

ALPENA CITY COUNCIL MEETING

July 7, 2014 - 7:00 p.m.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Approve Minutes – Closed Session of June 2, 2014; and Regular Session of June 16, 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 \$746,957.31.
 - B. Approval of the Re-election of the Three Incumbent Trustees to the Michigan Municipal League 2014 Workers' Compensation Board of Trustees.
7. Announcements.
8. Mayoral Proclamation.
9. Report of Officers.
10. Communications and Petitions.
11. Unfinished Business.
12. New Business.
 - A. 2014-15 Service Agreement Between the City of Alpena and Target Alpena Development Corporation.
 - A. United Water Contract Amendment.
 - B. City Phone System.
13. Adjourn to Closed Session to Discuss Attorney Client Privilege Written Opinion.

Greg E. Sundin
City Manager

COUNCIL PROCEEDINGS

June 16, 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, Nowak, and Johnson.

Absent: None.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

MINUTES

The minutes of the regular session of June 2, 2014, were approved as printed.

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 \$276,692.18 be allowed and the Mayor and City Clerk authorized to sign warrants in payment of same.
2. One Council appointment to the Zoning Board of Appeals for a three-year term expiring on May 1, 2016 (Mike Polluch).

Carried by unanimous vote.

TREASURER'S FINANCIAL REPORT

Moved by Councilman Nowak, seconded by Councilman Sexton, to receive and file the Treasurer's Financial Report of July 1, 2013, through May 31, 2014.

Carried by unanimous vote.

JAWS OF LIFE

The following sealed bids were received for a new hydraulic rescue tool, also

known as, "Jaws of Life":

R & R Fire Truck Repair	\$23,500.00
Rescue Resources, LLC	\$25,023.00
First Due Fire Supply	\$28,495.46
Santiam Emergency Equipment, Inc.	\$28,535.00
Howell Rescue Systems	\$30,265.00

Moved by Councilman Sexton, seconded by Councilwoman Johnson, to reject the low bid of R & R Fire Truck Repair because it does not meet the specifications; and that the bid by Rescue Resources, LLC, in the amount of \$25,023.00, be accepted. Funding for this purchase was made possible through a \$16,000 grant from AAA Michigan, \$3,000 from the Community Foundation of Northeast Michigan and \$162 from the children of All Saints School. The City's cost was \$5,861.

Carried by unanimous vote.

GRASS CUTTING FEES

Moved by Councilwoman Nielsen, seconded by Councilman Nowak, to authorize charging an inspection fee of \$50.00 for lawn cutting in addition to the cost of cutting the lawn.

Carried by vote as follows:

Ayes: Waligora, Johnson, Nielsen, and Nowak.

Nays: Sexton.

On motion of Councilman Nowak, seconded by Councilman Sexton, the Council adjourned at 7:30 p.m.

MATTHEW J. WALIGORA
MAYOR

ATTEST:

Karen Hebert
City Clerk

INVOICE REGISTER FOR CITY OF ALPENA

EXP CHECK RUN DATES 07/08/2014 - 07/08/2014
 BOTH JOURNALIZED AND UNJOURNALIZED
 OPEN

6.A.

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
AETNA PROVIDER SERVICES	AP14-0567C	AMBULANCE REFUND	101.80
AIRGAS USA LLC	9028273183	SUPPLIES - AMB DISP	67.26
AIRGAS USA LLC	9028505175	SUPPLIES - AMB DISP	73.79
ALPENA ALCONA MONTMORENCY ISD	070414	PAYMENT IN LIEU OF TAXES	5,020.27
ALPENA AREA CHAMBER OF COMM	10272	TARGET FY 14-15 EDC SVCS	10,000.00
ALPENA AUTO ELECTRIC	52910	VEH MAINT #64	140.00
ALPENA COMMUNITY COLLEGE	070414	PAYMENT IN LIEU OF TAXES	5,735.66
ALPENA COUNTY TREASURER	070414	PAYMENT IN LIEU OF TAXES	19,944.94
ALPENA DIESEL SERVICE	43570	VEH MAINT #39/#40	135.94
ALPENA LAWNCARE & MAINTENANCE	3712A	MOWING - CODE ENFORCEMENT	525.00
ALPENA PAPER & SUPPLY CO	454693A	SUPPLIES - AMB DISP	117.60
ALPENA PAPER & SUPPLY CO	454867	SUPPLIES - AMB DISP	111.72
ALPENA POWER COMPANY	070814	ELECTRIC	26,427.67
ALPENA PUBLIC SCHOOLS	070414	PAYMENT IN LIEU OF TAXES	4,014.55
AMERICAN PLANNING ASSN	242948-1454	2014-15 MEMBERSHIP DUES	280.00
AMERICAN UNITED LIFE INSURANCE	30320 07/14	PREMIUM-LIFE 07/14	934.20
ASCAP	500702684 07/14	COPYRIGHT LICENSE FEE	327.00
BC/BS OF MICHIGAN	64088 07/14	PREMIUM-HEALTH 07/14	60,696.44
BEDROCK CONTRACTING &	2014-01	2014 CITY CONCR PROG	1,864.35
BS&A	091827A	SOFTWARE CONVERSION - BLDG/ASSESS	5,760.00
BS&A	091838A	SFTWRE CONV TRAINING - BLDG/ASSESS	1,575.00
CHEBOYGAN CEMENT PRODUCTS INC	26797	STORES - WATER STOP	870.00
CITY OF ALPENA	1016-003 0614	SEW/WATER - MARINA IRR	30.84
CITY OF ALPENA	1018-001 0614	SEW/WATER - BOAT HARBOR	57.56
CITY OF ALPENA	1028-001 0614	SEW/WATER - BANDSHELL	50.39
CITY OF ALPENA	9364-001 0614	SEW/WATER - BANDSHELL IRR	10.28
CITY OF ALPENA	1020-001 0614	SEW/WATER - FISH CLN STN	1,221.52
CITY OF ALPENA	1021-001 0614	SEW/WATER - BH RESTROOMS	50.39
CITY OF ALPENA	4211-001 0614	SEW/WATER - CITY HALL	455.09
CITY OF ALPENA	4211-002 0614	SEW/WATER - CITY HALL	156.24
CITY OF ALPENA	4212-001 0614	SEW/WATER - SEWAGE	1,022.92
CITY OF ALPENA	1016-001 0614	SEW/WATER - MARINA S	48.78
CITY OF ALPENA	1017-001 0614	SEW/WATER - MARINA N	50.39
CITY OF ALPENA	1019-001 0614	SEW/WATER - HARBOR DR	67.97
CLIFF ANSCHUETZ CHEVROLET	CTCS137189	VEH MAINT - K-9	41.25
COMERICA BANK	070814	HEALTH ACTUARY FUND	169,561.00
DTE ENERGY	070814	GAS	249.84
EAGLE ENGINEERING & SUPPLY CO	46864	MAINT - LIGHTS	214.00
EAST SHORE ASPHALT PAVING	2014-02	HMA PATCHING 2014	14,755.90
FRONTIER	9535 07/14	TELEPHONE - SEWER	515.76
FRONTIER	4-0167 06/14	TELEPHONE - WATER	128.69
FRONTIER	6-0135 06/14	TELEPHONE - CEMETERY	39.12
FRONTIER	6-2515 06/14	TELEPHONE - WATER	48.37
FRONTIER	6-2992 06/14	TELEPHONE - WATER	110.71
FRONTIER	6-6422 06/14	TELEPHONE - DDA	60.23
GARANTS OFFICE SUPPLIES & PRINTING	53549	PROMOTIONAL SUPPLIES - DDA	642.00
GARANTS OFFICE SUPPLIES & PRINTING	53715	PROMOTIONAL SUPPLIES - DDA	85.00
HANSEN SALES & SERVICE	15525	VEH MAINT #39/#40	120.85
HANSEN SALES & SERVICE	15547	VEH MAINT #39/#40	105.50
HUNT TREASURER	070114	07-09/14 CONTRIBUTION - POL	1,875.00
HURON ENGINEERING AND SURVEYING INC	612	CONSTRUCTION ENGR SVCS - GRANT ST	12,244.00
HURON HUMANE SOCIETY	070114	14-15 CONTRIBUTION	3,500.00
ICMA	362095 07/14	2014 MEMBERSHIP DUES	475.02
JIBB LLC	1562	PICNIC TABLES/BENCHES - DDA	2,400.00
LAKE STATE RAILWAY CO	117215	2014 RR SIGNAL MAINT - MAJ ST	9,604.00
LAKESHORE PLUMBING, HEATING &	27608	MAINT - PUBLIC WORKS	311.00
LAKESHORE PLUMBING, HEATING &	27613	WATER HEATER - PUBLIC SAFETY BLDG	6,980.00
LAPPAN AGENCY INC	408512	UST INSURANCE - MARINA	1,929.00
LEFAVE PHARMACY INC	061314	SUPPLIES - AMB DISP	94.14
MCLAREN HEALTH PLAN	AP2386-13C-A	AMBULANCE REFUND	195.15
MICHIGAN ASSOCIATION OF PLANNING	01097	2014-15 DUES - PLAN COMM	625.00
MICHIGAN MUNICIPAL LEAGUE	050114	2014-15 MEMBERSHIP DUES	5,839.00
MICHIGAN STATE POLICE	551-418931	SOR REGISTRATION - POLICE	30.00
MODEL PRINTING SERVICE INC	132795	SUPPLIES - MANAGER	190.92
MUTUAL OF OMAHA	074L5 07/14	PREMIUM-DISABILITY 07/14	773.05
MY COMMUNITY MOBILE	062514	CITY APP SUPPORT - 07/14	99.00
PARK FAMILY-REC CENTER LLC	060214	14-15 CONTRIBUTION	20,000.00
PLUNKETT COONEY	10579983	ATTY FEES - POL/FIRE/AMB	1,677.12
POWER LINE SUPPLY CO	5838819	VEH MAINT - DPW	700.00
R S SCOTT ASSOCIATES INC	50504	TOPO SURVEY - WOODWARD TRAILHEAD	745.00
SONJA DAHL	AP2694-13	AMBULANCE REFUND	155.72
SONJA DAHL	AP8410-13	AMBULANCE REFUND	69.01

INVOICE REGISTER FOR CITY OF ALPENA

EXP CHECK RUN DATES 07/08/2014 - 07/08/2014
BOTH JOURNALIZED AND UNJOURNALIZED
OPEN

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
SPARTAN DISTRIBUTORS INC	11669324	VEH MAINT #82	348.00
STATE OF MICHIGAN	MI0000275628	HAZARDOUS WASTE USER FEE - PUBLIC WC	105.00
STATE OF MICHIGAN	070414	PAYMENT IN LIEU OF TAXES	65,462.13
SUPERIOR IMAGE CLEANING LLC	070114	CLEANING-CH/PSF/PW/PKS/BH	2,984.75
THE LINCOLN NATIONAL LIFE	202473 07/14	PREMIUM-DENTAL 07/14	8,928.78
WAL-MART	2185	SUPPLIES - FIRE/AMB	54.05
WAL-MART	4018	SUPPLIES - POLICE	17.99
		Total:	483,035.61

FISCAL YEAR END BILLS PAID ON 6/27/14 (SUMMARY ATTACHED)	263,921.70
TOTAL FOR 7/7/14 COUNCIL MEETING	746,957.31

INVOICE REGISTER FOR CITY OF ALPENA

EXP CHECK RUN DATES 06/27/2014 - 06/27/2014

BOTH JOURNALIZED AND UNJOURNALIZED

OPEN

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
4 IMPRINT INC	3389901	PROMOTIONAL GIVEAWAYS - DDA	546.54
4 IMPRINT INC	3397086	PROMOTIONAL GIVEAWAYS - DDA	641.94
4 IMPRINT INC	3398007	PROMOTIONAL GIVEAWAYS - DDA	346.89
AERKO INTERNATIONAL MICHIGAN INC	066-14	SUPPLIES - POLICE	235.00
ALICE HOLCOMB	062414	SANCTUARY EXPENSES	16.71
ALPENA AREA CHAMBER OF COMM	10172	MONTHLY EXPENSES - DDA	526.17
ALPENA AUTO ELECTRIC	52894A	VEH MAINT - AMB	320.00
ALPENA COUNTY TREASURER	062014	NEMCMH ANNL FIBER LEASE	1,651.68
ALPENA COUNTY TREASURER	062714	WIRED CITY - MERIT NETWORK	56,409.00
ALPENA DIESEL SERVICE	11284	VEH MAINT - ENGINE 2	247.69
ALPENA DIESEL SERVICE	43379	VEH MAINT - ENGINE 2	5.14
ALPENA DIESEL SERVICE	43435	VEH MAINT #57	21.13
ALPENA LAWN CARE & MAINTENANCE	3712	MOWING - CODE ENFORCEMENT	585.00
ALPENA MARKETPLACE PRODUCTIONS	100 06/14	TAPING FEES - COUNCIL MTG	450.00
ALPENA POWER COMPANY	060414	ELECTRIC	12.09
ALPENA POWER COMPANY	062714	ELECTRIC	11,030.70
ALPENA REGIONAL MEDICAL CENTER	VAJ26094	BLOOD DRAW - POLICE	40.00
ALPENA REGIONAL MEDICAL CENTER	060514	SUPPLIES - AMB DISP	420.00
ALPENA TRIM LLC	060414	MAINT - BOAT HARBOR	70.00
ALPENA TRIM LLC	062014	MAINT - BOAT HARBOR	70.00
AMY LIEDTKE	061614	TREE REIMB - LOC ST	116.60
BEDROCK CONTRACTING &	2013-09	2013 CITY CONCR PROG	5,356.85
BILL FORBUSH	062714	PETTY CASH - PUBLIC SAFETY	702.25
C & S LAWN CARE	4689	MAINT - DDA	62.12
CHEBOYGAN CEMENT PRODUCTS INC	25181	SUPPLIES - CEMETERY	109.50
CITY TREASURER	062714	PETTY CASH - CITY HALL	543.90
CLIFF ANSCHUETZ CHEVROLET	CVW207217	VEH MAINT - K-9	964.18
DORN BOS SIGN & SAFETY INC	15452	MAINT - DDA	680.00
DTE ENERGY	062714	GAS	1,664.60
EAGLE SUPPLY CO	98057	SUPPLIES - PUBLIC WORKS	66.88
ETNA SUPPLY CO	S101097109.002	VEH MAINT - DPW	372.60
FAMILY ENTERPRISE EMBROIDERY	45867	UNIFORMS - FIRE/AMB	40.00
FAMILY ENTERPRISE EMBROIDERY	45972	UNIFORMS - BLDG OFFL	139.00
FASTENAL COMPANY	MIALP116158	MAINT - DDA	16.37
FASTENAL COMPANY	MIALP116358	SUPPLIES - PARKS	155.79
FASTENAL COMPANY	MIALP116465	VEH MAINT - DPW	118.46
FRANKS KEY & LOCK SHOP INC	16240	MAINT-PUBLIC SAFETY BLDG	1,075.00
FRONTIER	2793 06/14	TELEPHONE - POL/FIRE/AMB	85.93
GARANTS OFFICE SUPPLIES & PRINTING	53751	SUPPLIES - DDA	477.00
GOSLING CZUBAK	70908	SEWER/WATER RATE STUDY	1,600.00
HAGLUND LANDSCAPING	061614	MAINT - SEW/WATER	47.50
HALLS SERV-ALL	P061214	RENTAL FEE - PARKS	1,092.00
INK AND TONER ALTERNATIVE	14-35303	SUPPLIES - IT	56.99
JEFF TINGLER	061414	SAFETY SHOE ALLOW - EQUIP	250.00
JULIE KRAJNIAK	062714	MILEAGE 11/13-04/14	19.73
K A STEEL CHEMICALS INC	1837187	ANNUAL CHEMICAL SUPPLIES - WATER TRE	4,087.96
KAREN HEBERT	062714	MILEAGE 09/13-04/14	32.57
KIMBALL MIDWEST	3626130	VEH MAINT - DPW	305.25
LARRY SANDERSON	330289	MAINT - DDA	160.00
LIQUID CALCIUM CHLORIDE INC	052332	DUST CONTROL - PW/MAJ/LOC	5,351.30
LIQUID CALCIUM CHLORIDE INC	052337	DUST CONTROL - PW/MAJ/LOC	2,019.60
MANAGEMENT & BEHAVIOR	060114	EMP EVALUATION - FIRE/AMB	900.00
MARILYN ROSS	061614	MAINT - PARKS	113.00
MASTERS & LALONDE SHOES	24815	UNIFORMS - POLICE	92.00
MASTERS & LALONDE SHOES	24911	UNIFORMS - POLICE	188.00
MELISSA DOUBEK	062414	SANCTUARY EXPENSES	19.55
MERIDIAN CONTRACTING SERVICES	1272	WINDOW REPLACEMENT - SECOND AVE BR	500.00
MICHIGAN POLICE EQUIP CO	161841	UNIFORMS - POLICE	487.00
NAPCH	062714	SEMINAR REG - K-9	100.00
NYE UNIFORM COMPANY	460580	UNIFORMS - FIRE/AMB	99.99
NYE UNIFORM COMPANY	468524	UNIFORMS - POLICE	113.94
NYE UNIFORM COMPANY	462476	UNIFORMS - POLICE	303.00
PROBUILD - ALPENA	222897	MAINT - CEMETERY	5.95
PVS NOLWOOD CHEMICALS INC	442090	SODIUM HYPOCHLORITE - SEWER	4,286.66
R S SCOTT ASSOCIATES INC	50487	SURVEY - GRANT ST WETLANDS	557.00
RAPID RESULTS RBCC	3565	DRUG/ALCOHOL SCREEN - PW/PKS	225.00
REED HAMP	062714	SAFETY SHOE ALLOW - PW	75.00
RICK GRULKE	062714	SAFETY SHOE/WORK APPAREL ALLOW - PW	250.00
SHALLAS SERVICE STATION	7524	VEH MAINT #74	117.50
SHALLAS SERVICE STATION	7278	VEH MAINT - K-9	38.00
SHELL FLEET PLUS	079036133406A	UNLEADED GAS/FUEL-POL/F/A/GEN/MICU	2,454.66
SPARTAN DISTRIBUTORS INC	11667309	VEH MAINT #78	50.82

INVOICE REGISTER FOR CITY OF ALPENA

EXP CHECK RUN DATES 06/27/2014 - 06/27/2014
 BOTH JOURNALIZED AND UNJOURNALIZED
 OPEN

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
STATE OF MICHIGAN	CR-91716-14	FOIA FEE - RENTAL REHAB	1.91
STEVE DAVIS	061814	REIMB BACKGROUND CHK - POLICE	117.67
STRALEY LAMP & KRAENZLEIN PC	20626	MONTHLY FEE 05/14	3,225.00
TERMINAL SUPPLY CO	30567-00	VEH MAINT - DPW	23.44
THE GRIND-DING SHOP	104701	SUPP/VEH MAINT - PKS/DPW	7.90
THE GRIND-DING SHOP	105179	SUPPLIES - PUBLIC WORKS	479.90
THE GRIND-DING SHOP	105305	SUPPLIES - PKS/EQUIP	98.85
THOMSON REUTERS - WEST	829733728	PUBLICATION - CITY ATTORNEY	2,344.50
TRACTOR SUPPLY CREDIT PLAN	10497	SUPPLIES - K-9	224.90
TRACTOR SUPPLY CREDIT PLAN	284567	MAINT - PKS/MAJ/LOC ST	59.99
TRUCK & TRAILER SPECIALTIES	D2832	VEH MAINT - DPW	520.78
TRUGREEN - CHEMLAWN	20269394	MAINT - CEMETERY	35.00
UNITED WATER NACO LLC	201421315	CONT OPERATIONS 06/14	14,390.94
UNITED WATER NACO LLC	201421278	CONT OPERATIONS 06/14	128,227.78
UNITEX DIRECT	118279	UNIFORMS - POLICE	157.98
VERIZON WIRELESS	9726747057	TELEPHONE	344.90
VERIZON WIRELESS	9726682367	TELEPHONE	571.93
WEINKAUF PLUMBING & HEATING INC	64398	MAINT - CITY HALL	75.00
WERTH ELECTRIC INC	24875	MAINT-PUBLIC SAFETY BLDG	164.85
WERTH ELECTRIC INC	24876	MAINT-PUBLIC SAFETY BLDG	185.78
WINN TELECOM	3371 06/14	TELEPHONE - LONG DISTANCE	71.02
YOUNG APPLIANCE CO	166983	SUPPLIES - CLERK/TREAS	199.00
		Total:	263,921.70



michigan municipal league

Workers' Compensation Fund

1675 Green Road
Ann Arbor, MI 48105

TEL 734.662.3246 800.653.2483
FAX 734.662.8083
WEB www.mml.org

to	Members of the MML Workers' Compensation Fund	from	Michael J. Forster
		date	June 23, 2014
		subject	2014 Fund Trustee Election

Dear Fund Member:

Enclosed is your ballot for this year's Board of Trustees election. Three (3) incumbent Trustees have agreed to seek re-election. You also may write in one or more candidates if you wish.

A brief biographical sketch of each candidate is provided for your review.

I hope you will affirm the work of the Nominating Committee by returning your completed ballot in the enclosed return envelope, no later than August 12. You may also submit your ballot online by going to www.mml.org. Click on *Insurance*, then *Workers' Compensation Fund*; the official ballot is located in the left navigation bar under *Online Forms*.

Thank you for your membership in the Worker's Compensation Fund, and for participating in the election of your governing board.

Sincerely,

Michael J. Forster
Fund Administrator

THE CANDIDATES

Two-year terms beginning October 1, 2014



Christine Burns, Village Manager, Village of Spring Lake

Christine has more than 21 years of experience as a municipal official. Christine is the Village Manager of Spring Lake after serving the City of Cedar Springs for more than 5 years and the Village of Oxford for nearly 2 years. She also served the City of Clare for more than 14 years. Chris graduated from Central Michigan University with the BS in BA majoring in Management (1990) and earned her MSA in Public Administration from CMU in 2006. Fire Up Chips! Chris is a member of the Michigan Local Government Management Association (MLGMA), International City/County Management Association (ICMA) and holds a Certified Master Municipal Clerk designation; she also serves as the President for the West MI Local Government Management Association and is on the Board of Directors for MLGMA. Christine is seeking re-election to her third term as Trustee.



Frank Campbell, Mayor, City of Hastings

Frank has more than thirty-five years' experience as a municipal official, serving as the mayor in the City of Hastings since 2012. He has served on the council, the Downtown Development Authority, the Planning Commission and several other local civic organizations. Frank is a member of the Michigan Association of Mayors, a former vice-president of the Michigan Municipal League Board of Trustees and a former president of the MML Elected Officials Academy board. Frank is seeking election to his first term as Trustee.



Elva Mills, Village President, Village of Lexington

Elva has more than 20 years experience as a municipal official, having served twelve years on the Madison Heights city council, and since 2000, on the Lexington Village council. Elva has also served on the boards of the Madison District Public Schools, the Sanilac County Community Mental Health Board and the Thumb Mental Health Alliance. In addition, she is currently active in a number of civic organizations, including the Greater Lexington Chamber of Commerce, the Lexington Business Association, the League of Women Voters, the American Association of University Women, and others. Elva is seeking re-election to her third term as Trustee.

MEMORANDUM

DATE: June 23, 2014

TO: Matthew J. Waligora, Mayor
Alpena City Council

FROM: Greg Sundin, City Manager

RE: 2014-15 Service Agreement Between the City of Alpena and Target Alpena Development Corporation

Attached for your consideration is the 2014-15 Service Agreement between the City of Alpena and Target Alpena Development Corporation. The proposed Agreement mirrors the previous ones except that under the 2-14-15 Scope of Services the year's priority components of the Target Alpena Strategic Plan are listed as individual bullet items rather than having them grouped together.

The Service Agreement has been an effective tool for both the City and Target, with specific tasks and benchmarks clearly defined. Accountability has been greatly increased through the introduction of quarterly meetings with City staff, quarterly progress reports to Council and semi-annual presentations at Council meetings. Overall the formalized relationship with Target under the Service Agreement has worked very well for both parties. The Target Board will act on the Agreement at its July 8, 2014 meeting. Consequently, staff recommends approval of the attached Service Agreement subject to approval by the Target Board, and requests authorization for the Mayor and City Clerk to sign on the City's behalf.

Services Agreement

between

The City of Alpena and Target Alpena Development Corporation

This Agreement dated the ____ day of July, 2014, by and between the **City of Alpena**, a Michigan Municipal Corporation, whose address is 208 N. First Avenue, Alpena, MI 49707 (hereinafter called the “City”), and **Target Alpena Development Corporation**, a Michigan Non-Profit Corporation, whose address is 235 W. Chisholm Street, Alpena, MI 49707 (hereinafter called “Target Alpena”) provides for the provision of funding by the City in consideration for services rendered.

IT IS AGREED by and between the parties as follows:

I. RECITALS

- A. The City of Alpena has approved funding in its 2014-15 fiscal year in the amount of \$40,000 to Target Alpena. Subsequent funding by the City will be dependent on Target Alpena’s performance in implementing the Scope of Services in this Agreement, the execution of future Service Agreements, and the availability of funding in future City budgets.
- B. Target Alpena, in return for the funding provided by the City, agrees to provide services to the City in accordance with this Agreement and the attached Scope of Services.
- C. The funding appropriations from the City to Target Alpena shall be used only for the purposes set forth in this Agreement and general administrative functions of Target Alpena necessary for it to operate and perform the specific activities included in the Scope of Services.

II. TERM OF AGREEMENT

This agreement shall commence on July 1, 2014 and expire on June 30, 2015.

III. CONTRACTUAL ACTIVITIES

Target Alpena shall perform those services and activities specified in the attached Scope of Services.

IV. MONITORING REPORTS

- A. Target Alpena shall provide Quarterly and Annual Reports in a format that clearly details progress made on the activities of the organization and in particular those activities and/or services specified in the Scope of Services of this Agreement. These

reports shall be submitted no later than October 31 (Quarterly), January 31 (Combined Quarterly and Semi-annual), April 30 (Quarterly) and July 31 (Combined Quarterly and Annual). Quarterly reports shall cover the following periods:

- July-September
- October-December
- January-March
- April-June

B. Written reports shall be submitted to the City Manager and Planning and Development Director for distribution to City staff and City Council. Additionally, the Target Alpena Executive Director and/or Board President shall present semi-annual and annual reports to City Council at the direction of the City Manager.

V. PAYMENT SCHEDULE & FAILURE TO PERFORM

A. Payments shall be made semi-annually in July and January following the second City Council meeting of that month.

B. Target Alpena shall submit an invoice with the required July Combined Quarterly/Annual Report and the January Quarterly/Semi-annual Report. The invoice shall detail the percent of each activity or service included in the Scope of Services completed during the billing period (previous two Quarters).

C. Payments shall be equal to one-half (1/2) of the Agreement amount, unless modified by the City in accordance with Paragraph D below.

D. In the event the City determines that insufficient progress has been made on any of the activities included in the Scope of Services, the City shall provide written notice to Target of the specific deficiencies. Within fifteen (15) days of receipt of the notice Target shall notify the City in writing that the deficiencies have been corrected to the City's satisfaction or provide a plan acceptable to the City for rectifying the deficiencies. If the issues are not corrected by Target within the initial fifteen (15) day period the City may withhold up to 15% of the payment until such explanation is received and accepted by the City as adequately addressing the issues raised. If the matter remains unresolved the City may withhold any future payments in part or in total until such time as a satisfactory resolution of the deficiencies is provided to the City, or terminate the Agreement in accordance with Section VI below.

VI. TERMINATION OF THIS AGREEMENT

A. Either party may terminate this Agreement without cause at any time, for any reason, by specifying the effective date, and by providing written notice to the other party of

such intent to terminate this Agreement at least thirty (30) days prior to the end of a Quarter. Termination shall be effective as of the last day of the current Quarter.

- B. In the event the Agreement is terminated, Target Alpena shall be entitled to payment for all services rendered in accordance with this Agreement up to the date of termination. Target Alpena shall submit a detailed invoice of those services and payment shall be made by the City within thirty (30) days. The City reserves the right to reduce the final payment in accordance with Section V.D., if in its judgment the billed activities are not consistent with expected progress.

VII. AMENDMENTS TO THIS AGREEMENT

- A. This Agreement, including the Scope of Services, may be amended only by the mutual written consent of both parties.
- B. Any increase in the monetary value of the Agreement shall be dependent on sufficient funding being available within the current City budget and approval of a corresponding budget amendment by City Council.

VIII. GENERAL CONDITIONS

A. Assignability

Target Alpena shall not subcontract, assign, or transfer any interest in this Agreement without the prior written consent of the City of Alpena.

B. Continuing Right of Enforcement

Failure of the City to enforce at any time any of the provisions of this Agreement, or require at any time performance by Target Alpena of any of the provisions herein, shall not be construed as a waiver of such provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of the City to enforce its provisions.

C. Disclaimer and Hold Harmless Clause

Target Alpena agrees to protect, defend, indemnify and hold harmless the City, its officers, and agents from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, suites, causes of action, and judgments of every kind and character in connection with or arising directly or indirectly out of this agreement and/or the performance hereof, except for those claims or liability alleged to arise out of the actions of the City or its officers and agents. Without limiting the generality of the foregoing, any and all such claims, etc., relating to personal injury, infringement, of any patent, trademark, copyright (or application for any thereof) or of any other tangible or intangible personal or property right, or actual or alleged violation of any tangible or intangible persona, or property

right, or actual or alleged violation of any statute, ordinance, administrative order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder. Target Alpena further agrees to investigate, handle, respond to, provide defense for and defend any such claims, etc., at its sole expense and agrees to bear all other costs and expenses related thereto (including attorney fees and court costs), even if such claim is groundless, false or fraudulent.

D. Liability for Damages and Disallowed Costs

Notwithstanding any term or condition of this Agreement to the contrary, Target Alpena shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by Target Alpena, or any disallowed cost. (Disallowed costs will include any activities not included within the attached Scope of Services, unless approved by the City Manager prior to being conducted.) The City shall have the right to demand of Target Alpena, within a period of time specified by the City, the return of any Agreement funds used for such disallowed costs, and Target Alpena agrees to comply with such demand.

E. Bonding

Target Alpena shall assure that any officer, director, agent or employee of Target Alpena who is authorized to act on its behalf for the purpose of receiving or depositing Agreement funds, or issuing financial documents, checks or other instruments of payments for Agreement costs shall be bonded in an amount sufficient to cover the value of this Agreement, and which affords protection to the City under the bond.

F. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use and authorize others to use, the work or materials for governmental purposes.

IX. AGREEMENT ATTACHMENTS

The following document is hereby made an Attachment to this Agreement:

A. Scope of Services

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

WITNESSES:

CITY OF ALPENA, a Michigan Municipal Corporation

By: _____
Matthew J. Waligora, Mayor

By: _____
Karen Hebert, City Clerk

WITNESSES:

TARGET ALPENA DEVELOPMENT CORPORATION, a Michigan Non-Profit Corporation

By: _____
Wayne H. Kowalski, Board President

Attachment A.

Scope of Services


In consideration for funding provided by the City of Alpena included in the Services Agreement, Target Alpena shall provide the following economic development services and activities to the City of Alpena:

- Continuation of marketing programs for Commerce Industrial Park, City-owned US 23 North property and other City property as requested, including the involvement by local realtors as appropriate. Activities involving City-owned properties shall be jointly developed by the two parties.
- Continue to work closely with the City Planning Department on existing and future economic development projects.
- Continue efforts to capture additional investment in the Alpena area.
- Continue Target entrepreneurial support and loan programs.
- Continue to work with the MEDC attraction team in the recruitment of new businesses to the Alpena area.
- Work collectively within our relationship with the Alpena Area Chamber of Commerce to develop, promote and assist our local businesses in a way that lends itself to the open discussion of issues and report same to the City on a quarterly basis.
- Proactively assist the DDA in its mission to maintain a healthy economic foundation and maximize the value proposition of downtown.
- Continue the selective recruitment of industrial, commercial and service businesses to the Alpena area
- Continue to support the mission of the CVB
- Meeting of the Target Alpena Executive Director and/or Board President with city staff (City Manager, Planning and Development Director) each quarter to discuss issues of mutual interest and maintain open communications between the two parties.
- Provide Quarterly, Semi-annual and Annual Reports providing a status update on each of the above services/activities, including successes, obstacles encountered and overall assessment of each service/activity. Semi-annual and annual reports will be presented at City Council meetings in accordance with Section IV.B of the Agreement.

- Annual funding request to City Council as part of the January Quarterly Report.
- Provide each year's Target Alpena priority projects for the current calendar year with the January Quarterly Report.
- Participate in MEDC Region 3 initiatives.



Memorandum

Date: June 30, 2014
To: Greg Sundin, City Manager
Copy: Karen Hebert, Clerk/Treasurer/Finance Director
From: Rich Sullenger, City Engineer 
Subject: United Water Contract Amendment

United Water has prepared the attached Contract Amendment with regards to modification of the meter reading expenses upon completion of the meter change out program. Once completed, United Water was to eliminate the meter reading fees in their entirety charged to the City of Alpena. Originally the billing charge was to be eliminated as there would be no expenses related to meter reading, however, due to the cost of data conversion and continuity of billing procedures, it was elected to continue to use Alpena Power Company's computer and bill generation protocol. As such, the meter reading fee cannot be eliminated but can be reduced by \$1,000 per month from \$1,583.68 to \$583.68. The attached Agreement Amendment addresses this issue.

It is my recommendation, as City Engineer, that the attached Contract Amendment be approved and executed by the Mayor and City Clerk.

Attachment

AMENDMENT THREE TO AGREEMENT

THIS AMENDMENT NO. 3 ("Amendment") of the Operations and Maintenance Agreement ("Agreement") is made as of May 31, 2014, by and between United Water Environmental Services Inc. with an address of 300 Ottawa Ave. NW, Suite 240, Grand Rapids, MI 45903 ("United Water") and the City of Alpena, Michigan, a Michigan municipal corporation, with an address of 208 N. First Avenue, Alpena, Michigan 49707 ("Client"), (together, the "Parties").

WHEREAS, United Water and Client are Parties to an Agreement effective July 1, 1992, as amended, in which United Water provides professional services for the Client's water and wastewater treatment Utilities; and

WHEREAS, after the execution of Amendment No. 1, effective April 16, 2012, the Meter Change Out Program was completed, and the monthly billing to the Client was not credited, and the Parties desire to address this issue in this Amendment; and

WHEREAS, the Parties expected that they would be able to use the Client's IBM AS 400 for generating and storing billing information, and this has not occurred due to complications with data protection issues raised by the Client, and the Parties desire to compensate United Water for its cost to continue using Alpena Powers' AS 400 for billing;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the Parties agree as follows:

1. United Water shall provide a one-time credit to the Client for \$13,000 for the period of May 2013 through June 2014 to compensate the Client for the reduction in the monthly billing according to the terms of Amendment No. 1. The credit shall appear on United Water's July 2014 monthly billing to the Client.
2. The Parties agree to reduce the standard monthly fee by \$ 1,000 until the cost of utilizing Alpena Power Company's AS 400 is no longer incurred by United Water or the Agreement expires, whichever comes first.
3. Except as specifically amended herein, the Agreement as amended shall remain in full force and effect in accordance with its terms.
4. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement, as amended.
5. All references to the Agreement shall mean this Agreement, as amended herein.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed intending to be bound thereby as of the date first stated herein.

WITNESSES:

City of Alpena

By: _____

Name: Matthew J. Waligora

Title: Mayor

By: _____

Name: Karen Hebert

Title: Clerk/Treasurer/Finance Director

WITNESSES:

United Water Environmental Services Inc.

By: _____

Name: Nadine Leslie

Title: President




Memorandum

Date: July 1, 2014

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

Copy: Greg Sundin, City Manager

From: Stephen J. Shultz, IT Coordinator 

Subject: City Phone System

The City currently operates on an aging telephone system purchased in 2005 for approximately \$34,000. It has served us well and has been expanded several times to include additional City buildings including, most recently, the Water Recycling Plant. While it is currently working, we have debated when to include a \$60,000 to \$70,000 purchase into the CIP process and eventually, the budget. There is no maintenance contract associated with this system, payments are made per incident.

During a previous call to our maintenance provider, while troubleshooting, he commented that it was an aging system and someday it would fail and a simple reboot would not fix it as parts are getting fewer and far between. This was evidenced in 2011 when the voicemail system failed and the vendor had to obtain a part from another client who keeps them on their shelves because they are no longer available. Most recently the voicemail system was down for two days while we waited for a technician to install a power supply.

It is for the reasons stated above that when Alpena County went out for bids for a phone system that I confirmed with Eric Vanderveer to include the City in the process so that we could review the results for consideration.

In August 2013, proposals were received from several companies with three chosen to perform joint demonstrations for the City and County. After the demonstrations for staff, I had several discussions with the County I.T. Department and it was determined that the best overall system that was easiest to manage for us was from MillenniaTelecom. This system was also the least expensive as shown below:

	Hardware and install	Yearly Maintenance	Notes
MillenniaTelecom	\$65,936.38	\$4,495.70	Internal System
Frontier	\$68,009.24	\$4,200.00	Internal System
Merit	\$138,359.40	Included	Hosted Solution

* Costs are based on 5 year ownership and payback

The RFPs required an IP based phone system, which is more current technology than the one we have and we believe will carry us into the future with few upgrades. To reduce the stress on the overall I.T. Budget, I am proposing a \$20,000 down payment with an additional 4 years of payments (with interest) to cover the cost of the system. However, we expect the system to last beyond the first five years into the future with minimal upgrades or changes.

After reviewing the RFPs with Alpena County I.T., and considering the demonstrations from the vendors, I recommend, as I.T. Coordinator, that City Council award the bid for the City Phone System to MillenniaTelecom for the unit prices established in the RFP for hardware, software, installation, and maintenance. The overall project cost will fluctuate slightly due to exact number of phones and other accessories. The City will issue payment of \$20,000 for this fiscal year and the remaining 4 years of payments for hardware and maintenance will be based on an Agreement to be brought back for Council review.

Additional supporting information from the selected vendor is forthcoming and will be available for the meeting.

