filling this position.

With the signing and implementation (beginning January 2019) of the agreement between the City and Alpena Community College for the provision of enhanced law enforcement on the ACC campus by the Alpena Police Department, the City was authorized to hire an additional patrol officer. The Department is currently in the process of evaluating its top candidates and completing its due diligence. Once completed it is anticipated that the new officer will begin shortly thereafter. Once onboard the candidate will provide a full time officer to the Department, while allowing three other designated officers to be allocated to ACC 20+ hours per week during the fall and spring semesters. The cost for the new officer will be split evenly between the City and ACC, with both parties mutually benefiting from the arrangement – the college with enhanced police presence during the school year and the City Police Department with an additional officer at half the cost.

Collective Bargaining

A major function of the City Manager is the general oversight of the operations of the City staff and its departments including the negotiation of collective bargaining agreements with the five City unions. Negotiations with the Fire/EMS bargaining unit, whose current 3-year contract expires June 30 of this year, will begin shortly. The City unions and management have been able to negotiate fair and responsible agreements the past 2-3 negotiating cycles resulting in contracts that meet the needs of the union members while reflecting the fiscal parameters set by the City. Agreements with the other four bargaining units – DPW, Clerical, Police Patrol, and Police Command – expire June 30, 2020. Negotiations with these units are expected to commence the first quarter of 2020.

Employee Benefits

- *Retirement:* The City offers a Defined Benefit (DB) pension program for its longer term employees and a Defined Contribution (DC) plan for non-public safety

recent hires. Over the last 10-15 years the City has worked diligently to stabilize its 75 year old in-house pension program by controlling or scaling back benefits and closing the pension to new administration, clerical and DPW employees. These changes have been made in partnership with our bargaining units with the goal of ensuring that the system provides a secure and sustainable retirement income to all participating employees. The newer DC program includes both employee and City contributions managed by the employee with the assistance of the plan provider to meet the individual retirement needs of each participating employee.

- *Insurance Programs:* City Staff headed by HR Director Kathy Himes, continually monitors the various City employee insurance programs (health, dental, life and long term disability). These are reviewed each year prior to renewal to evaluate the benefit offerings and cost for each insurance plan and make necessary revisions, if warranted. If major changes in coverage and/or costs are proposed by the insurer (most notably in regard to health insurance), I and appropriate staff prepare a list of options that are then provided to an insurance committee consisting of representatives of each bargaining unit, administrative staff and our insurance agent to review the affected policies and possible alternatives, with the intent of reaching a consensus of all the representative parties. This process has worked very well in obtaining buy-in from the various employee groups. Ultimately, we have been successful in controlling costs for both the employees and the City, while providing effective coverage for the employees and their families.

Challenges and Priorities Moving Forward

Although we can be proud of our past and current accomplishments, with lists that seem to increase in length each year, we cannot rest on our successes. The City continues to face serious challenges, as well as opportunities, in the years ahead and will need to set clear priorities to keep moving forward. These are highlighted below.

1. **Tax Base:** Unfortunately, this has become an all too familiar issue that needs not be repeated in detail. Suffice it to say it has become so common place that staff has become adept at operating departments and providing City services in an environment of sluggish increases in taxable values and State revenue sharing, while facing over increasing costs and mandates. All departments, under the guidance of the

Clerk/Treasurer/Finance Department, continue their endeavor to balance revenues with expenses. As the new norm, we will continue to provide the best possible services to our citizens and businesses within the fiscal constraints that we face. We must and do continue to think outside the box. The recent approval by Council of the 1% property tax administration fee, although viewed by some incorrectly as a tax increase, is a long overdue revenue source provided by state statute. It allows us to cover most of our costs to prepare and collect property taxes, thereby freeing up General Fund dollars that are needed elsewhere. By implementing this fee we join the other 84% of eligible jurisdictions that take advantage of this revenue source.

2. **Legacy Costs:** Legacy costs (pension and retiree health care) have gone from a local issue to one of state oversight and regulation. With the signing of PA 202 of 2017 the state has established standards and universal criteria to determine the health and sustainability of a municipality's pension and retiree health care (Other Post Employment Benefits or OPEB). The City must report by early January of each year the financial status of these programs during the previous fiscal year. Any program found to be underfunded based on the State's criteria may be required to prepare an action plan outlining the steps it will take to become compliant. Although our pension plan remains in compliance, the City continues to investigate potential actions to improve its funding status even further. The Retirement Board recently changed its investment agent as a proactive step to increase investment returns for the Program over the long term. Such investment returns are the primary source of revenue for the Pension Fund to remain solvent. Stagnant returns for several years increased its overall funding liability relative to its obligations to existing and future retirees. With anticipated long term increases in investment returns and continued restraint on retiree benefits, we believe we will turn the corner and see improvement in the funding status of our Pension Fund into the future.

As with most municipalities in the state the City's OPEB fund is severely underfunded, primarily due to its operating on a pay-as-you-go basis for many years. We were officially notified last week by State Treasury that our funding level is such that it has triggered a preliminary review of underfunded status. The City will be applying for a waiver outlining the steps the City has taken to reduce the underfunded status. This must be approved by Council and submitted to Treasury by April 12. Staff is currently

working on the waiver with the intent of presenting it to Council at either the March 18 or April 1 Council meeting. Recently we have been allocating an increasing percentage (currently 6%) of the City's payroll into the fund. This provides not only the amount needed to pay the City's portion of annual retiree health insurance premiums, but additional funds that increase the current reserve fund needed for future payments. We intend to increase the annual payment by at least 1% per year until we reach 10%.

3. ***Water/Sewer Litigation with Alpena Township:*** Following a final ruling by Judge Mack last September after 4+ years of litigation, the Township appealed portions of his ruling, with the City cross appealing its own issues. In January the City and Township met in mediation mandated by the Michigan Court of Appeals. Unfortunately, this did not lead to a resolution. Both parties must submit their briefs to the Court by March 27. Additional responses to the briefs and responses to the responses will require at least another 50 days likely putting off oral arguments before the Court until late summer at the earliest or even into the last quarter of 2019. Whatever the result this never ending saga will be far from over. Ultimately when the dust settles on the legal issues, it will still come down to action at the local level. In the best interests of their customers and constituents, the City and Township must sit down face-to-face and reach a mutually agreed upon long term (even this is a subject of disagreement) water and sewer contract. Despite all the technical and legal arguments, it boils down to one simple fact. Both sides must have a rate structure and agreement that ensures the long term sustainability of the City's water and sewer facilities (water production plant, distribution system, water recycling plant and collection system), compliant with the requirements of the MDEQ and USEPA. Without that we are all in trouble. Both sides have become so obsessed with proving they are right, we no longer see the reality of the situation we are in. We have two systems, for good or bad that are inextricably linked and must co-exist for the welfare of our two communities. It should not be that if it works for our side (City or Township), that's all that matters. We eventually must sit down face-to-face, and without posturing, address the necessary issues and reach a mutually agreeable solution. Ultimately, this means we all must ***compromise*** in meaningful ways. This the City has done. We expect no less from the Township. A truly effective agreement means neither of us gets fully what we want. That is the nature of negotiation.

4. ***Medical/Recreational Marijuana Facilities Within the City:*** With the passage of the Recreational Marijuana Initiative last November (statewide and by a close margin in the City) and the issuance by the State at about the same time of permanent rules and regulations for the licensing of Medical Marijuana facilities, the fate of marijuana facilities within the City of Alpena fell squarely in the lap of City Council. During discussion on January 21, Council unanimously directed the City Attorney to prepare an ordinance opting the City out of placement of recreational marijuana facilities in the City. This is due to the many uncertainties in the law as written, which could lead to major problems that are best avoided. Once the State adopts permanent rules and the dust settles on the numerous legal issues, Council can review its position at any time. At the same time it authorized the preparation of an ordinance prohibiting the use of marijuana in public places, as specifically defined. The opt-out ordinance had first reading on February 18 and will have second reading and action by Council later this evening. The prohibition against use in public places has undergone revisions and will be reviewed by Council tonight as well. If agreed upon it will likely have its first reading tonight.

As to medical marijuana facilities, staff was directed to work with the City Planning Commission on possible locations for the various types of facilities with a recommendation on how many, if any, that should be allowed and where. This will be, in my opinion, a thought provoking and broad based process involving Council, Planning Commission, staff and the public (users, non-users, institutions, and the medical marijuana facility operators). Ultimately, Council will need to sift through all the information and comments, weigh the pros and cons, and make a decision.

The marijuana industry is unique compared to most commercial/industrial sectors relative to its regulation at the state and local level. The state through the ballot initiatives, state legislation and state agency rule making authority controls nearly all facets of the marijuana industry. The local municipalities are given varying degrees of zoning authority and say in the initial approval and compliance with the building codes necessary to receive a Certificate of Occupancy. Follow-up inspections and compliance tends to fall with the State – violations of codes, regulations and the Acts themselves.

We can only surmise just how these facilities, if allowed, will impact our City. Will the potential benefits outweigh the potential negatives or vice versa? Some communities have reported excellent experiences, others not. We really won't know until we take that big step and allow a facility(s) in the City. If it works out well, then we

reap the benefits, whatever they may be. If not, well that is the rub. Once allowed it is difficult, if not impossible to turn back the clock. As I said earlier the decision is ultimately up to Council. Staff's job is to implement their directives in the most effective manner. As City Manager with many years of planning experience, my recommendation is that if Council decides to allow medical marijuana operations in the City that it does so in deliberate and measured steps. This will allow for ongoing thorough evaluation of the process and the impacts with expansion always an option when justified by the results.

5. ***City Marina:*** This past year Harbor Master Don Gilmet was able to negotiate a new 3-year contract for the operation of the City Marina. It is not a panacea. While divesting the City of the various day-to-day operations and their associated costs, it brings in scant revenue and still leaves the City responsible for all major capital expenditures involving the docks, buildings and basic infrastructure of the marina. Eventually, the City will, in all likelihood, find itself in the role of marina operator, which will have a major impact on our General Fund. Consequently, during the 2+ year window we have been given with this new contract, I have directed Harbor Master Don Gilmet, with input from City Engineer/DPW Director Rich Sullenger, to explore and prepare options that the City may take when a private third-party operator is no longer available. We need to be creative in our thinking and bring everything and everyone to the table, initially starting with our local Harbor Advisory Committee, and ultimately marina users, the general public and the State Waterways Commission. To successfully make our marina sustainable over the long haul it will take participation from multiple players.
6. ***Hillman State Non-Motorized Trail:*** Due to sizeable cost increases in the rehabilitation of numerous bridges along the proposed route, MDOT has indefinitely postponed the development of the trail. The eastern end of the trail was to follow the old railroad bed through the City from Bagley to Franklin Street, a distance of 0.6 mile. The agreement between the State and the City was for this portion of the 10-foot trail to be asphalted as part of the City's Bi-Path with pedestrian lighting along its entire length. The State would pay for the placement of a gravel base over the railroad bed with the City paying for the balance of the improvements, approximately \$150,000. Such improvements would be a nice addition to the City's Bi-Path. Consequently, I have asked City Engineer Rich Sullenger to contact MDOT and see if they would be willing to

proceed with the graveling of the railroad bed if the City agreed to pave the trail and install the infrastructure for the lighting, which would be added in the future. We had intended to budget for this initial phase in the upcoming 2020 City budget, so if MDOT would agree we could still proceed with the paving portion of the project adding over a half mile to our Bi-Path network.

7. ***Downtown Bicycle Parking Issues:*** Last year I proposed that the City investigate the development of strategically placed bicycle parking areas in the downtown to reduce congestion on our downtown sidewalks. To encourage this we allocated funds in this year's budget along with additional funds next year, as well as funds from the DDA. Designs for three locations have been developed with the plan to build two in the first phase. Staff is working with the DDA and its parking committee on the project and if approved by the DDA and Council, construction could occur in late Spring or Summer.
8. ***Comprehensive Plan Update:*** Work on the mandated 5-year update of the City's Comprehensive Plan by NEMCOG, City staff and the Planning Commission continues, with its completion and presentation to the Planning Commission and City Council for formal consideration and adoption by June or July. Prior to that the Commission will conduct a public hearing to receive final comments from the public. With updated background data, revised goals, objectives and action strategies, the plan will provide a vision for our City's future encompassing a variety of issues that will determine the character of our of City and define who we are.
9. ***The City and Target Alpena:*** The association between the City and Target Alpena has been ongoing for well over twenty years. It can be compared to a marriage, which undergoes high points and low, sometimes being stressed to the point of breaking, as it did a number of years ago when the two embarked on a temporary separation. However, today I can say that that relationship is as strong, and as vitally important, to both institutions as it ever was. Target in conjunction with the City's Planning and Development Department have worked in tandem to support existing businesses and assist new development in the City. Through the contacts and efforts of Target's Jim Klarich, Alpena is no longer just a name on the Weather Channel map, no longer on the

outside looking in in regard to development interest and activity. Instead we are on the economic development map and that interest comes looking for us.

Within the City key development sites are still being pitched, most notably the former APC site downtown and the US 23 North property. Although vacant for longer than we would like, the effort is there and positive results will follow in due course. Along with these I have requested that the long vacant former Ripley Street Station and Western Auto buildings on Ripley Blvd. be included in Target's portfolio of economic development projects for the City, as well as the redevelopment of the previously mentioned antique mall building downtown.

Together the City and Target have expanded our City's economic opportunities, far beyond what we could accomplish alone and for far less cost. Having the right people in the right place at the right time can make all the difference, and it is indeed making a difference for the City of Alpena.

Closing Remarks

Each year the list of accomplishments and challenges continue to grow. As soon as one project is completed or issue addressed, new ones appear. To some this may be disconcerting as we always seem to be climbing up hill while never reaching the summit. But, that is the very description of a community on the move, never standing still, always striving to climb that hill in front of it. We should only be concerned if we feel we have finally reached the summit, for then there is only one way to go, and that is down. Alpena has so many more summits to climb and we are blessed that when we do reach the top of one, there is always another to challenge us. This is what keeps us alive and vibrant and what will spur us on to ever greater endeavors. There will always be obstacles and detours in our road to better ourselves, but I have yet to see one that we have not been able to eventually overcome. As long as we strive and never rest on our laurels the future will be bright for our Sanctuary of the Great Lakes.



Greg E. Sundin, Alpena City Manager
March 4, 2019

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.

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 smoke, 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 smoke 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: March 4, 2019
Adopted: _____, 2019
Published: _____, 2019
William A. Pfeifer, City Attorney




Memorandum

Date: February 27, 2019

To: Anna Soik, City Clerk/Treasurer/Finance Director

Copy: Greg Sundin, City Manager

From: Rich Sullenger, City Engineer 

Subject: Evergreen Cemetery Chapel Repairs

On February 26, 2019, the City received and opened proposals for the Evergreen Cemetery Chapel Repair. This project includes repairs and renovations to the chapel located within Evergreen Cemetery. Over the past few years, the chapel has experienced severe leaks into the office and hallway, between the peaked and flat roof. Prior repair efforts have decreased, but not eliminated, these leaks. Due to leaking fixtures, both restrooms are not functioning properly necessitating water to be turned off when the chapel is not in use. The existing lighting in these areas has also started to malfunction on a regular basis.

Bid documents were sent to ten (10) firms and posted on the City's website. Seven contractors/subcontractors attended the mandatory walkthrough with two proposals received.

Meridian Contracting Services

| | |
|--------------|----------|
| Base Bid | \$41,539 |
| Alternate 1: | \$ 4,682 |
| Alternate 2: | \$ 3,234 |
| Alternate 3: | \$ 501 |
| Alternate 4: | \$ 6,037 |
| Alternate 5: | \$ 594 |

A proposal was also received from DGI Roofing and Building Inc., in the amount of \$14,850, to repair and install the front flat roof of the chapel and shingle the main roof and no prices provided to complete the additional base or alternate items of work.

A copy of Meridian Contracting Services proposal is attached outlining the proposed work. The City also requested prices for five (5) alternate work items related to heating and electric efficiency and upgrades, and building aesthetics, as part of this proposal.

Funding has been established in the general fund for cemetery building repairs with an amount remaining of \$33,275. Additional funding for the replacement of the fence in the amount of \$40,000 was also established. It is anticipated fence funds will not be utilized this budget year. A fence replacement budget of \$50,000 was approved in the CIP for fiscal year 2019-20. After review of the base proposal, alternates, and available funding within the cemetery department budget, I would recommend utilizing \$23,312 of the existing fence replacement budget to complete the proposed work prior to June 30, 2019.

It is my recommendation, as City Engineer, that the project be awarded to Meridian Contracting Services for the proposal base bid plus alternates totaling \$56,587.

Attachments





304 W. Chisholm Street
Alpena, Michigan 49707
Ph: 989-354-4825
Fax: 989-354-4338

Mrs. Shannon Smolinski
City of Alpena
208 N. First Ave
Alpena, MI 49707

February 22, 2019

RE: Evergreen Cemetery Chapel

Mrs. Smolinski,

Please see the following proposal for the work that you are considering at the Evergreen Cemetery.

Scope of Work:

Item #1 - Shingle Roof Replacement

- * Roof replacement including ice guard and sheathing replacement per the RFP

Sub-Total: \$13,837

Item #2A - Flat Roof Replacement

- * Flat roof replacement per attached proposal from TRC Roofing.

Sub-Total: \$14,154
Option: 50 mil membrane \$1,151

Item #2B - Correct Flashing Problem at South Gable Windows

- * Modify windows to provide a better flashing condition at south gable windows.

Sub-Total: \$3,196

Item #3 - Ceiling Replacement

- * Remove and dispose of existing ceiling tile, drywall, and insulation in office, hall, and restrooms.
- * Supply and install new R-38 fiberglass batt insulation.
- * Supply and install new 5/8" drywall ceiling, taped and finished.
- * Supply and install new wood molding at new drywall ceiling perimeter.
- * Prime and paint new drywall and trim.

Sub-Total: \$3,836

Item #4 - Office & Restroom Window Replacement

- * Remove and dispose of existing windows.
- * Supply and install new Jeld Wen vinyl single hung replacement windows.

Sub-Total: \$3,194

Item #5 - Mechanical Room Exterior Door Replacement

- * Remove and dispose of existing mechanical room exterior door.
- * Supply and install new door, frame, lockset, weatherstrip, threshold, and closer.

Sub-Total: \$2,171

Alternate #1 - Renovate Restrooms

- * Remove restroom partitions.
- * Repaint walls.
- * Remove and replace flooring including new vinyl base.
- * Ceiling replacement is included in ceiling above.
- * Supply and install two new toilets.

Sub-Total: \$3,857
Option: Remove and replace wall hung lavs, complete. \$825

Alternate #2 - Replace Interior Lighting

- * Remove and replace interior lighting.

Sub-Total: \$3,234

Alternate #3 - Replace Exterior Lighting

- * Remove and replace exterior lighting.

Sub-Total: \$501

Alternate #4 - Remove & Replace Chapel Windows (10 lower only)

- * Remove and dispose of existing windows.
- * Supply and install new Jeld Wen vinyl single hung replacement windows.

Sub-Total: \$6,037

Alternate #5 - Upgrade Office Electrical

- * Replace 4 wall receptacles in office.

Sub-Total: \$594

Total Cost: (including all options and alternates) \$56,587

Thanks again for the opportunity to be of service. Please feel free to contact me if you have any questions.

Respectfully Submitted,
Meridian Contracting Services, LLC



Todd R. Britton



P.O. Box 307, 3336 Piper Road, Alpena, MI 49707 989-358-9921

February 19, 2019

DURO-LAST ROOFING SYSTEM PROPOSAL
RE: City of Alpena – 2019 Evergreen Chapel Repair

Todd Britton
Meridian Contracting Services, LLC
304 W. Chisholm Street
Alpena, MI 49707

Dear Todd,

Thank you for the opportunity to provide you with a cost estimate for the roofing work that you are in need of for the City of Alpena's Evergreen Chapel. We will furnish all material and labor to complete the project as follows:

AREAS: 3 existing flat roof areas. North/South/West

1. Install DuroGuard Slipsheet over existing membrane surface
2. Install Duro-Last 40 mil. PVC Membrane over the entire roof area
3. Install Duro-Last Parapet flashings
4. Install Duro-Last Curb Flashings for HVAC units
5. Install Duro-Last Stack Flashings for all round roof penetrations
6. Install Duro-Last 2-Way Breather Vents (to vent the membrane)
7. Install Duro-Last Drain Boot and Strainer
8. Install Duro-Last 2-Piece Edge Metal for front/rear roof edges
9. Duro-Last 15-year NDL Labor & Material Warranty

Total: \$12,867

Option for 50-mil membrane and 20-Year NDL Warranty: Add \$1,046



Since the Duro-Last roof system is custom fabricated for this building, a 50% deposit is required upon acceptance of this proposal with the balance due within 10 days of completion. If this proposal is acceptable, please sign and return to our office or fax to 989-356-4640. Proposal is valid for 30 days.

Respectfully,



Mike Schultz
TRC Roofing

Accepted by: _____

Date: _____





THUNDER BAY ELECTRIC, INC

1693 M-32 West, P.O. Box 472
Alpena, MI 49707

Phone: (989) 354-2840
www.thunderbayelectric.com

Full Service Electrical Contractor

February 21, 2019

Mr. Todd Britton
Meridian Contracting Services
304 W. Chisholm St
Alpena, MI 49707

Re: Evergreen Cemetery

Todd:

Thunder Bay Electric, Inc. is pleased to provide you with the following quotation for all parts, labor and permits necessary for the electrical items described below related to the Chapel upgrades for Evergreen Cemetery. All work to meet National Electric Code.
Proposal as follows:

Alternate #2: \$2,940.00

Alternate #3: \$ 455.00

Alternate #5: \$ 540.00 – replace four (4) wall receptacles in office

Thank you for the opportunity to provide you with this quotation. If you have any questions, please feel free to call.

Sincerely,

Tim Modrzynski

Bids Due: February 26, 2019
Time: 2:00 p.m.

BID LIST
2019 EVERGREEN CHAPEL REPAIR

Meridian Contracting Services
304 W. Chisholm Street
Alpena, MI 49707
Ph: 989-354-4825
todd@mericon.net

Timm Construction
3336 Piper Road
Alpena, MI 49707
Ph: 989-356-4514
mike@timmconstruction.com

Ryan Woodruff Construction
2105 N. Partridge Pt. Road
Alpena, MI 49707
Ph: 989-657-5150
ryan@woodruffconstruction.com

Kurt Shields
8753 Indian Reserve Road
Alpena, MI 49707
Ph: 989-916-6559
Kurt.shields244@gmail.com

Kenyon Brothers Construction
16891 Miller Creek Road
Hillman, MI 49746
Ph: 989-742-3963
kenyonsranch@hotmail.com

Leavesley Construction
2762 Emmet Street
Alpena, MI 49707
Ph: 989-884-3158
info@leavesleyconstruction.com

Oak City Contracting
181 N. Industrial Hwy
Alpena, MI 49707
Ph: 989-356-3297
bjohnson@oakcc.us

John's Home Maintenance
574 S. 2nd Street
Lincoln, MI 48742
Ph: 989-736-8315
johnshomemaint@yahoo.com

DGI Roofing
518 Mac Avenue
Alpena, MI 49707
Ph: 989-657-6544
dongrzeskowiak.dgi@gmail.com

Big Red Construction
819 N. Second Ave,
Alpena, MI 49707
Ph: 989-255-1630
caseykrey@yahoo.com



Project: Evergreen Cemetery Chapel Repair

Date: 02/19/2019 @ 10:00 a.m.

- ☐ Grade Inspection
- ☒ Pre-Bid
- ☐ Pre-Construction
- ☐ Public Information
- ☐ Utility Meeting
- ☐ General Planning
- ☐ Project Finalization

| Name | Company & Address | Phone No. | Email Address |
|-------------------|--|-----------|--|
| Shannon Smolinski | City of Alpena 208 North First Avenue | 354-1730 | shannons@alpena.mi.us |
| Don Gilmet | City of Alpena 208 North First Avenue | 354-1761 | donaldg@alpena.mi.us |
| Jim Kochanski | City of Alpena 208 North First Avenue | 354-1920 | jimk@alpena.mi.us |
| Todd Britton | Meridian Contracting 304 W. Chisholm Street | 354-4825 | todd@mericon.net |
| Don Grzeskowiak | DGI Roofing 518 Mac Avenue | 657-6544 | Dongrzeskowiak.dgi@gmail.com |
| DeVere Industries | DeVere Industries 1655 W. Hamilton | 657-0007 | bjdrisen@devereind.us |
| Mike Schultz | TRE ROOFING PO BOX 307 ALPENA | 766 3188 | mike@TIMMYCONSTRUCTION.COM |
| Casey Krey | Big Red Construction 819 N. 2nd Ave Alpena | 255-1630 | caseykrey@yahoo.com |
| Kurt Shields | Shields 2753 Industrial | 737-1103 | |
| Tim Malczynski | Thunder Bay Electric | 657-2068 | timmal@thunderbayelectric.com |
| | | | |

City of Alpena


Bid Name: Evergreen Cemetery Chapel Repair Bid Open Date: 02/26/19 @ 2:00p.m.

| Bidder | Addendum | Bid Security | Base Bid | Remarks |
|---|----------|--------------|---|--|
| DGI Roofing Alpena | # 1 ✓ | | \$ 10,650 chapel roof \$ 4,200 + flat roof | Alt - 1 Alt - 2 Alt - 3 Alt - 4 Alt - 5 |
| Meridian Contracting Services Alpena | # 1 | ✓ | \$ 56,587 | Alt - 1 Alt - 2 Alt - 3 Alt - 4 Alt - 5 Includes all alternates |
| | # 1 | | \$ | Alt - 1 Alt - 2 Alt - 3 Alt - 4 Alt - 5 |
| | # 1 | | \$ | Alt - 1 Alt - 2 Alt - 3 Alt - 4 Alt - 5 |

Unofficial – “As-Read” Results – Subject to Verification



Memorandum

Date: February 27, 2019
To: Anna Soik, City Clerk/Treasurer/Finance Director
Copy: Greg Sundin, City Manager
From: Rich Sullenger, City Engineer 
Subject: Suez Contract Adjustment

Mike Glowinski, Utility Manager for SUEZ, has submitted the attached memorandum requesting a contract adjustment to the operations and maintenance portion of the agreement. This is provided for in the agreement when additional mandated regulatory costs are incurred by the utility and paid for by SUEZ.

The current agreement allocates \$52,900, for operation and maintenance of the water filtration plant. Mike Glowinski is requesting an increase of \$17,100, to this maintenance allocation for additional analytical expenses mandated regulatory changes. This would establish the new operation and maintenance allocation at \$70,000 per year. The last adjustment to the water filtration plant operation and maintenance allocation was in 2008 and was for increased regulatory requirements at that time.

It is my recommendation, as City Engineer, that the requested maintenance allocation be increased, based on my review of the information provided by both Mike Glowinski and Mike Collins, the Water Plant Supervisor, by \$17,100 to \$70,000 annually.

Attachments





Alpena Water/Wastewater
Utility
210 Harbor Drive
Alpena, MI 49707

P 989 354 4891
F 989 354 8472
Michael.glowinski
@suez.com

MEMO

Date: February 21, 2019

To: Rich Sullenger
From: Mike Glowinski

Subject: Request to Increase Water Filtration Plant O&M Budget

We are writing to request your consideration of an adjustment to the annual O&M budget for the Alpena Water Filtration Plant. The contract between the City of Alpena and Suez allocates \$52,900 per year for operation and maintenance of the Water Filtration Plant. Suez bills the city for actual O&M expenses incurred on a monthly basis without markup. The last time this budget was increased was in 2008. Since that time, a number of regulatory changes have occurred that have significantly increased analytical costs. Article III Section 3.02 (b) of the agreement between Suez and the City of Alpena states "The monthly compensation for services performed may be revised and adjusted at any time in the event of additional loadings of the Facilities and increased (more burdensome) regulations that require Suez to increase its level of effort. The Client and Suez agree to negotiate in good faith the adjustment as a result of these changes."

The attached memo from Mike Collins the Water Filtration Plant supervisor identifies the increase costs associated with recent regulatory changes. The memo also identifies some regulatory changes that are expected in the future. We have not included these costs in our requested increase, as the regulations have not to date been finalized. The annual cost of the additional analytical expenses totals \$17,100. Therefore, we are requesting that the annual Water Filtration Plant budget be increased from \$52,900 to \$70,000.

January 28, 2019

The Water Treatment Plant O&M Budget has not been adjusted appropriately to reflect the needs associated with the aging Plant, operational changes, laboratory practices/requirements, or MDEQ/EPA Regulations.

The table below illustrates an estimate of increases that have been sustained in the past in order to maintain the Plant and keep pace with associated cost increases.

| Item | Year | Increase | Reason |
|-------|------|---------------------------------------|---|
| 1 | 2000 | \$700 | CIP - New Whole Plant back-up Generator Requires Annual oil/filter change as well as batteries every 3 years and service of transfer switch by certified contractor due to new equipment |
| 2 | 2001 | \$850 | ERA Certified Lab Performance analyses MDEQ required Annually as part of changes to Lab Certification process |
| 3 | 2002 | | |
| 4 | 2003 | | |
| 5 | 2004 | | |
| 6 | 2005 | | |
| 7 | 2006 | | |
| 8 | 2007 | \$500 | lab outside non-treatment samples increase in frequency and number of samples |
| 9 | 2008 | \$500 | CIP - Lab equipment Fluoride meter and Probe. Requires Daily Calibration and Annual probe replacement. |
| 10 | 2009 | | |
| 11 | 2010 | \$400 | MDEQ Lab practice changes and required lab media/equipment per approved lab method |
| 12 | 2011 | | |
| 13 | 2012 | | |
| 14 | 2013 | \$8693.00 | EPA UCMR3 - Required sampling event |
| 15 | 2014 | | |
| 16 | 2015 | \$700 | lab outside non-treatment samples increase in frequency and number of samples |
| 17 | 2015 | \$1000 | CIP - VFDs Increase in service and programming costs due to new capital equipment |
| 18 | 2016 | \$10,000 | MDEQ LT2 Cryptosporidium - Required monthly samples |
| 19 | 2016 | \$700 | MDEQ Revised Total Coliform Rule. Changes to lab practices and approved methods. |
| 20 | 2017 | \$300 | MDEQ Turbidity calibration/verification - Required Monthly due to increased Regulations |
| 21 | 2017 | \$600 | CIP - LCA for Alum purchased. Required Annual maintenance and probe replacement |
| 22 | 2018 | \$1200 | MDEQ TOC & TTHM/HAAS - Required increased required # of samples |
| 23 | 2018 | \$700 | MDEQ Microcystin - Required sampling event |
| 24 | 2019 | \$3500 | EPA UCMR4 - Required sampling event |
| 25 | 2020 | \$1000 estimate of future costs | MDEQ Lead & Copper - Required increase in sampling parameters per revised Lead/Copper Rule |
| 26 | 2020 | \$1000 estimate of future costs | MDEQ rules/accepted best practice change to include increased online turbidity and Cl2 equipment. |
| 27 | 2020 | \$1500 | Predicted MDEQ required sampling for PFAS (quarterly or annually) \$1500 if quarterly, \$400 if annually |
| TOTAL | | \$33,843.00 | |

The City of Alpena WTP is nearly 100 years old and has increasing costs associated with properly maintaining a Plant of this size and age. The O&M Budget must account for annual increases in needed mechanical equipment, laboratory items, sampling events and regulation mandates.

Details of these increases:

Item 1: The City installed a "whole Plant generator" in 2000 which is invaluable to providing water to the City in the event of a system power failure – these happen frequently. This CIP addition incurs an annual increase in cost of \$700 due to needed maintenance which ensures it is kept working optimally.

Item 2: The City of Alpena WTP Laboratory is an MDEQ Certified Lab, which allows the WTP to analyze its own process and compliance samples with respect to microbiology and a other parameters. To remain a MDEQ Certified Lab the WTP must pay an annually fee, as well as conduct compliance performance tests to ensure we up capable of meeting requirements. These tests cost an average \$850 per year. Note: the Lab Certification fee is much more and is not reflected in this increase.

- Item 8:** The WTP Laboratory conducts analysis on “outside sample” from neighboring communities, non-system residents and also the DHD#4 for the Beach Monitoring Program. These outside tests have increased in number, with a notable increase in 2007 and also in 2015. The costs of these samples increases each year.
- Item 9:** The City purchased a Fluoride Meter and Probe to analyze the fluoride concentration in the water. This is a required method when a System has Fluoride Addition. The meter requires daily calibration resulting in significant lab solution costs as well as Annual probe replacement.
- Item 11:** In 2010 the MDEQ Lab Certification Audit identified several areas of deficiency which were addressed by changing some lab methods and practices. This included such things as purchasing digital certified thermometers annually, purchasing disposable sample bottles and pipettes.
- Item 14:** In 2013 the City of Alpena WTP was required to conduct EPA Unregulated Contaminant Monitoring (UCMR3). This is extensive sampling done by the WTP and analyzed by a contract lab with respect to contaminants that are not currently regulated but which are being monitored for future regulation. The cost of this sampling in 2013 was \$8693.00 with no increase in budget. Note: this event is also occurring in 2019.
- Item 16:** The WTP Laboratory conducts analysis on “outside sample” from neighboring communities, non-system residents and also the DHD#4 for the Beach Monitoring Program. These outside tests have increased in number, with a notable increase in 2007 and also in 2015. The costs of these samples increases each year. Sample costs are noticeable increased again.
- Item 17:** CIP VFD Project on HS completed, with four more on LS completed in 2017 as well as seven more currently underway. These VFDs provide optimal control over flow into and out of the WTP. More importantly they allow for reduced pressure fluctuations in the System which has resulted in a realized reduction in the amount of main breaks in the System. The VFDs save money, but they also required periodic maintenance and programming work by contractors.
- Item 18:** In 2018 the WTP was required to conduct a 2-year study of its Source Water with respect to Cryptosporidium. This monitoring was also done in 2004± (LT1) and is likely to be required again in the future (LT3). The cost of this sampling event was approximately \$10,000.
- Item 19:** Changes to the EPA Revised Total Coliform Rule meant that the WTP Lab had to change its microbiological method. This change resulted in increased costs of approximately \$700 per year for the purchase of new acceptable media.
- Item 20:** The SDWA has always required quarterly calibration of online turbidity monitoring equipment. Additionally, in 2017 the MDEQ announced a best practice rule change that now requires the WTP to verify this equipment monthly. This increases lab solution costs.
- Item 21:** CIP Lab Charge Analyzer was purchased. This valuable lab equipment allows for the determination of precise Alum dosage resulting in increased water quality. More importantly it results in reduced Alum usage – saving money on chemical costs. However, the LCA requires calibration as well as Annual replacement of its probe.
- Item 22:** In 2018 the City of Alpena received notice that the amount of required sampling for TOC and the Plant Tap and Raw was now to be done Monthly instead of Quarterly. Also, the City is now required to sample TTHM/HAA5 at two locations in the Distribution System instead of just one. This MDEQ Sample Monitoring change resulted in an increase in sampling costs.
- Item 23:** Also in 2018 the MDEQ required the City to sample for Microcystins in its source water. This monitoring was done Weekly at a cost of \$700.
- Item 24:** This year, the City of Alpena is once again required to conduct EPA UCMR4 Monitoring. This event last for about one year and requires Monthly samples to be collected and sent to a contract laboratory. The lab costs for this round of UCMR4 are quoted at \$12,261. This is an increase of approximately \$3500 from the UCMR3 event. Note: A UCMR5 and other subsequent events will be required in the future with costs only rising.
- Item 25:** The EPA has revised the Lead & Copper Rule. The new rule requires additional samples including: 2 samples for each location instead of just one. Also requires 15 additional samples from each location for additional parameters (Chlorides, Sulfates, etc.) It is estimated that sample costs will increase significantly estimated at least \$1000. The true cost is likely higher. A quote was not sought for the future increase but can be if needed.

Item 26: The WTP is awaiting word on the Suez Plant Upgrade. This upgrade includes the CIP SCADA Project that was scheduled for 2018-2019. Once the SCADA Project is complete (with or without the Suez Upgrade) there will be additional required maintenance and calibration of new online turbidity and chlorine equipment. This is required by MDEQ. The additional cost is estimated at \$100 per year.

Item 27: PFAS are an emerging contaminant of great concern. It is anticipated that the City of Alpena will be required to test for PFAS on some time of basis in the future. It will likely be either Annually, Quarterly or Monthly. The cost of these samples is currently \$300-400 per sample. It is estimated that costs will increase due to this requirement.

Summary

As you can see, there have been substantial increases in Rules/Regulations, as well as required operational changes and new capital equipment purchased over the years. These changes have created strain on the O&M Budget that have not been accounted for in the past by previous WTP Managers. It is also worth noting that simple annual inflation rates have significantly impacted the ability for the current O&M Budget to adequately maintain the most important asset in the City. The increase due to inflation just since 2008 is roughly \$11,500 – items purchased each year experience annual cost increases, it is common practice to account for this increase as well.

The WTP does not only “spend money” it also has found ways to save the City money. The addition of VFDs on all pumps/motors has resulted in decreased energy costs, and reduced main break costs - and will continue to do. Increased treatment optimization due to new Chlorine Pumps, Flow Meters, and equipment purchases have resulted in reduced treatment costs. The cost of treatment per MG with respect to Chemical costs averaged \$107 in 2018, a decrease over the prior 4 years which averaged \$110/MG. The 4 years before that averaged \$115/MG. Previous Plant Managers did not record cost per MG with respect to power consumption, however since 2015 the cost per MG with respect to power has decreased from \$167/MG to an average of \$153/MG. These seemingly small decreases equate to savings for the City of nearly \$13,000 per year and approximately \$51,000 over the past four years alone. The new VFDs being installed on the High Service and North Industrial Pump Station will escalate these savings even further.

The WTP Laboratory is funded through the O&M Budget and generates an average of \$14,500 in revenue during the year. I have previously suggested increasing the price of all samples analyzed by the WTP Lab to \$25.00 per sample, instead of the current \$20.00. This increase will result in a yearly revenue increase of approximately \$4000-5000 per year to the City. Please allow this change to sample costs.

I am uncertain if the WTP O&M Budget can be adjusted completely to reflect the needs listed above, however I am certain that the Budget is inadequate. Small increases over the years have been neglected and are now compounded, resulting in increased difficulty and strain to preserve and maintain the most valuable asset in the City. I implore you to consider adjusting the WTP O&M Budget so that required operations, practices, sampling, and maintenance does not become impossible in the future. The needs reflect a Budget of nearly \$98,000 however I request a less imposing increase to \$75,000.

Michael Collins
Suez – Operations Manager
City of Alpena WTP