

ALPENA CITY COUNCIL MEETING

January 5, 2015 - 7:00 p.m.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Approve Minutes –Regular Session of December 15, 2014, and Closed Session of December 15, 2014.
4. Modifications to the Agenda.
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 \$429,186.20.
7. Presentations.
 - A. Recognition of Retired K9 Max.
8. Announcements.
9. Mayoral Proclamation.
10. Report of Officers.
11. Communications and Petitions.
 - A. Comprehensive Annual Financial Report (CAFR) – Fiscal Year Ended June 30, 2014 – Presentation by Straley Lamp & Kraenzlein P.C.
12. Unfinished Business.
13. New Business.
 - A. Councilmember Appointments to Boards and Committees.

B. Utilities Ready to Serve Charge Option.

Greg E. Sundin
City Manager

COUNCIL PROCEEDINGS

December 15, 2014

The Municipal Council of the City of Alpena met in regular session in the City Hall on the above date and was called to order at 7:00 p.m. by the Mayor.

Present: Mayor Waligora, Councilmembers Sexton, Nielsen, and Johnson.

Absent: Councilmember Nowak.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

MINUTES

The minutes of the regular session of December 1, 2014, were approved as printed.

Carried by unanimous vote.

CONSENT AGENDA

Moved by Councilman Sexton, seconded by Councilwoman Nielsen, that the following Consent Agenda items be approved:

1. Bills Allowed – in the amount of \$507,596.14 be allowed and the Mayor and City Clerk authorized to sign warrants in payment of same.
2. Collection of property taxes for the Alpena Public School District and the Alpena-Montmorency-Alcona Educational Service District.

Carried by unanimous vote.

SPEEDCONNECT AMENDMENT TO SITE LEASE

Moved by Councilman Sexton, seconded by Councilwoman Nielsen, that the amendment to the lease agreement between SpeedConnect and the City of Alpena automatically renew for three additional 5-year terms with the option to terminate by either party. The rental fee will continue to increase at the rate of 4 percent per year and the company name is officially changed to SpeedConnect, LLC; and authorize the

Mayor and City Clerk to sign the amendment on behalf of the City.

Carried by unanimous vote.

CLOSED SESSION

Moved by Councilman Sexton, seconded by Councilwoman Johnson, that the Municipal Council adjourn to a closed session at 7:25 p.m., to discuss litigation.

Carried by unanimous vote.

RECESS

The Municipal Council recessed at 7:25 p.m.

RECONVENE – CLOSED SESSION

The Municipal Council reconvened in closed session at 7:35 p.m.

RECONVENE – OPEN SESSION

The Municipal Council reconvened in open session at 8:17 p.m.

On motion of Councilman Sexton, seconded by Councilwoman Johnson, the Council adjourned at 8:17 p.m.

MATTHEW J. WALIGORA
MAYOR

ATTEST:

Karen Hebert
City Clerk

INVOICE REGISTER FOR CITY OF ALPENA

EXP CHECK RUN DATES 01/06/2015 - 01/06/2015
 BOTH JOURNALIZED AND UNJOURNALIZED
 OPEN

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
AMERICAN UNITED LIFE INSURANCE	30320 01/15	PREMIUM-LIFE 01/15	667.44
BC/BS OF MICHIGAN	64088 01/15	PREMIUM-HEALTH 01/15	78,474.05
ETNA SUPPLY CO	S101225391.001A	RISER RINGS - LOC ST	55.30
MICH ASSN OF MUNICIPAL CLERKS	010115-JK	2015 MEMBERSHIP DUES	40.00
MICH ASSN OF MUNICIPAL CLERKS	010115-KH	2015 MEMBERSHIP DUES	60.00
MISS DIG SYSTEM INC	201503447	2015 PARTICIPATION FEE	2,517.03
MUTUAL OF OMAHA	074L5 01/15	PREMIUM-DISABILITY 01/15	835.29
MY COMMUNITY MOBILE	122214	CITY APP SUPPORT - 01/15	99.00
NE MI HUMAN RESOURCES ASSN	010115	2015 MEMBERSHIP DUES - MGR	125.00
PITNEY BOWES INC	963841	POSTAGE METER RENT 10-12/14	261.50
STATE OF MICHIGAN	MIDEAL-17/15	EXTENDED PURCHASING FEE	180.00
THE LINCOLN NATIONAL LIFE	202473 01/15	PREMIUM-DENTAL 01/15	9,260.63
THUNDER BAY AREA	121714	2015 MEMBERSHIP DUES	100.00
WALMART VISION CENTER	1238337	EMPLOYEE PHYS - FIRE/AMB	58.00
Total:			92,733.24

12/30/14 POSTING FOR CALENDAR YEAR END	306,141.57
CHECKS RAN ON 12/23/14 IN ORDER TO AVOID LATE CHARGES	30,311.39
(BREAKDOWN OF INVOICES PAID ATTACHED)	-----
TOTAL FOR 1/6/15 COUNCIL MEETING	429,186.20

INVOICE REGISTER FOR CITY OF ALPENA

EXP CHECK RUN DATES 12/30/2014 - 12/30/2014
 BOTH JOURNALIZED AND UNJOURNALIZED
 OPEN

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
AIRGAS USA LLC	9923617672	VEH MAINT - DPW	59.40
AIRGAS USA LLC	9034068395	SUPPLIES - AMB DISP	95.34
AIRGAS USA LLC	9034137446	SUPPLIES - AMB DISP	26.12
AIRGAS USA LLC	9034137447	SUPPLIES - AMB DISP	151.94
AIRGAS USA LLC	9034707311	VEH MAINT - DPW	66.00
ALPENA AREA CHAMBER OF COMM	10847	DINNER TICKETS	200.00
ALPENA COUNTY TREASURER	121114	REFUND TAXES - BD OF REVIEW	369.16
ALPENA DIESEL SERVICE	45099	VEH MAINT #36	41.76
ALPENA DIESEL SERVICE	45197	VEH MAINT #39/#40	37.78
ALPENA MARKETPLACE PRODUCTIONS	100 12/14	TAPING FEES - COUNCIL MTG	450.00
ALPENA PAPER & SUPPLY CO	458083	SUPPLIES - AMB DISP	94.08
ALPENA POWER COMPANY	123014	ELECTRIC	3,424.99
ALPENA REGIONAL MEDICAL CENTER	120514	SUPPLIES - AMB DISP	630.00
ALPENA TRIM LLC	111414	MAINT - BOAT HARBOR	50.00
ALRO STEEL CORP	ELS7368AL	VEH MAINT #20	56.61
AXIOM INTERNATIONAL	1410012SLH	COMPUTER MAINT	238.50
BEAVER RESEARCH COMPANY	0221934-IN	SUPPLIES - EQUIP	124.85
BOUND TREE MEDICAL LLC	81570518	UNIFORMS - FIRE/AMB	205.16
BOUND TREE MEDICAL LLC	70203208	UNIFORMS - FIRE/AMB	(45.59)
BRONNERS COMMERCIAL DISPLAY	049702	CHRISTMAS DECORATIONS - PW	2,387.25
CHEBOYGAN COUNTY HOUSING	122314	TRAINING REG - BLDG	125.00
CLIFF ANSCHUETZ CHEVROLET	CVW209190	VEH MAINT - FIRE EQ	41.99
CORE TECHNOLOGY CORPORATION	65219	LEIN SUPPORT LICENSE	3,587.00
CURTIS 1000 INC - MIDWEST	4102889	SUPPLIES - POLICE	283.64
DAVE MARCHLEWSKI	121214	DIG MATERIAL REMOVAL - MAJ/LOC/S/W	2,000.00
DEAN ARBOUR FORD LINCOLN MERCURY	114491	VEH MAINT - AMB	588.67
DEAN ARBOUR FORD LINCOLN MERCURY	16171	VEH MAINT #50	29.70
DEAN ARBOUR FORD LINCOLN MERCURY	16177	VEH MAINT - AMB	160.01
DIGITAL-ALLY	1072833	UNIFORMS - POLICE	30.00
EAGLE ENGINEERING & SUPPLY CO	47210	MAINT - LIGHTS	215.76
ELAINE WEGMEYER	AP14-2616C	AMBULANCE REFUND	511.00
FRONTIER	4-0167 12/14	TELEPHONE - WATER	134.41
FRONTIER	6-0135 12/14	TELEPHONE - CEMETERY	39.47
FRONTIER	6-2515 12/14	TELEPHONE - WATER	49.11
FRONTIER	6-2992 12/14	TELEPHONE - WATER	111.54
FRONTIER	6-6422 12/14	TELEPHONE - DDA	61.44
GARANTS OFFICE SUPPLIES & PRINTING	55601	MAINT - MAJ/LOC ST	120.00
GARANTS OFFICE SUPPLIES & PRINTING	55660	SUPPLIES - PW/PSF	839.00
GARANTS OFFICE SUPPLIES & PRINTING	55702	SUPPLIES - ENGINEER	18.00
GARANTS OFFICE SUPPLIES & PRINTING	55734	SUPPLIES - PUBLIC SAFETY	65.00
HALLS SERV-ALL	T121214	RENTAL FEE - PARKS	70.50
HANSEN SALES & SERVICE	17145	VEH MAINT #36	698.66
HANSEN SALES & SERVICE	17221	VEH MAINT - DPW	174.75
HOME DEPOT CREDIT SERVICES	4071490	SUPPLIES - PUBLIC SAFETY	37.78
HOME DEPOT CREDIT SERVICES	71644	SUPPLIES - EQUIP	11.42
HOME DEPOT CREDIT SERVICES	64611	SUPPLIES - FIRE EQ	11.69
JAMES KOCHANSKI	2291	WORK APPAREL ALLOW - CEM	90.09
LAKESHORE PLUMBING, HEATING &	28903	CITY WIDE BOILER INSPECTIONS	845.77
LEFAVE PHARMACY INC	121514	SUPPLIES - AMB DISP	121.97
LIFELC TECHNOLOGIES INC	0189997-IN	SUPPLIES - POLICE	39.60
MARC HALLECK	122914	CHRISTMAS ACTIVITIES - DDA	400.00
MCDONALD AUTO SUPPLY INC	760560	VEH MAINT #57	36.90
MCDONALD AUTO SUPPLY INC	761568	VEH MAINT - FIRE EQ	3.49
MHR BILLING	2272	BILLING 10/14 - AMBULANCE	7,570.61
MHR BILLING	2273	BILLING 11/14 - AMBULANCE	6,287.24
MICHAEL KIELISZEWSKI	121814	TRAVEL EXPENSE - BLDG INSP	9.00
MICHAEL SMITH	121514	WORK APPAREL ALLOW - PW	137.82
MICHIGAN OFFICE SOLUTIONS	263804	COPIER MAINT - PSF	434.00
MICHIGAN PIPE & VALVE	T66537	STORES - COUPLING	225.00
NATGUN CORPORATION	111914	CLEAR WELL REPAIRS - WATER	224,342.33
NYE UNIFORM COMPANY	486379	UNIFORMS - POLICE	311.96
NYE UNIFORM COMPANY	488602	UNIFORMS - POLICE	119.50
OPTUM INSIGHT	7019813	RDS ATTESTATION	1,500.00
POWER LINE SUPPLY CO	5884290	PEDESTRIAN LIGHT POLES	540.75
POWER LINE SUPPLY CO	5887656	SUPPLIES - LIGHTS	131.77
POWER LINE SUPPLY CO	588883	STORES - LED LIGHTS	11,998.12
R & R FIRE TRUCK REPAIR	46975	VEH MAINT - ENGINE 2	225.50
RAPID RESULTS	3809	DRUG SCREEN - FIRE/AMB	30.00
RAPID RESULTS	3814	DRUG SCREEN - PUBLIC WORKS	45.00
RESERVE ACCOUNT-PITNEY BOWES	121614	POSTAGE - MAIL MACHINE	3,000.00
RICHARD CHILDERS	AP14-2711C	AMBULANCE REFUND	100.00
ROGER MARTINDALE	121514	WATER BILL REFUND	57.00

INVOICE REGISTER FOR CITY OF ALPENA

EXP CHECK RUN DATES 12/30/2014 - 12/30/2014
 BOTH JOURNALIZED AND UNJOURNALIZED
 OPEN

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
RONALD BALLA	AP14-8146C	AMBULANCE REFUND	301.00
SCIENTIFIC BRAKE & EQUIPMENT	3243460006	VEH MAINT #20	150.30
SCIENTIFIC BRAKE & EQUIPMENT	3243510002	VEH MAINT #20	47.78
SOLUCIENT SECURITY SYSTEMS	0190158	MAINT - PUBLIC WORKS	90.00
SOLUCIENT SECURITY SYSTEMS	0190159	MAINT - CITY HALL	60.00
SPI INNOVATIONS	124192	SUPPLIES - IT	210.00
STAPLES ADVANTAGE	8032419734	SUPPLIES - CITY HALL	76.09
STAPLES ADVANTAGE	8032510415	SUPPLIES - CITY HALL	57.36
STATE CHEMICAL SOLUTIONS	97089743	SUPPLIES - EQUIP	113.04
STATE OF MICHIGAN	AF 372983	MAJ ST CONSTR - GRANT ST	471.67
STRALEY LAMP & KRAENZLEIN PC	21354	MONTHLY FEE 11/14	3,130.00
SUPERIOR FABRICATING INC	14000	VEH MAINT - DPW	165.00
TAMI ROMEL	122314	SAFETY SHOE ALLOW - PW	84.79
TED FESTERLING LLC	4438	VEH MAINT - DPW	71.56
TED FESTERLING LLC	4491	VEH MAINT - DPW	98.98
THUNDER BAY ELECTRIC INC	223016	WIRED CITY	2,860.00
THUNDER BAY ELECTRIC INC	223019	PARKING LOT LIGHT IMPROVEMENTS - LOCK	1,200.00
THUNDER BAY ELECTRIC INC	223085	PARKING LOT LIGHT IMPROVEMENTS - LOCK	2,505.00
TRUCK & TRAILER SPECIALTIES	D6159	VEH MAINT - DPW	113.90
TRUCK & TRAILER SPECIALTIES	D6260	SPREADER ASSEMBLIES #40/#45	2,824.13
UP ENGINEERS & ARCHITECTS INC	1500437	DESIGN SVCS - WOODWARD TRAILHEAD	2,030.00
VALMONT INDUSTRIES	CD2060096	STORES - PARKING LOT LIGHT POLES	10,550.00
VERIZON WIRELESS	9736982859	TELEPHONE	916.36
VERIZON WIRELESS	9736914157	TELEPHONE	563.75
WAL-MART	593	SUPPLIES - IT	14.97
WINN TELECOM	3371 12/14	TELEPHONE - LONG DISTANCE	153.58
		Total:	306,141.57

INVOICE REGISTER FOR CITY OF ALPENA

EXP CHECK RUN DATES 12/23/2014 - 12/23/2014
BOTH JOURNALIZED AND UNJOURNALIZED
OPEN

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
ALPENA POWER COMPANY	122314	ELECTRIC	17,881.21
DTE ENERGY	122314	GAS	12,337.24
FRONTIER	2793 12/14	TELEPHONE - POL/FIRE/AMB	92.94
		Total:	30,311.39



Memorandum

Date: December 10, 2014
To: Greg Sundin, City Manager
From: Joel W. Jett, Chief of Police
Subject: Recognition of Retired K9 Max

After several years of service to the City of Alpena, Max, the police department's canine officer retired on November 9, 2014. With your permission, I would like to recognize Max at the next scheduled council meeting with a Certificate of Service and Appreciation.

SUMMARY OF SERVICE ON BOARDS APPOINTED FOR 2014

Waligora	Johnson	Sexton	Nielsen	Nowak
D.A.R.E.	RECREATION COMM.	CITY PROPERTY	H.U.N.T.	HISTORIC DISTRICT
I.G. COMMUNICATIONS	RETIREMENT BOARD	T.B. SANCTUARY	MEDICAL MARIJUNIA	ALPENA COUNTY CENTRAL DISPATCH
NAT. RESOURCES- VISIONING	I.G. AIR/WATER QUALITY	NE MICH RECYCLING	NEMCOG - REDAC	I.G. PUBLIC SAFETY
CLEAR TARGET MARKET VISIONING	I.G. ROADS	I.G. RECYCLING	CLEAR TARGET MARKET VISIONING	TARGET
	NAT. RESOURCES VISIONING	EC. DEV. VISIONING	BUILDING STRONG CONSENSUS - VISIONING	POLICIES & PROCEDURES VISIONING
	POLICIES & PROCEDURES VISIONING	BUILDING STRONG CONSENSUS – VISIONING		RETIREMENT
	PARK FOUNDATION	MACNE		
ALTERNATE				
MACNE	I.G. RECYCLING	RECREATION COMM.	T.B. SANCTUARY	
NEMCOG BOARD			TARGET	
		MAYOR PRO-TEM 2 Year Term 2014-2015		

I.G. – All council attend Intergovernmental Meetings. The I.G. meetings above are subcommittees.

Visioning – All council participate in the Visioning & Goals Setting Sessions held every 3 – 5 years. The visioning meetings above are subcommittees and have not been active in several years.



Memorandum

Date: December 30, 2014

To: Greg Sundin, City Manager

Copy: Karen Hebert, City Clerk/Treasurer/Finance Director

From: Rich Sullenger, City Engineer

Subject: Ready to Serve Charge Option

A significant number of complaints upon implementing the new rate structure earlier this year were based on the ready to serve charge and the impact it had on those businesses with a meter larger than 1" in size. The original large meter count was 71 as depicted in the following spreadsheet with meters greater than 1" and 4,727 residential accounts with meters 1" or smaller.

Ready to Serve Charge	Monthly RTS Water	Monthly RTS Sewer	Total	Quarterly Total RTS	Yearly Total RTS	# of Accts Water	# of Accts Sewer
1" Meter or less	\$ 5.00	\$ 5.00	\$ 10.00	\$ 30.00	\$ 120.00	4,727	4,727
Greater than a 1" but less than a 2" meter	\$ 35.00	\$ 35.00	\$ 70.00	\$ 210.00	\$ 840.00	59	59
2"- less than a 3" Meter	\$ 75.00	\$ 75.00	\$150.00	\$ 450.00	\$ 1,800.00	6	6
3" Meter	\$ 90.00	\$ 90.00	\$180.00	\$ 540.00	\$ 2,160.00	1	1
4" Meter	\$125.00	\$125.00	\$250.00	\$ 750.00	\$ 3,000.00	4	4
6" and larger Meter	\$250.00	\$250.00	\$500.00	\$1,500.00	\$ 6,000.00	1	1
						4,798	

Since that time and with upgrades to the system, a subsequent report was requested through Alpena Power Company, who administers the data base for the utility. This subsequent report provided a much different scenario for large meter customers as shown in the following updated chart increasing the number from 71 to 204:

Ready to Serve Charge	Monthly RTS Water	Monthly RTS Sewer	Total	Quarterly Total RTS	Yearly Total RTS	# of Accts Water	# of Accts Sewer
1" Meter or less	\$5.00	\$5.00	\$10.00	\$30.00	\$ 120.00	4,604	4,604
Greater than a 1" but less than a 2" meter	\$35.00	\$35.00	\$70.00	\$210.00	\$ 840.00	94	94
2"- less than a 3" Meter	\$75.00	\$75.00	\$150.00	\$450.00	\$1,800.00	86	86
3" Meter	\$90.00	\$90.00	\$180.00	\$540.00	\$2,160.00	10	10
4" Meter	\$125.00	\$125.00	\$180.00	\$540.00	\$2,160.00	13	13
6" and larger Meter	\$250.00	\$250.00	\$250.00	\$750.00	\$3,000.00	1	1
						4,808	

The City has established the current capital needs funding level as the minimum needed for the 2014-2015 fiscal year. Any potential reduction in revenue from a reduction in the ready to serve charge will need to be offset by increasing revenue in other areas of the billing structure to maintain the same capital funding level.

The Alpena Area Chamber of Commerce and its governmental relations committee had received several complaints and solicited input from their constituents and met with City staff to discuss their findings. The comments by the Chamber were twofold. First, the people the Chamber spoke with felt the ready to serve charge was too high and second, many were unaware of their meter size and were shocked with the initial bill and ready to serve charge they were assessed.

The suggestions proffered when City staff met with the Chamber representatives included the following:

1. Eliminate or reduce the ready to serve charge.

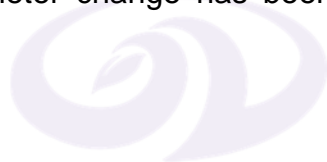
As stated earlier in this memo, any reduction in revenue resulting from a reduction in the ready to serve charge portion of the rate structure would need to be made up from some other portion of the billing to maintain the capital funding at the level established for 2014-2015 by the City council. This would be made up with increased costs for all users through an increased infrastructure maintenance charge.

2. Forgive the first ready to serve charge in the initial billing issued and paid by the customers as a warning notice, thus allowing the property owner time to prepare to pay it or reduce their meter size.

As we have been through a full cycle of the billings, all customers should have received a bill with the appropriate Council approved ready to serve charge included and should have paid the bill. Thus, providing them a forgiveness of the bill would not do anything to prepare them, as they should have already paid it, and would only delay the billing or reduce it for the next or a future billing cycle.

As a suggested option, and one recommended by staff, the following is proposed:

The past standard has been that if a customer opts to reduce their meter size and they have a functioning and relatively current meter, the customer must pay the cost for the replacement meter and installation parts. If the meter is of older vintage, as determined by the utility, the replacement meter is provided at no cost to the customer. As an alternative to charging the customer for the replacement meter and installation parts, the utility would provide these at no cost, as there are benefits to the utility for having a new meter in place. The actual installation of the meters has always been a service provided to the customer at no cost to ensure proper installation. All modifications to the customers plumbing to accommodate a meter change has been and would continue to be the customer's expense.



In many cases the cost of the replacement meter is more than the quarterly ready to serve charge on the larger meter. Thus by providing them the replacement meter at no cost, it is more cost effective to the customer than waiving a quarterly ready to serve charge. The property owner would still be responsible for all modifications to their plumbing to accommodate the new meter. Once these modifications are performed, United Water personnel would install the new meter for the customer. If this option is implemented, the utility would provide a credit to the account of any property owner who has previously opted to reduce their meter size and paid for a meter. To qualify for a no cost meter or credit, the customer must be current on their bill.

Staff is of the opinion that this option is easier to implement than any credit scenario for the initial ready to serve charge billing and accommodates those customers who can reduce their meter size.

