

AGENDA
CITY OF CHARLEVOIX CITY COUNCIL MEETING

Tuesday, September 2, 2014 - 7:00 p.m.
210 State St, City Hall, Second Floor City Council Chambers, Charlevoix, MI

- I. **Invocation or Pledge of Allegiance**
- II. **Roll Call of Members Present**
- III. **Inquiry Regarding Possible Conflicts of Interest**
- IV. **Consent Agenda**
 - A. City Council Meeting Minutes – August 14, 2014 Special Meeting PG 1
 - B. City Council Meeting Minutes - August 18, 2014 Regular Meeting PG 2-10
 - C. City Council Meeting Minutes – August 20, 2014 Special Meeting PG 11
 - D. Accounts Payable Check Registers & Payroll Check Registers PG 12-25
- V. **Public Hearing**
 - A. Second Public Hearing: Discussion and with a Possible Vote on Expanding City Marina PG 26-54
- VI. **Reports**
- VII. **Requests, Petitions and Communications and Actions Thereon**
 - A. Consideration to Approve a License Agreement for Use of Alice Street Right-of-Way PG 55-58
 - B. Discussion Regarding Golf Course Consulting Proposal from Vargo Golf Company PG 59-101
 - C. Purchase of Energy PG 102
 - D. Water & Sewer Turn On Fees and Water Usage Minimum for Multiple Unit Locations PG 103-106
- VIII. **Introduction and Initial Actions Relating to Ordinances or to Resolutions That Require Publication or Hearings Prior to Final or Further Action**
- IX. **Resolutions**
 - A. Water & Sewer Turn On Fees and Water Usage Minimum for Multiple Unit Locations PG 106
- X. **Ordinances**
- XI. **Miscellaneous Business**
- XII. **Audience – Non-Agenda Input (written requests take precedent)**
- XIII. **Closed Session**
 - A. City Manager Evaluation – Section 15.268 (8) (a)
- XIV. **Adjourn**

The City of Charlevoix will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon one weeks notice to the City of Charlevoix. Individuals with disabilities requiring auxiliary aids or services should contact the City of Charlevoix Clerk's Office in writing or calling the following: City Clerk, 210 State Street, Charlevoix, MI 49720 (231) 547-3250.

Posted August 28, 2014 3:00 p.m.

CITY OF CHARLEVOIX
SPECIAL CITY COUNCIL MEETING MINUTES
Thursday, August 14, 2014 – 5:00 p.m.
210 State Street, City Hall, Council Chambers, Charlevoix, MI

The meeting was called to order at 5:00 p.m. by Mayor Norman Carlson Jr.

I. Pledge of Allegiance

II. Roll Call of Members Present

Mayor: Norman Carlson Jr.
City Manager: Rob Straebel
City Clerk: Joyce Golding
City Attorney: Scott Howard
Members Present: Councilmembers Peggy Brennan, Shane Cole, Lyle Gennett, Shirley Gibson, Leon Perron, and Jeff Porter
City Staff: Mike Spencer, Pat Elliott

III. Inquiry Regarding Possible Conflicts of Interest

None.

IV. Requests, Petitions and Communications and Actions Thereon

A. Discussion Regarding Right of Way on Alice Street

Over the last week, City Staff has been in discussion with the Boss Family, 203 Alice Street whether the Boss Family can repave a portion of City right of way between the edge of the sidewalk and the street for parking their vehicles. It is unknown when the estimated 24' x 15' area was paved with asphalt but appears to be at least 20 years ago. The City can find no formal approval in its records and the Boss' cannot produce any document that shows City approval.

The issue arose when the City had a broken sewer main underneath the area in question and had to tear up the street and the entire parking area in the right of way. The City has repaved a portion of the street but has not addressed the parking area until Staff receives direction from Council.

The City Manager's Office has received communication from neighbors opposing repaving the parking area in the street right of way. If allowed to be repaved, the area in question would be inconsistent with the rest of the neighborhood.

Mayor Carlson opened the item to public comment.

Ken Boss has resided at 203 Alice Street for 50 years. He replaced the section of gravel adjacent to the street with blacktop in 1964 to be used as a parking area. It was Mr. Boss' opinion that previous City administration agreed that the Boss' specific parking arrangement was the safest possible for the street. Mr. Boss discussed allegations found in a letter of concern from a neighbor and cited several residences that have parking situations similar to his.

The item was closed.

V. Closed Session

A. City Attorney Consultation – Section 15.268 (8) (h)

Motion by Councilmember Cole, second by Councilmember Gennett, to go into closed session for City Attorney Consultation citing Section 15.268 (8) (h) of the Open Meetings Act.

Yeas: Perron, Porter, Brennan, Cole, Gennett, Gibson
Nays: None
Absent: None

Council moved into closed session at 5:14 p.m. Council resumed open session at 6:12 p.m.

VI. Reconvene, Action to be Taken if Appropriate

A. Further Discussion with Possible Staff Direction Regarding Right of Way on Alice Street

On behalf of City Council, Mayor Carlson suggested a meeting between City Manager Straebel and the Boss' to discuss a possible compromise. Mr. Boss agreed to meet.

VII. Audience - Non-agenda Input (written requests take precedent)

None.

VIII. Adjourn

The Mayor stated that, barring any objections, the meeting would adjourn.

There were no objections.

Meeting adjourned at 6:16 p.m.

CITY OF CHARLEVOIX
REGULAR CITY COUNCIL MEETING MINUTES
Monday, August 18, 2014 – 7:00 p.m.
210 State Street, City Hall, Council Chambers, Charlevoix, MI

The meeting was called to order at 7:00 p.m. by Deputy Mayor Gennett.

I. Pledge of Allegiance

II. Roll Call of Members Present

Deputy Mayor: Lyle Gennett
City Manager: Rob Straebel
City Attorney: Scott Howard
City Clerk: Joyce Golding
Members Present: Councilmembers Peggy Brennan, Shane Cole, Shirley Gibson, Leon Perron, and Jeff Porter
Absent: Mayor Norman Carlson Jr.

III. Inquiry Regarding Possible Conflicts of Interest

None.

IV. Consent Agenda

The following items were approved and filed:

- A. Approval of Minutes – August 4, 2014 Regular Meeting Minutes
- B. Accounts Payable Special Check Registers – August 6, 2014 and August 7, 2014
- C. Payroll Check Register – August 15, 2014
- D. Payroll Transmittal – August 15, 2014
- E. Accounts Payable Check Register – August 19, 2014
- F. ACH Payments – August 4, 2014 – August 15, 2014
- G. Tax Disbursement – August 19, 2014
- H. Election Results

V. Public Hearings

A. Expanding the City Marina – Discussion and Possible Vote

The Marina Expansion Committee met on July 22 and voted to recommend to City Council a new dock addition that includes five 80' slips including extending the shopper's dock. Since that time, both the Planning Commission and DDA have voted in favor of seven 80' slips with the shopper's dock. The Marina Expansion Committee met once again on August 13, 2014 and voted to recommend to City Council a new dock configuration with seven 80' dock slips with expanded shopper's dock facilities.

Estimated cost for a new dock with seven slips is \$500,000. If approval is granted to proceed to the permitting stage by City Council, project engineers would submit the preliminary drawings to both the DNR and Army Corps of Engineers for their review. Once the plan approval is granted by the reviewing agencies, project specifications and costs would be finalized.

Revenue estimates for five additional slips would be \$58,000 annually, and seven additional slips would be \$81,200 annually

Councilmember Gibson requested the minutes from the Marina Expansion Committee meetings. Minutes will be included in the agenda packet for the September 2nd Council Meeting. Councilmember Gibson stated she wanted to see the location of the Beaver Islander and Sunshine Charters added to the proposed design.

Wayne LeClerc, Bridge Street resident, is in favor of the dock expansion. Mr. LeClerc would like Council to consider an expansion that would accommodate the forty residents on the dock slip wait list. He also questioned where emergency personnel would tie up with the proposed dock expansion.

Mary Eveleigh, 1st Ward, explained the definition of a "use line" that she received from the DEQ that was found on a previous Round Lake site plan. Ms. Eveleigh feels the "use line" should be included in the current proposed plan. She stated that Council should be concerned with navigation and safety and should listen to what the people want. Ms. Eveleigh stated that she felt that Councilmember Brennan should not have spoken at the Planning Commission meeting citing a conflict. City Attorney Howard stated that presenting information at a meeting is not a conflict of interest per se. He cautioned Council to be careful when presenting information and to not advocate for something specific at other meetings

Councilmember Gibson asked why there were no professionals on the Marina Expansion Committee.

Keith Bills, Commander USCG retired, stated that navigation concerns are real. He advised that Council should pay attention to the safety concerns from commercial ship captains and defer to their expertise.

Karen Pierce, 3rd Ward questioned how many 80' boats request dockage. Harbormaster Evans stated that he turns away approximately four boats a week during the peak season. He stated Bay Harbor and Boyne City are the only other marinas capable of handling larger vessels.

Dan Howell is new to the topic and wondered if there was a previous design presented. City Manager Straebel stated that there was a proposal to lengthen Dock A which was met with resistance.

Chip Terrill, Charlevoix resident, stated that the west end of Round Lake is becoming congested and is a challenge for day sailors.

Birdie Whitley, 2nd Ward, questioned who will be financing the project and who captures the revenue. City Manager Straebel responded that the project will cost approximately \$500,000 and slips could be preleased to recoup capital and construction costs. Revenues would come back to the City of Charlevoix. The City is not considering extending the East Park bond or incurring additional debt service.

Nancy Wood Loning, Charlevoix County resident and boater, stated that the City needs to protect this beautiful area. She feels that bigger is not always better. Ms. Loning expressed her concerns with navigation in the area.

Lou Hollow feels that the Emerald Isle and Keweenaw Star need room to maneuver.

Bob Timms feels that adding 75 feet to Dock A is a better option than what is currently presented.

Bob Winter, Dixon Avenue resident, doesn't feel that long term leases will affect the downtown business economy and adding 5-7 slips will not increase the transient economy. Mr. Winter stated that commercial boating provides a boost to the economy. He feels that there are safety issues with boats congregating when waiting for the bridge.

Jerry Puhl, Charlevoix Township resident and board member of W.A.T.C.H., stated that people do not want to see more docks or more boats. He feels people want to appreciate the beauty of Round Lake.

Steve Libert stated that safety and navigation issues should be addressed first. He understands that the economic value of the expansion is important to the City.

Councilmember Gibson stated that the Beaver Island Boat Company and the City signed an addendum to the lease and asked how the expansion would affect the addendum. City Manager Straebel will review the addendum and report back to Council.

Motion by Councilmember Brennan, second by Councilmember Gibson, to schedule a second public hearing to discuss the proposed marina expansion on Tuesday, September 2, 2014 at 7:00 p.m. in Council Chambers.

Yeas: Gibson, Porter, Brennan, Cole, Gennett
Nays: Perron
Absent: None

VI. Reports

City Manager Straebel and City Attorney Howard advocate that Council should have City email addresses to help facilitate City business. Council agreed.

VII. Requests, Petitions and Communications and Actions Thereon

- A. Consideration to Approve a Resolution to Accept FAA Grant to Rehabilitate Apron – Phase III
The FAA Grant Agreement and Terms and Conditions are for the final phase of the apron project scheduled for Spring of 2015. The project is necessary due to the deterioration of the current asphalt surface. Project funding is 90% Federal, 5% State and a 5% Local match.

Action by Resolution.

- B. Consideration to Approve a Bid and Contract Documents for Apron Rehabilitation Project Phase III
This project is the third and final phase of the ramp rehabilitation and expansion project.

Motion by Councilmember Cole, second by Councilmember Brennan, to approve contract documents and award the bid to Elmer's Crane and Dozer in the amount of \$1,549,066 for the third phase of apron rehabilitation project.

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett
Nays: None
Absent: None

C. Consideration to Approve an Engineering Contract for Third and Final Phase of the Apron Rehabilitation

This contract is to cover the engineering costs of the third and final phase of the ramp rehabilitation and expansion project. These services will be covered under the FAA Grant currently before City Council.

Motion by Councilmember Brennan, second by Councilmember Gibson, to approve the engineering contract document for RS&H Michigan, Inc. in the amount of \$151,000 for Phase III (FAA Phase II) of the apron rehabilitation project.

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett

Nays: None

Absent: None

Airport Manager Woody announced his resignation effective August 23, 2014.

D. Consideration to Pass a Resolution to Adopt the Annual Exemption Option in PA 152 for the 2014-15 Medical Benefit Plan Coverage Year

Public Act 152 (PA 152), created a law that limits the amount that public employers pay toward employee medical benefit plans. For the upcoming 2014-15 medical benefit plan coverage year which starts October 1st, Staff is recommending Council to again vote to exempt the City from PA 152 requirements. Staff does not believe it is in the best interest of the City at this time to choose the "hard caps" option or the "80%/20%" option as the City is taking steps to control its health care costs in a manageable fashion for its employees. A majority of City employees are now enrolled in the lower cost HSA medical plan and the City will experience less than a 2% cost increase on the medical benefit plans it will offer in the upcoming coverage year.

Action by Resolution.

E. Consideration of State Trunkline Contract

The City of Charlevoix currently has a contract with the Michigan Department of Transportation (MDOT) to maintain the state trunkline within the City of Charlevoix. This contract reimburses the City for plowing, sweeping, and general maintenance of the highway. The current contract expires on September 30, 2014.

Action by Resolution.

F. Appointment of the City Clerk

On August 5, 2014, the citizens of Charlevoix voted 'yes' to adopt a proposal to amend the City Charter to change the City Clerk from an elected position to an appointed position. The appropriate Sections in the Charter have been amended and City Attorney Howard confirmed that the Clerk can be appointed immediately.

Motion by Councilmember Brennan, second by Councilmember Gibson, to appoint Joyce Golding as the City Clerk of Charlevoix.

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett

Nays: None

Absent: None

G. MERS Officer Delegate Appointment

City employees are represented at the Michigan Employees Retirement System (MERS) annual meeting by an elected, non-supervisory employee and an officer delegate (department head). Staff recommends appointing Joe Zielinski as the officer delegate and Alida Klooster as the alternate delegate.

Motion by Councilmember Cole, second by Councilmember Perron, to appoint Joe Zielinski as the officer delegate and Alida Klooster as the alternate delegate as representation at the MERS annual meeting.

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett

Nays: None

Absent: None

VIII. Introduction and Initial Actions Relating to Ordinances or to Resolutions That Require Publication or Hearings Prior to Final or Further Action

A. Introduction of an Ordinance to Amend Title VI, Chapter 61 - Nuisances

The purpose of this Ordinance is to protect public health and safety, maintain property values, eliminate blighted properties, and more specifically to provide residents general safeguards from "nuisances" such as unsafe or blighted buildings. Based on direction from Council, Staff has worked with the City Attorney to clarify language and add a legally sound process for addressing dangerous and dilapidated buildings. Staff is also proposing that the Police Department take a more active role in enforcement with certain violations and issuing warnings or citations.

Planner Spencer stated that 'grandfathering' does not apply to the Nuisance Ordinance. City Manager Straebel encouraged Council to forward questions or comments to Planner Spencer or himself.

Motion by Councilmember Brennan, second by Councilmember Gennett, to set a public hearing regarding the Nuisance Ordinance revision for Monday, September 15, 2014 at 7 p.m. in Council Chambers.

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett
Nays: None
Absent: None

IX. Resolutions

A. Consideration to Approve a Resolution to Accept a FAA Grant to Rehabilitate Apron – Phase III

Motion by Councilmember Perron, second by Councilmember Cole, to approve Resolution 2014-08-02 [Execution of FAA Airport Grant Application and Grant Agreement (Federal Project #3-26-0017-018-2014)] to authorize Mayor Carlson to execute the FAA Grant Agreement, Terms and Conditions and MDOT Sponsor contract upon receipt, as follows:

**CITY OF CHARLEVOIX
RESOLUTION NO. 2014-08-02
EXECUTION OF FAA AIRPORT GRANT APPLICATION AND GRANT AGREEMENT
(Federal Project #3-26-0017-018-2014)**

WHEREAS, the City is applying for a grant from the Federal Aviation Administration (FAA). The grant will fund, Rehabilitate Apron (Terminal Apron – Construction Phase III); and

WHEREAS, upon award of the grant, the FAA will provide the City with a grant agreement; and
WHEREAS, the grant agreement will be in the amount of \$1,553,400 from the FAA and \$86,300.00 from MDOT, which is 95% of the total project costs; and

WHEREAS, the City of Charlevoix's local share of the grant will be \$86,300.00.

NOW THEREFORE BE IT RESOLVED THAT THE CITY OF CHARLEVOIX CITY COUNCIL, hereby authorizes Mayor Norman L. Carlson, Jr. to execute the FAA and MDOT grant application and grant agreement after the review by Staff and the City Attorney.

RESOLVED, this 18th day of August, 2014.

Resolution was adopted by the following ye and nay vote:

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett
Nays: None
Absent: None

B. Consideration to Pass a Resolution to Adopt the Annual Exemption Option in PA 152 for the 2014-15 Medical Benefit Plan Coverage Year

Motion by Councilmember Gibson, second by Councilmember Brennan, to approve Resolution 2014-08-03 to adopt the Annual Exemption Option as set forth in 2011 Public Act 152 [the publicly funded Health Insurance Contribution Act] for the City's medical benefit plan coverage year October 1, 2014 through September 30, 2015 in order to comply with the requirements of PA 152, as follows:

**CITY OF CHARLEVOIX
RESOLUTION 2014-08-03
RESOLUTION TO ADOPT THE ANNUAL EXEMPTION OPTION AS SET FORTH IN 2011 PUBLIC ACT 152, THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT**

WHEREAS, 2011 Public Act 152 (the "Act") was passed by the State Legislature and signed by the Governor on September 24, 2011; and

WHEREAS, the Act contains three options for complying with the requirements of the Act; and

WHEREAS, the three options are as follows:

- 1) Section 3 - "Hard Caps" Option - limits a public employer's total annual health care costs for employees based on coverage levels, as defined in the Act;
- 2) Section 4 - "80%/20%" Option - limits a public employer's share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;

- 3) Section 8 - "Exemption" Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body; and

WHEREAS, the City Council has decided to adopt the annual Exemption Option as its choice of compliance under the Act.

THEREFORE, BE IT RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF CHARLEVOIX elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the annual Exemption Option for the medical benefit plan coverage year October 1, 2014 through September 30, 2015.

RESOLVED, this 18th day of August, 2014.

Resolution was adopted by the following yea and nay vote:

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett
Nays: None
Absent: None

C. Consideration of State Trunkline Contract

Motion by Councilmember Cole, second by Councilmember Perron, to approve Resolution 2014-08-04 authorizing the Mayor and City Clerk to sign the proposed State Trunkline Maintenance Contract [Contract #2014-0293], as follows:

CITY OF CHARLEVOIX
RESOLUTION No. 2014-08-04
Execution of MDOT State Trunkline Contract
(State Trunkline Contract #2014-0293)

WHEREAS, the Michigan Department of Transportation (MDOT) has submitted a State Trunkline Maintenance Contract; and

WHEREAS, the City of Charlevoix is desirous to approve said contract for maintenance of state trunklines and bridges in the City of Charlevoix.

NOW THEREFORE BE IT RESOLVED THAT THE CITY OF CHARLEVOIX CITY COUNCIL, hereby approves MDOT contract number 2014-0293 and authorizes Mayor Norman L. Carlson, Jr. and City Clerk Joyce Golding to sign the agreement.

RESOLVED, this 18th day of August, 2014.

Resolution was adopted by the following yea and nay vote:

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett
Nays: None
Absent: None

X. **Ordinances**

None

XI. **Miscellaneous Business**

At Councilmember Porter's suggestion, DPW Superintendent Elliott will research sealcoating the parking lots and bring forth estimates during the budget process. DPW Superintendent Elliott stated that City Staff is not equipped to perform this type of work and would have to find a contractor who specializes in sealcoating.

Planner Spencer discussed concerns that the City and Charlevoix Township have regarding pending State legislation regarding medical marijuana. City Attorney Howard stated that in order to prevent collectives or commercial establishments who sell medical marijuana from opening in Charlevoix, he recommends having an police power Ordinance ready to adopt as a proactive approach. City Manager Straebel will facilitate the drafting of the Ordinance and present it to Council for their review.

XII. **Audience - Non-agenda Input (written requests take precedent)**

None.

XIII. **Closed Session**

- A. City Attorney Consultation – Section 15.268 (b) (h)

Motion by Councilmember Brennan, second by Councilmember Cole, to go into Closed Session for City Attorney Consultation citing Section 15.268 (8) (h) of the Open Meetings Act.

Yeas: Gibson, Perron, Porter, Brennan, Cole, Gennett
 Nays: None
 Absent: None

Council moved into closed session at 8:20 p.m. Council reconvened in open session at 8:45 p.m.

XIV. Reconvene, Action to be Taken if Appropriate

A. Further Discussion with Possible Staff Direction Regarding Right of Way on Alice Street

Council agreed to present a counter proposal of 20 feet of paved area to the Boss Family regarding the right of way.

Motion by Councilmember Brennan, second by Councilmember Gibson, to propose a 20 foot wide driveway access to the property owner [Boss] subject to agreement of appropriate terms of a license and waiver of claims.

Yeas: Gibson, Perron, Brennan, Cole, Gennett
 Nays: Porter
 Absent: None

Ken Boss questioned why there was a difference of five feet between this 20' proposal and the tentative 25' agreement with the City Manager. Mr. Boss reiterated his comments regarding other properties having similar situations with right of way. City Manager Straebel and Mr. Boss agreed to meet on August 21 for further discussion. Mr. Boss' attorney may be attending the meeting.

XIV. Adjourn

The Deputy Mayor stated that, barring any objections, the meeting would adjourn.
 There were no objections.
 Meeting adjourned at 8:52 p.m.

Joyce M. Golding City Clerk Lyle Gennett Deputy Mayor

Special Accounts Payable: 08/06/2014

DTE ENERGY	1,763.26		
METLIFE SMALL BUSINESS CENTER	817.77	TOTAL	2,581.03

Special Accounts Payable: 08/07/2014

STATE OF MICHIGAN	100.00	TOTAL	100.00
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**Payroll: Net Pay
 Pay Period Ending 08/09/2014 – Paid 08/15/2014**

TIMMS, ROBERT N	46.17	TRAEGER, JASON A.	1,339.52
WELLER, LINDA JO	1,367.08	WARNER, JANINE M.	986.17
STRAEBEL, ROBERT J.	2,186.48	EVANS JR, HALBERT K.	1,424.26
GOLDING, JOYCE M.	1,020.25	KLOOSTER, PATRICK H.	495.39
DEROSIA, PATRICIA E.	871.03	HUMBLE, NATHAN C.	761.52
LOY, EVELYN R.	1,017.15	FLICKEMA, ANDREW M.	732.19
KLOOSTER, ALIDA K.	1,404.26	BINGHAM, LARRY E.	803.99
BROWN, STEPHANIE C.	1,461.84	BOSS, JOHN M.	434.31
SPENCER, MICHAEL D.	1,296.68	LABELLE, DAVIS B.	405.27
SPENCLEY, PATRICIA L.	1,118.07	KLINGER, LUCAS D.	521.06
PANOFF, ZACHARY R.	820.00	BRANDI, MAURA E.	389.26
MILLER, FAITH G	113.99	SPEGELE, GREYSON H.	467.75
PEARSON, BETHANY S.	1,248.39	VANLOO, JORDAN C.	815.23
ZIELINSKI, JOSEPH A.	1,735.63	GLENNY, GRACE A.	537.45
LEESE, MERRI C.	217.98	ACHARYA, VARUN R.K.	308.55
DOAN, GERARD P.	1,613.56	GREYERBIEHL, KELLY M.	484.02
SHRIFT, PETER R.	1,238.37	IVAN, PAUL M.	1,694.28
SCHLAPPI, JAMES L.	1,253.33	SCHWARTZFISHER, JOSEPH L.	1,052.59
UMULIS, MATTHEW T.	1,475.73	ROLOFF, ROBERT P.	3,172.73
HANKINS, SCOTT A.	1,571.26	BRODIN, WILLIAM C.	1,800.39
ORBAN, BARBARA K.	1,293.17	RILEY, DENISE M.	608.49

TEUNIS, STEVEN L.	1,839.10	BOOTHE, STEVEN A.	212.47
WURST, RANDALL W.	1,451.01	BRUNCH, RONALD J.	317.73
MAYER, SHELLEY L.	2,106.47	DURRENBERGER, LARRY J	60.45
HILLING, NICHOLAS A.	1,365.86	RYPSTRA III, BART	220.41
MEIER III, CHARLES A.	1,285.68	DAVIS, RONALD L.	268.63
ZACHARIAS, STEVEN B.	1,450.86	GILL, DAVID R.	1,059.36
NISWANDER, JOSEPH F.	1,428.26	MACLEOD, SAMUEL R.	379.95
FRYE, EDWARD J.	958.86	TODD, RICHARD D.	339.55
JONES, TERRI L.	635.73	WOODY, SCOTT R.	1,549.81
SWEM, DONALD L.	1,667.39	VANLOO, JOSEPH G.	493.01
EATON, BRAD A.	1,751.72	SEAMAN, HEATHER K.	911.23
WILSON, TIMOTHY J.	1,928.43	BAGINSKI, JORDAN R.	677.37
LAVOIE, RICHARD L.	1,394.99	TABER, HOLLY S.	367.08
STEVENS, BRANDON C.	1,258.68	WYMAN, MATTHEW A.	934.80
WHITLEY, ANDREW T.	1,347.03	DRAVES, MICHAEL J.	607.91
DRAVES, MARTIN J.	1,576.52	SCHRADER, LOU ANN	483.00
ELLIOTT, PATRICK M.	1,732.19	SCHWAGER, EDWARD J.	846.16
MORRISON, KEVIN P.	1,039.56	HUESING, HENRY A.	305.84
WELLS JR., DONALD E.	1,248.83	STEVENS, JEFFREY W.	468.09
BRADLEY, KELLY R.	1,382.54	FUNKEY, KRAIG R.	159.30
WILSON, RICHARD J.	1,402.92	ROLOFF, AUDREY M.	1,134.37
HART II, DELBERT W.	726.02	MATTER, DAWSON K.	888.30
JOHNSON, STEVEN P.	1,169.70	MARSH JR., JAMES D.	47.10
JONES, ROBERT F.	1,247.16	RILEY, TIMOTHY C.	165.18
DORAN, JUSTIN J.	1,432.52	IWEMA, NICHOLE M.	49.34
BISHAW, JAMES H.	538.60	RAMSEY, KYLE J.	125.79
MARTINEZ, STANLEY A.	510.06	RILEY, CASEY W.	940.79
MANKER JR, DAVID W.	445.74	HUNTER, DESMOND J.	39.65
MANKER SR, DAVID W.	700.76	THORMAN, MIKAYLA R.	271.77
NEUMANN, DANA L.	550.81	JONES, LARRY M.	633.05
BECKER, MICHAEL S.	619.53	OCHS, THOMAS F	69.26
HERRIMAN, COBY M.	520.19	TRAVERS, MANUEL J.	295.11
SHEPARD, ZACHARY N.	549.52	SCOTT JR., WINFIELD	13.21
COLE, STEVEN D.	549.52	KITELEY, FISHER L.	52.86
NICHOLS, RUSSELL N.	556.75	COLLINS, CHAD M.	321.53
HAWKINS, JAMES S.	430.75	RILEY, DANIEL A.	1,383.86
MCGHEE, ROBERT R.	1,022.25	BERGMANN, DOUGLAS M.	99.11
STANTS, JACOB W.	548.65	WHITLEY, ADAM	491.68
BLOOMER, GABRIELLE J.	452.00	SCHOOFF, WILLIAM R.	812.35
KIRINOVIC, THOMAS F.	90.66	WILKIN, AMANDA J.	831.98
KLOOSTER, SUSAN E.	159.04	DROST, PATRICIA A.	180.00
STEBE, LAURA A.	194.01	CARLSON, JOANNE E.	190.00
AMSTUTZ, LINDA J.	990.18	RUDOLPH, JOELLEN B.	172.50
HALL, CHASE D.	822.48	LEFT, LILLIAN M.	249.38
PETERS, MEGAN M.	612.48	BUDAY, JOAN E.	196.88
RUDOLPH, TRISTAN M.	502.02	STEPHAN, MARY ANN	67.50
GOLOVICH, SAWYER P.	439.79	CAMPBELL, KAREN L.	120.00
ECKHARDT, LOGAN R.	531.80	DOAN, CECELIA E.	67.50
WEBB, MICHAEL B.	784.07	COLT, JUDITH C.	212.63
ELLIOTT, ASHLIE D.	385.90	BERWICK, KIRSTEN A.	180.00
PARKER-DROST, HERO	543.59	FRANCIS, CATHERINE A.	107.50
HOLECHECK, JENNACA R.	347.60	HEDDLE, JULIA E.	182.50
WELLS, IVY L.	419.33	HUNTLEY, ROSALYNN R.	190.00
ROCKAFELLOW, SARAH C.	564.14	LALONDE, SANDRA L.	107.50
BRADLEY, PAIGE M.	629.52	SPRING, RICHARD C.	180.00
WESCOTT, DENNIS M.	314.49	HODGE, MICHAEL J.	1,148.96
STEIN, DONNA E.	412.00	HEID, THOMAS J	1,273.19
CURTIS, DENNIS E.	968.12	TOTAL	119,893.70

Payroll: Transmittal 08/15/2014

AMERICAN FAMILY LIFE	182.40	COMMUNICATION WORKERS OF AMER	529.95
AMERICAN FAMILY LIFE	269.17	MI STATE DISBURSEMENT UNIT	546.29
BAY WINDS FEDERAL CREDIT UNION	110.00	NORTHWESTERN BANK	150.00
CHAR EM UNITED WAY	82.04	PRIORITY HEALTH	1,489.42
CHARLEVOIX STATE BANK	1,041.16	TOTAL	4,400.43

Accounts Payable: 08/19/14

ACE HARDWARE	2,736.09	AMERICAN WASTE INC.	570.40
AETNA INSURANCE	23.00	APEX SOFTWARE	235.00

AT&T	1,570.97	KORTHASE FLINN	15.30
AUTO VALUE	1,770.80	KSS ENTERPRISES	1,594.90
AVFUEL CORPORATION	72,003.46	LAKESHORE TIRE & AUTO SERVICE	15.95
B & L SOUND INC	76.98	LOTTIE'S BAGELS	103.00
BAKER COLLEGE OF CADILLAC	45.00	MACKINAW ART & SIGN	266.80
BALASZ, KRIS	25.00	MARSHALL-RASHID, ZOE	100.00
BLARNEY CASTLE OIL CO	2,714.18	MICHIGAN MUNICIPAL LEAGUE	172.10
BOUND TREE MEDICAL LLC	1,806.11	MICHIGAN MUSHROOM MARKET LLC	7.00
BRADFORD'S	58.50	MICHIGAN OFFICEWAYS INC	5,012.94
CARQUEST OF CHARLEVOIX	1,318.43	MOSORYAK, JOHN MATTHEW	32.00
CHARLEVOIX AREA	6,700.00	NCL OF WISCONSIN INC.	99.71
CHARLEVOIX SCREEN MASTERS INC	985.50	NFPA	41.25
CHARTER COMMUNICATIONS	122.49	NORTHEAST WISCONSIN TECHNICAL	25.00
CINTAS CORPORATION	127.50	NORTHERN CREDIT BUREAU	102.55
COOK FAMILY FARMS	179.00	NORTHERN FIRE & SAFETY INC.	168.00
COVEYOU FARMS LLC	141.00	NORTHERN MICHIGAN JANITORIAL	270.75
DECKA DIGITAL LLC	690.00	NORTHERN PUMP SERVICE INC.	1,058.80
DHASELEER, CARL	117.00	NORTHERN SAFETY CO INC	452.73
DORNBOS SIGN INC.	37.50	ORBAN, BARBARA	77.95
EAST JORDAN FAMILY HEALTH CTR	122.00	OTEC	60.00
EATON CORPORATION	614.70	PANOFF, ZACH	188.94
ECONO SIGNS LLC	1,668.94	PERFORMANCE ENGINEERS INC	6,235.00
EKERN, VIRGINIA NELL	75.00	POLLUTION CONTROL SERVICES INC	1,028.70
ELLIOTT, ASHLIE	50.78	POND HILL FARM LLC	218.00
ELLSWORTH FARMER'S EXCHANGE	580.65	POSTMASTER	30.03
ERNO, LEE	20.00	POWER LINE SUPPLY	2,857.03
FANARA, SHAYNEE	200.00	PREFERRED WASTE 2 LLC	780.00
FARMER WHITE'S	145.00	PRO WEB MARKETING LLC	100.00
FARMER'S DAUGHTER	407.00	PUROLL EQUIPMENT COMPANY LLC	831.34
FASTENAL COMPANY	27.76	QUILL CORP	249.00
FAUST, DESIREA	57.87	R B LYONS INC	1,080.00
FAUST, ERICKA	19.04	RESIDEX LLC	302.87
FIDELITY GOLF SERVICES LLC	210.00	ROAD WEASEL ENTERPRISES LLC	73.00
FLOTATION DOCKING SYSTEMS INC.	275.00	SAXON INCORPORATED	43.93
GALEA, JOE	25.00	SEARS COMMERCIAL ONE	169.99
GALLIMORE, SARAH	12.00	SECURITY SANITATION INC.	380.00
GALLS AN ARAMARK COMPANY	322.88	SEELEY'S PRINTING SERVICE	153.47
GBS INC.	17.46	SIEGRIST, DAVID	43.00
GERBER HOMEMADE SWEETS	50.00	SLADICK, JEANNINE	150.00
GORDON FOOD SERVICE	494.66	SPARTAN DISTRIBUTORS INC	118.47
GREENSKEEPER LANDSCAPE		SPARTAN STORES LLC	66.85
MAINTENANCE	120.00	STATE OF MICHIGAN	469.26
GUNTZVILLER, RHONDA	270.00	STEVENS, BRANDON	60.00
HACH COMPANY	1,011.12	STEVENS, JEFF	586.00
HAGGARD'S INC	80.00	SUNFLOWER STAND, THE	27.00
HANCHIN, AMY	190.00	SUPERIOR MECHANICAL	1,020.00
HARBOR HOUSE PUBLISHERS	3,597.68	TIME EMERGENCY EQUIPMENT	9,333.00
HARRELL'S	250.00	TRI-TURF	118.74
HOLIDAY COMPANIES	282.79	TRUCK & TRAILER SPECIALTIES	141.01
HUGH'S EXCAVATING LLC	1,000.00	UP NORTH PROPERTY SERVICES LLC	11,543.00
HYDE SERVICES LLC	219.67	UPBEAT INC.	936.00
INTELLIGENT PRODUCTS INC	1,586.75	UPPER CASE PRINTING INK.	1,094.24
J & B MEDICAL SUPPLY INC.	218.46	VILLAGE GRAPHICS INC.	100.00
J. THOMAS DISTRIBUTORS LLC	47.08	VOSS LIGHTING	1,258.34
JOHN CROSS FISHERIES	59.00	WILBERT BURIAL VAULT CO	452.64
KENDALL ELECTRIC INC.	330.20	WORK & PLAY SHOP	661.75
KMart	239.55	TOTAL	161,529.28

Tax Disbursement: 08/19/2014

CHARLEVOIX COUNTY TREASURER	121,517.84	CHARLEVOIX PUBLIC SCHOOLS	9,936.47
CHARLEVOIX PUBLIC SCHOOLS	146,281.78	CITY OF CHARLEVOIX - TAXES DUE	151,114.29
CHARLEVOIX PUBLIC SCHOOLS	21,577.69	HALLMARK MARKETING CORPORATION	63.44
CHARLEVOIX PUBLIC SCHOOLS	1,589.18	TOTAL	452,080.69

ACH Payments: 08/04/2014 - 08/15/2014

MI PUBLIC POWER AGENCY	22,944.12	IRS (PAYROLL TAX DEPOSIT)	43,459.31
STATE OF MI (SALES TAX)	27,384.35	ALERUS FINANCIAL (HCSP)	280.00
MI PUBLIC POWER AGENCY	22,229.62	STATE OF MI (WITHHOLDING TAX)	6,322.16

VANTAGEPOINT (401 ICMA PLAN)	728.06		
VANTAGEPOINT (457 ICMA PLAN)	13,768.40		
		TOTAL	137,116.02

CITY OF CHARLEVOIX
SPECIAL CITY COUNCIL MEETING MINUTES
Thursday, August 20, 2014 – 5:00 p.m.
210 State Street, City Hall, Council Chambers, Charlevoix, MI

The meeting was called to order at 5:00 p.m. by Mayor Norman Carlson Jr.

I. Pledge of Allegiance

II. Roll Call of Members Present

Mayor: Norman Carlson Jr.
City Manager: Rob Straebel
City Clerk: Joyce Golding
Members Present: Councilmembers Peggy Brennan, Shane Cole, Lyle Gennett, Shirley Gibson, Leon Perron, and Jeff Porter
City Staff: Pat Elliott

III. Inquiry Regarding Possible Conflicts of Interest

None.

IV. Requests, Petitions and Communications and Actions Thereon

A. Discussion Regarding Right of Way on Alice Street

On Tuesday, August 19, the City Manager contacted Ken Boss regarding Council's directive to reduce the driveway/parking space from 25' to 20'. Mr. Boss stated he did not think this was a fair compromise.

Mayor Carlson opened the item to public comment.

Ken Boss stated that he agreed on a compromise of 25' with City Manager Straebel during his site visit. Mr. Boss indicated that he has consulted his attorney. He reiterated again with regard to other properties that have similar situations.

The item was closed.

Councilmember Gibson stated that complaints came from all the neighbors on Alice Street. She feels that this compromise is a government giveaway. Councilmember Gibson shared numerous comments from the neighbors.

Councilmember Gennett indicated that 25' is a very good compromise.

Councilmember Brennan stated that Council directed Staff to come up with compromise and Council should be supporting Staff in their efforts. She feels the compromise should be honored. Councilmember Cole agreed with the 25' compromise.

Councilmember Perron asked for clarification on where the cars were parking. City Manager Straebel stated that no parking should be allowed on the City sidewalk and no cars should be encroaching on the roadway.

Councilmember Porter felt that 25' feet should be allowed. Mayor Carlson stated that the proposed license agreement would address perpendicular parking of two vehicles in the right of way and that parallel parking would also be allowed.

Motion by Councilmember Gennett, second by Councilmember Cole, to accept the landowner's proposed 25 foot wide driveway at 203 Alice Street to replace the former paved parking area, subject to the landowner's waiver of claims as to the former parking area and agreement to a license agreement acceptable to the City for use of the portion of the driveway located in the road right of way.

Yeas: Gennett, Perron, Porter, Brennan, Cole
Nays: Gibson
Absent: None

V. Closed Session

None.

VI. Reconvene, Action to be Taken if Appropriate

None.

VII. Audience - Non-agenda Input (written requests take precedent)

None.

VIII. Adjourn

The Mayor stated that, barring any objections, the meeting would adjourn.

There were no objections.

Meeting adjourned at 5:25 p.m.

Check Number	Payee	Amount
08/20/2014		
110825	AT&T MOBILITY	72.29
110826	CHARLEVOIX STATE BANK	2,230.03
110827	DELTA DENTAL	4,437.05
110828	GREAT LAKES ENERGY	201.42
110829	METLIFE SMALL BUSINESS CENTER	794.45
110830	PREIN & NEWHOF	202,913.48
110831	PRIORITY HEALTH	44,349.18
110832	STATE OF MICHIGAN	12,265.55
110833	VERIZON WIRELESS	56.72
110834	VISION SERVICE PLAN	508.38
Total 08/20/2014:		267,828.55
Grand Totals:		267,828.55

Summary of Check Registers & ACH Payments

FIRSTMERIT BANK - CHECKS ISSUED

08/20/14 Special Accounts Payable Run	\$	267,828.55
08/29/14 Payroll	\$	109,838.36
08/29/14 Payroll Transmittal Checks	\$	4,400.43
09/03/14 Regular Accounts Payable	\$	283,477.97
Checks Sub-Total:	\$	665,545.31

FIRSTMERIT BANK - ACH PAYMENTS

08/05/14 Payment Service Network	\$	216.10
08/18/14 MI Public Power Agency	\$	34,810.35
08/25/14 MI Public Power Agency	\$	274,339.72
08/25/14 MI Public Power Agency	\$	19,376.27
08/29/14 IRS (Payroll Tax Deposit)	\$	42,171.24
08/29/14 Alerus Financial (HCSP)	\$	280.00
08/29/14 State of MI (Withholding Tax)	\$	5,947.20
08/29/14 Vantagepoint (401 ICMA Plan)	\$	728.06
08/29/14 Vantagepoint (457 ICMA Plan)	\$	13,580.25
08/29/14 MERS (Defined Benefit Plan)	\$	40,852.28
ACH Sub-Total:	\$	432,301.47

First Merit Bank Total: \$ 1,097,846.78

CHARLEVOIX STATE BANK - CHECKS ISSUED

(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

09/03/14 Tax Disbursement	\$	-
Charlevoix State Bank Total:	\$	-
Grand Total:	\$	1,097,846.78

APPROVED:


CITY MANAGER


CITY TREASURER


CITY CLERK

M = Manual Check, V = Void Check

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
08/23/2014	PC	08/29/2014	18205	WELLER, LINDA JO	101		1,524.85
08/23/2014	PC	08/29/2014	18206	STRAEBEL, ROBERT J.	102		2,186.47
08/23/2014	PC	08/29/2014	18207	GOLDING, JOYCE M.	106		1,020.25
08/23/2014	PC	08/29/2014	18208	DEROSIA, PATRICIA E.	107		871.03
08/23/2014	PC	08/29/2014	18209	LOY, EVELYN R.	117		1,017.15
08/23/2014	PC	08/29/2014	18210	KLOOSTER, ALIDA K.	121		1,404.26
08/23/2014	PC	08/29/2014	18211	BROWN, STEPHANIE C.	126		1,067.74
08/23/2014	PC	08/29/2014	18212	SPENCER, MICHAEL D.	132		1,296.68
08/23/2014	PC	08/29/2014	18213	SPENCLEY, PATRICIA L.	136		1,049.12
08/23/2014	PC	08/29/2014	18214	PANOFF, ZACHARY R.	141		820.00
08/23/2014	PC	08/29/2014	18215	MILLER, FAITH G.	142		60.22
08/23/2014	PC	08/29/2014	18216	PEARSON, BETHANY S.	143		1,248.39
08/23/2014	PC	08/29/2014	18217	ZIELINSKI, JOSEPH A.	144		1,735.63
08/23/2014	PC	08/29/2014	18218	LEESE, MERRI C.	145		173.92
08/23/2014	PC	08/29/2014	18219	DOAN, GERARD P.	201		1,613.56
08/23/2014	PC	08/29/2014	18220	SHRIFT, PETER R.	203		1,122.01
08/23/2014	PC	08/29/2014	18221	SCHLAPPI, JAMES L.	204		970.05
08/23/2014	PC	08/29/2014	18222	UMULIS, MATTHEW T.	205		1,240.46
08/23/2014	PC	08/29/2014	18223	HANKINS, SCOTT A.	208		1,517.19
08/23/2014	PC	08/29/2014	18224	ORBAN, BARBARA K.	209		1,262.33
08/23/2014	PC	08/29/2014	18225	TRAEGER, JASON A.	210		1,130.16
08/23/2014	PC	08/29/2014	18226	WARNER, JANINE M.	213		986.17
08/23/2014	PC	08/29/2014	18227	EVANS JR, HALBERT K.	214		1,424.26
08/23/2014	PC	08/29/2014	18228	LEE, LOREN G.	217		227.33
08/23/2014	PC	08/29/2014	18229	FLICKEMA, ANDREW M.	222		732.19
08/23/2014	PC	08/29/2014	18230	BINGHAM, LARRY E.	224		803.99
08/23/2014	PC	08/29/2014	18231	BRANDI, MAURA E.	236		253.63
08/23/2014	PC	08/29/2014	18232	VANLOO, JORDAN C.	239		615.23
08/23/2014	PC	08/29/2014	18233	ACHARYA, VARUN R.K.	242		139.85
08/23/2014	PC	08/29/2014	18234	IVAN, PAUL M.	301		5,133.15
08/23/2014	PC	08/29/2014	18235	SCHWARTZFISHER, JOS	303		1,102.91
08/23/2014	PC	08/29/2014	18236	ROLOFF, ROBERT P.	304		1,950.04
08/23/2014	PC	08/29/2014	18237	BRODIN, WILLIAM C.	305		1,375.51
08/23/2014	PC	08/29/2014	18238	RILEY, DENISE M.	306		500.76
08/23/2014	PC	08/29/2014	18239	TEUNIS, STEVEN L.	402		1,839.10
08/23/2014	PC	08/29/2014	18240	WURST, RANDALL W.	411		1,230.98
08/23/2014	PC	08/29/2014	18241	MAYER, SHELLEY L.	412		1,531.44
08/23/2014	PC	08/29/2014	18242	HILLING, NICHOLAS A.	413		1,523.12
08/23/2014	PC	08/29/2014	18243	MEIER III, CHARLES A.	421		1,118.33
08/23/2014	PC	08/29/2014	18244	ZACHARIAS, STEVEN B.	422		1,585.74
08/23/2014	PC	08/29/2014	18245	NISWANDER, JOSEPH F.	504		1,371.36
08/23/2014	PC	08/29/2014	18246	FRYE, EDWARD J.	508		1,021.98
08/23/2014	PC	08/29/2014	18247	JONES, TERRI L.	511		754.90
08/23/2014	PC	08/29/2014	18248	EATON, BRAD A.	515		1,607.49
08/23/2014	PC	08/29/2014	18249	WILSON, TIMOTHY J.	516		1,985.33
08/23/2014	PC	08/29/2014	18250	LAVOIE, RICHARD L.	519		1,373.75
08/23/2014	PC	08/29/2014	18251	STEVENS, BRANDON C.	521		1,165.21
08/23/2014	PC	08/29/2014	18252	DRAVES, MARTIN J.	523		1,792.43
08/23/2014	PC	08/29/2014	18253	ELLIOTT, PATRICK M.	600		1,732.18
08/23/2014	PC	08/29/2014	18254	WELLS JR., DONALD E.	609		1,395.87
08/23/2014	PC	08/29/2014	18255	BRADLEY, KELLY R.	614		1,341.51
08/23/2014	PC	08/29/2014	18256	WILSON, RICHARD J.	615		1,118.22
08/23/2014	PC	08/29/2014	18257	HART II, DELBERT W.	616		690.88
08/23/2014	PC	08/29/2014	18258	JONES, ROBERT F.	618		1,258.62
08/23/2014	PC	08/29/2014	18259	DORAN, JUSTIN J.	621		1,425.61
08/23/2014	PC	08/29/2014	18260	MARTINEZ, STANLEY A.	634		505.66
08/23/2014	PC	08/29/2014	18261	MANKER JR, DAVID W.	638		463.84

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
08/23/2014	PC	08/29/2014	18262	MANKER SR, DAVID W.	639		700.76
08/23/2014	PC	08/29/2014	18263	NEUMANN, DANA L.	640		521.30
08/23/2014	PC	08/29/2014	18264	BECKER, MICHAEL S.	641		553.59
08/23/2014	PC	08/29/2014	18265	SHEPARD, ZACHARY N.	656		480.25
08/23/2014	PC	08/29/2014	18266	NICHOLS, RUSSELL N.	661		490.95
08/23/2014	PC	08/29/2014	18267	HAWKINS, JAMES S.	662		353.09
08/23/2014	PC	08/29/2014	18268	MCGHEE, ROBERT R.	663		1,092.66
08/23/2014	PC	08/29/2014	18269	STANTS, JACOB W.	664		384.34
08/23/2014	PC	08/29/2014	18270	BLOOMER, GABRIELLE J.	665		359.83
08/23/2014	PC	08/29/2014	18271	KIRINOVIC, THOMAS F.	700		123.46
08/23/2014	PC	08/29/2014	18272	KLOOSTER, SUSAN E.	702		83.31
08/23/2014	PC	08/29/2014	18273	STEBE, LAURA A.	703		143.64
08/23/2014	PC	08/29/2014	18274	AMSTUTZ, LINDA J.	706		1,095.44
08/23/2014	PC	08/29/2014	18275	RUDOLPH, TRISTAN M.	757		315.46
08/23/2014	PC	08/29/2014	18276	GOLOVICH, SAWYER P.	759		593.29
08/23/2014	PC	08/29/2014	18277	ECKHARDT, LOGAN R.	761		602.99
08/23/2014	PC	08/29/2014	18278	WEBB, MICHAEL B.	773		1,076.07
08/23/2014	PC	08/29/2014	18279	ELLIOTT, ASHLIE D.	774		364.43
08/23/2014	PC	08/29/2014	18280	PARKER-DROST, HERO	775		401.77
08/23/2014	PC	08/29/2014	18281	HOLECHECK, JENNACA	777		406.16
08/23/2014	PC	08/29/2014	18282	WELLS, IVY L.	781		440.16
08/23/2014	PC	08/29/2014	18283	ROCKAFELLOW, SARAH	782		417.77
08/23/2014	PC	08/29/2014	18284	BRADLEY, PAIGE M.	786		318.09
08/23/2014	PC	08/29/2014	18285	HEID, THOMAS J	802		1,273.19
08/23/2014	PC	08/29/2014	18286	WESCOTT, DENNIS M.	828		280.37
08/23/2014	PC	08/29/2014	18287	STEIN, DONNA E.	830		305.58
08/23/2014	PC	08/29/2014	18288	GRUNCH, RONALD J.	844		273.72
08/23/2014	PC	08/29/2014	18289	RYPSTRA III, BART	852		212.78
08/23/2014	PC	08/29/2014	18290	MACLEOD, SAMUEL R.	857		417.22
08/23/2014	PC	08/29/2014	18291	STEIN, MARK G.	858		35.68
08/23/2014	PC	08/29/2014	18292	WOODY, SCOTT R.	900		3,312.97
08/23/2014	PC	08/29/2014	18293	VANLOO, JOSEPH G.	902		525.51
08/23/2014	PC	08/29/2014	18294	SEAMAN, HEATHER K.	913		1,597.14
08/23/2014	PC	08/29/2014	18295	TABER, HOLLY S.	924		365.11
08/23/2014	PC	08/29/2014	18296	WYMAN, MATTHEW A.	927		1,241.28
08/23/2014	PC	08/29/2014	18297	DRAVES, MICHAEL J.	928		651.77
08/23/2014	PC	08/29/2014	18298	SCHRADER, LOU ANN	929		507.60
08/23/2014	PC	08/29/2014	18299	SCHWAGER, EDWARD J.	930		710.27
08/23/2014	PC	08/29/2014	18300	HUESING, HENRY A.	931		313.66
08/23/2014	PC	08/29/2014	18301	RILEY, CASEY W.	1052		700.67
08/23/2014	PC	08/29/2014	18302	WILKIN, AMANDA J.	9992		496.46
08/23/2014	PC	08/29/2014	110835	KLOOSTER, PATRICK H.	216		557.93
08/23/2014	PC	08/29/2014	110836	HUMBLE, NATHAN C.	219		761.52
08/23/2014	PC	08/29/2014	110837	LABELLE, DAVIS B.	234		405.27
08/23/2014	PC	08/29/2014	110838	KLINGER, LUCAS D.	235		521.06
08/23/2014	PC	08/29/2014	110839	SPEGELE, GREYSON H.	237		405.27
08/23/2014	PC	08/29/2014	110840	GLENNY, GRACE A.	241		537.45
08/23/2014	PC	08/29/2014	110841	GREYERBIEHL, KELLY M.	260		527.51
08/23/2014	PC	08/29/2014	110842	SWEM, DONALD L.	512		1,667.40
08/23/2014	PC	08/29/2014	110843	WHITLEY, ANDREW T.	522		1,358.80
08/23/2014	PC	08/29/2014	110844	MORRISON, KEVIN P.	601		1,164.03
08/23/2014	PC	08/29/2014	110845	HODGE, MICHAEL J.	606		1,089.25
08/23/2014	PC	08/29/2014	110846	JOHNSON, STEVEN P.	617		1,349.31
08/23/2014	PC	08/29/2014	110847	BISHAW, JAMES H.	633		551.52
08/23/2014	PC	08/29/2014	110848	HERRIMAN, COBY M.	654		271.07
08/23/2014	PC	08/29/2014	110849	COLE, STEVEN D.	657		502.74
08/23/2014	PC	08/29/2014	110850	HALL, CHASE D.	726		552.40

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
08/23/2014	PC	08/29/2014	110851	PETERS, MEGAN M.	738		507.54
08/23/2014	PC	08/29/2014	110852	CURTIS, DENNIS E.	831		914.40
08/23/2014	PC	08/29/2014	110853	BOOTHE, STEVEN A.	832		266.04
08/23/2014	PC	08/29/2014	110854	DAVIS, RONALD L.	853		261.72
08/23/2014	PC	08/29/2014	110855	GILL, DAVID R.	856		1,086.32
08/23/2014	PC	08/29/2014	110856	TODD, RICHARD D.	859		367.30
08/23/2014	PC	08/29/2014	110857	BAGINSKI, JORDAN R.	918		262.48
Grand Totals:			<u>121</u>				<u>109,838.36</u>

Report Criteria:

- Computed checks included
- Manual checks included
- Supplemental checks included
- Termination checks included
- Void checks included

Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
08/23/2014	08/29/2014	110858	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST	182.40
08/23/2014	08/29/2014	110858	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	269.17
08/23/2014	08/29/2014	110859	BAY WINDS FEDERAL C	9024	HSA-EMPLOYEE CONTRIB-BAY	110.00
08/23/2014	08/29/2014	110860	CHAR EM UNITED WAY	9009	UNITED WAY Pay Period: 8/23/2	82.04
08/23/2014	08/29/2014	110861	CHARLEVOIX STATE BA	9017	HSA - EMPLOYEE CONTRIB - C	1,041.16
08/23/2014	08/29/2014	110862	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	529.95
08/23/2014	08/29/2014	110863	MI STATE DISBURSEME	9012	FRIEND OF THE COURT Pay P	546.29
08/23/2014	08/29/2014	110864	NORTHWESTERN BANK	9018	HSA - EMPLOYEE CONTRIB - N	150.00
08/23/2014	08/29/2014	110865	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,489.42
Grand Totals:		<u>9</u>				<u>4,400.43</u>



Check Number	Payee	Amount
09/03/2014		
110866	AIRGAS USA LLC	174.02
110867	ALL-PHASE ELECTRIC SUPPLY CO.	2,951.65
110868	AMERICAN WASTE INC.	2,682.94
110869	AMSTUTZ, LINDA	278.75
110870	ARMOR EXPRESS	390.00
110871	ARROW UNIFORM-TAYLOR L.L.C.	1,246.11
110872	ARTFORM FABRICATING &	1,000.00
110873	AT & T CORPORATION	240.00
110874	AT YOUR SERVICE PLUS INC	9,950.00
110875	AT&T LONG DISTANCE	18.88
110876	AVFUEL CORPORATION	96,193.24
110877	BERG, REBECCA	147.00
110878	BLANFORD, KATHERINE	54.94
110879	BRADLEY, PAIGE M.	16.13
110880	CENTRAL DRUG STORE	50.59
110881	CHARLEVOIX SCREEN MASTERS INC	226.00
110882	COAST TO COAST COMPUTER	49.00
110883	COOK FAMILY FARMS	15.00
110884	CUMMINS BRIDGEWAY LLC	424.00
110885	DCASSESSING SERVICES	4,371.08
110886	DeROSIA, PATTY	41.00
110887	DOAN, GERARD	41.00
110888	DOMINIC, BONNIE	25.00
110889	EAST JORDAN FAMILY HEALTH CTR	122.00
110890	EJ USA INC.	1,419.30
110891	ELLIOTT, PATRICK M.	41.00
110892	ELLSWORTH FARMER'S EXCHANGE	94.00
110893	ETNA SUPPLY	2,092.43
110894	EVANS, HAL	41.00
110895	FAMILY FARM & HOME	243.58
110896	FARMER WHITE'S	80.00
110897	FASTENAL COMPANY	93.96
110898	FIRESERVICE MANAGEMENT	368.28
110899	FISHER SCIENTIFIC	1,485.28
110900	FLETCH'S	9.75
110901	FOX CHARLEVOIX	1,406.89
110902	FREDRICKSON SUPPLY LLC	131.28
110903	FREEDOM MAILING SERVICES INC.	2,424.55
110904	GALLIMORE, SARAH	58.00
110905	GINOP SALES INC	1,911.60
110906	GORDON FOOD SERVICE	126.42
110907	GRAINGER	1,476.00
110908	GRAND TRAVERSE GARAGE DOOR	3,250.84
110909	GRIFFIN BEVERAGE CO	165.70
110910	GRP ENGINEERING INC.	203.14
110911	GUNTZVILLER, RHONDA	123.00
110912	HACH COMPANY	607.26
110913	HALL, CHASE	34.94

Check Number	Payee	Amount
110914	HANKINS, SCOTT	41.00
110915	HARRELL'S	585.00
110916	HEID, THOMAS J.	41.00
110917	HOLECHECK, JENNACA R.	6.50
110918	HOLIDAY COMPANIES	10,315.20
110919	HYDE SERVICES LLC	397.76
110920	HYDRO DESIGNS INC.	515.00
110921	INDUSTRIAL MARKETING	2,169.02
110922	KIRINOVIC, THOMAS	41.00
110923	KMart	409.99
110924	KSS ENTERPRISES	1,683.44
110925	KUSINA, DENNIS	124.32
110926	LAKESHORE TIRE & AUTO SERVICE	72.50
110927	LAVOIE, RICHARD	11.47
110928	LOTTIE'S BAGELS	48.00
110929	LUNDTEIGEN, GUNNAR	1,200.00
110930	MDC CONTRACTING LLC	9,123.90
110931	MICHIGAN MUNICIPAL LEAGUE	13,298.00
110932	MIDWEST GOLF & TURF	47.42
110933	MUTUAL OF OMAHA	45.78
110934	NORTHERN CREDIT BUREAU	4.00
110935	NORTHERN MICHIGAN REVIEW INC.	123.20
110936	NYSTROM, JIM	120.00
110937	OLESON'S FOOD STORES	393.13
110938	OLSON BZDOK & HOWARD	2,728.00
110939	PARASTAR INC.	1,459.32
110940	PEARSON, BETHANY	109.94
110941	PERFORMANCE ENGINEERS INC	522.50
110942	PETERS, MEGAN	21.50
110943	PHELPS SAW-MILL	120.00
110944	POLLARDWATER.COM - EAST	179.49
110945	POLLUTION CONTROL SERVICES INC	8,100.00
110946	POND HILL FARM LLC	48.00
110947	POWER LINE SUPPLY	3,134.99
110948	PREIN & NEWHOF	54,333.59
110949	PRESTON FEATHER	294.70
110950	PRUITT, CANDY	64.09
110951	R & R FIRE TRUCK REPAIR INC.	337.85
110952	ROCKAFELLOW, SARAH C.	16.43
110953	ROLOFF, ROBERT	265.08
110954	SCHMUCKAL OIL CO	701.55
110955	SCHWAGER, EDWARD J.	41.00
110956	SEELEY'S PRINTING SERVICE	160.00
110957	SHARROW MASONRY INC	1,856.75
110958	SPARTAN DISTRIBUTORS INC	351.81
110959	SPENCER, MICHAEL	41.00
110960	STANDARD AND POORS	5,000.00
110961	STATE OF MICHIGAN	345.00
110962	STATE OF MICHIGAN	855.00

Check Number	Payee	Amount
110963	STRAEBEL, ROBERT J.	41.00
110964	SUTPHEN CORPORATION	1,400.00
110965	SWEM, DONALD L.	41.00
110966	TEUNIS, STEVEN	41.00
110967	UP NORTH PROPERTY SERVICES LL	5,236.00
110968	UPPER CASE PRINTING INK.	550.80
110969	VANTAURA ENERGY SERVICES	4,150.30
110970	VILLAGE GRAPHICS INC.	61.01
110971	WEBB, BRANDON	8.68
110972	WELLER, LINDA	49.67
110973	WEST SHORE FIRE INC	414.97
110974	WHITLEY, ANDREW	11.98
110975	WILLCOME TREE SERVICE	9,045.00
110976	WINDOM-TRIPP, LINDA	75.00
110977	WOOD SHOP, THE	525.00
110978	WOODY, SCOTT	1,221.16
110979	WORK & PLAY SHOP	22.65
110980	WYMAN, MATTHEW A.	41.00
110981	ZIELINSKI, JOSEPH A.	41.00
Total 09/03/2014:		<u>283,477.97</u>
Grand Totals:		<u><u>283,477.97</u></u>

Check Number	Payee	Amount
08/05/2014		
80514001	PAYMENT SERVICE NETWORK INC.	216.10
Total 08/05/2014:		216.10
Grand Totals:		216.10

<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
08/18/2014		
81814001	MICHIGAN PUBLIC POWER AGENCY	34,810.35
Total 08/18/2014:		<u>34,810.35</u>
Grand Totals:		<u><u>34,810.35</u></u>

Check Number	Payee	Amount
08/25/2014		
82514001	MICHIGAN PUBLIC POWER AGENCY	274,339.72
Total 08/25/2014:		274,339.72
Grand Totals:		274,339.72

<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
08/25/2014		
82514002	MICHIGAN PUBLIC POWER AGENCY	<u>19,376.27</u>
Total 08/25/2014:		<u>19,376.27</u>
Grand Totals:		<u><u>19,376.27</u></u>

Check Issue Date	Check Number	Payee	Amount
82914001			
08/29/2014	82914001	**EFTPS* Payroll Taxes	10,121.83
08/29/2014	82914001	**EFTPS* Payroll Taxes	10,121.83
08/29/2014	82914001	**EFTPS* Payroll Taxes	2,367.20
08/29/2014	82914001	**EFTPS* Payroll Taxes	2,367.20
08/29/2014	82914001	**EFTPS* Payroll Taxes	17,193.18
Total 82914001:			
	5		42,171.24
82914002			
08/29/2014	82914002	Alerus Financial	280.00
Total 82914002:			
	1		280.00
82914003			
08/29/2014	82914003	STATE OF MICHIGAN	5,947.20
Total 82914003:			
	1		5,947.20
82914004			
08/29/2014	82914004	Vantagepoint - 401 Plan 109153	728.06
Total 82914004:			
	1		728.06
82914005			
08/29/2014	82914005	Vantagepoint - 457 Plan 300959	5,480.67
08/29/2014	82914005	Vantagepoint - 457 Plan 300959	182.80
08/29/2014	82914005	Vantagepoint - 457 Plan 300959	1,752.07
08/29/2014	82914005	Vantagepoint - 457 Plan 300959	6,164.71
Total 82914005:			
	4		13,580.25
Grand Totals:			
	12		62,706.75

Check Number	Payee	Amount
08/29/2014		
82914006	MERS	40,852.28
Total 08/29/2014:		40,852.28
Grand Totals:		40,852.28

CHARLEVOIX CITY COUNCIL

AGENDA ITEM

AGENDA ITEM TITLE: Second Public Hearing: Discussion and Possible Vote on Expanding City Marina

DATE: September 2, 2014

PRESENTED BY: Rob Straebel

Mike Spencer

Jim Muschell/Ron Tebow, United Designs Associates

- ATTACHMENTS:**
1. Conceptual plan showing seven 80' Slips
 2. Conceptual plan showing five 80' slips
 3. August 8 email from Army Corps of Engineers regarding permitting process
 4. Letter from the Charlevoix Sheriff's Department
 5. Initial estimate of Beaver Island Boat Company travel path
 6. February 27 and July 22 letter from BIBCO
 7. July 1 Letter from John Oates
 8. July 24 and August 11 correspondence from Cliff Biddick, Irish Boat Shop
 9. Debt Service East Park/Marina
 10. Marina Committee Meeting Minutes
 11. August 13, 2014 Floation Docking Cost Estimate

BACKGROUND INFORMATION: The City held a Public Hearing on August 18, 2014 to solicit public comments on the marina expansion project. Council also directed Staff to hold a second Public Hearing on September 2, 2014.

Since our last meeting we have received a cost estimate from Flotation Docking for seven 80' slips and shopper's docks. The estimate is \$500,000- \$363,000 for dockage only, utilities

extensions are estimated at \$117,000. Keep in mind, this is a rough estimate due to a lack of finalized specifications and the uncertainty with electric utility costs.

Because of the size and weight of the Keweenaw Star, Flotation Docking is not recommending their vessel be tied off to a new dock. They recommend that a series of pilings be installed to tie off their ship, independent of the actual dock. The City Manager has met with Keweenaw Excursions representatives regarding the pilings needed to moor their vessel. They state that three pilings would need to be installed: one near the stern, one mid-ship and one near the bow. In talks with Lyons Marine Construction, owner Ben Cunningham stated an estimate of \$45,000-\$50,000 for three clustered pilings. This would need to be fully engineered and costs could be more depending upon water depths and bottomland materials.

The following is information that was included in the August 18 City Council meeting.

The Marina Expansion Committee met on July 22 and voted to recommend to City Council a new dock addition that includes five 80' slips including extending the shopper's dock. Since that time, both the Planning Commission and DDA have voted on the dock expansion. Both entities voted in favor of seven 80' slips with the shopper's dock (DDA 8-0 vote, Planning Commission 4-1 vote).

The Marina Expansion Committee met once again on August 13, 2014 and voted to recommend to City Council a new dock configuration with seven dock slips with expanded shopper's dock facilities. Councilmember Brennan requested the City hold a Public Hearing for August 18.

If approval is granted to proceed to the permitting stage by City Council, project engineers and Staff would submit the preliminary drawings to both the DNR and Army Corps of Engineers for their review. There are no commitments at this point and any alleged safety issues would be closely vetted through the two reviewing agencies. We do not think it fiscally prudent to spend additional funds at this point to finalize the project specifications. This can be completed once approval is granted by the reviewing agencies.

Revenue estimates for a seasonal slip using current rates are \$11,600 per season for an 80' vessel. Five slips would equate to \$58,000 annually. Seven slips would equate to \$81,200 annually. The Keweenaw Star pays \$10,500 for their current dockage and it is anticipated they would dock broadside on the north side of the new docking facilities. Their lease expires this year. There would be additional revenues for the end of the proposed dock which measures 92'.

Options for City Council

1. Make a motion to recommend a five slip dock for 80' vessels and expanded shopper's docks be sent to the appropriate reviewing agencies.
2. Make a motion to recommend a seven slip dock for 80' vessels and expanded shopper's dock be sent to the appropriate reviewing agencies.
3. Table-give Staff specific direction on outstanding issues that Council would like to see addressed.
4. Do nothing- Dock expansion proposal would not move forward.
5. Other ideas/suggestions?

RECOMMENDATION: The issue of safety and navigational routes appear to be of most concern to various parties that may be impacted by development of a new northerly dock. There has also been much speculation and comments made from diverse groups that may or may not have a special interest in whether the dock should be constructed. Certainly, the City's highest priority is safety.

Nevertheless, there needs to be an objective, unbiased third party to fully vet the alleged safety concerns on the City's proposed dock. This can be completed by both the DNR and Army Corps of Engineers with substantial opportunity for public comment. Formal reports will be developed that the City Council can review and consider in the future.

Additionally, it would be in the City's best interest to fully define the docking options for the area north of Dock A. Once again, this can only be done with a full review by DNR and the Army Corps of Engineers. To bring the proposal this far and not have identified what could be constructed in this area leaves the issue open for future Councils and brings no closure to a controversial dock expansion project. The City is not obliged to construct the dock at this time nor after full review by the two agencies. Perhaps it is time to allow objective professionals to develop factual information that City Council can consider at a future meeting?

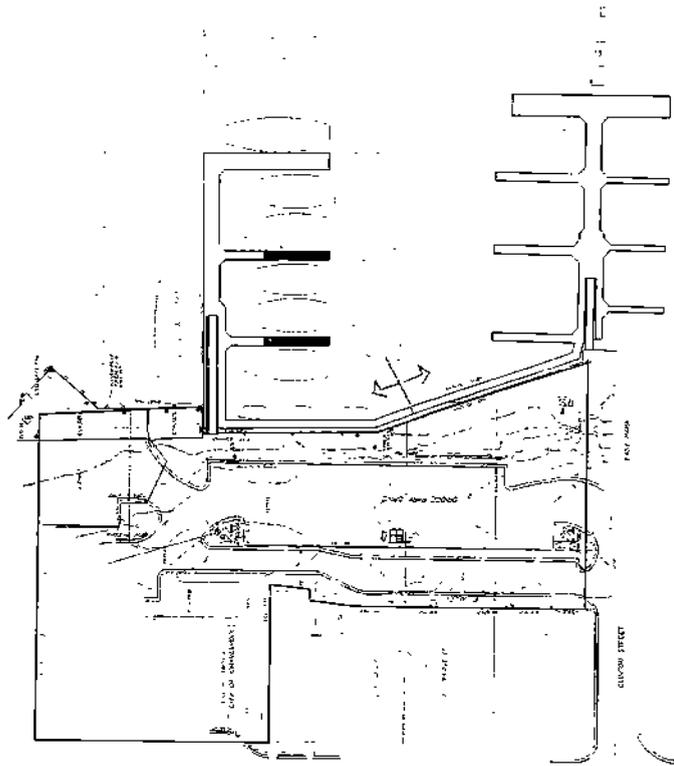


TOPOGRAPHICAL SURVEY
 FOR
UNITED DESIGN ASSOCIATES
 CHARLEVOIX, EAST PARK
 CITY OF CHARLEVOIX, CHARLEVOIX COUNTY, MICHIGAN

Prepared for
UNITED DESIGN ASSOCIATES
 1000 W. BAYVIEW AVENUE, SUITE 200
 CHARLEVOIX, MICHIGAN 49717

PROPOSED PHASE 3 - FLOATING PIER SYSTEMS
 FOR THE CITY OF CHARLEVOIX
 CHARLEVOIX COUNTY, MICHIGAN

DATE: 08/14/12
 DRAWN BY: J. B. BROWN
 CHECKED BY: J. B. BROWN
 PROJECT NO: 12-001



1. ALL DIMENSIONS ARE IN FEET.
2. 1/4" = 1' SCALE UNLESS NOTED OTHERWISE.
3. ALL RELIEFS INDICATED UNLESS NOTED OTHERWISE.
4. ELEVATIONS AND COORDINATES ARE BASED ON THE G.T.M.P. UNLESS OTHERWISE NOTED.
5. ELEVATIONS ARE BASED ON THE MEAN SEA LEVEL, THE DATUM FOR THE CHARLEVOIX COUNTY, MICHIGAN, WHICH IS THE MEAN SEA LEVEL DATUM FOR THE STATE OF MICHIGAN.
6. ALL DIMENSIONS ARE BASED ON THE CENTERLINE OF THE PIER UNLESS OTHERWISE NOTED.
7. ALL DIMENSIONS ARE BASED ON THE CENTERLINE OF THE PIER UNLESS OTHERWISE NOTED.
8. THE PIER SHALL BE 500' LONG AND 10' WIDE AT THE SHORELINE.
9. THE PIER SHALL BE 10' WIDE AT THE SHORELINE.

NO.	DESCRIPTION	DATE	BY	CHECKED
1	ISSUED FOR PERMITTING	08/14/12	J. B. BROWN	J. B. BROWN
2	ISSUED FOR CONSTRUCTION			
3	ISSUED FOR AS-BUILT			

Linda Weller

From: terrypeggy@charter.net
Sent: Friday, August 08, 2014 8:58 AM
To: Linda Weller
Subject: Fw: [EXTERNAL] Permit Process (UNCLASSIFIED)

Linda,

Please include in the info packet for the council next week and make copies for the committee's meeting on Wednesday.

Thanks, Peggy

From: Arthur, Edward J LRE
Sent: Friday, August 8, 2014 7:32 AM
To: terrypeggy@charter.net

Classification: UNCLASSIFIED
Caveats: NONE

Peggy,

The answers to your questions in the order listed:

1. The processing time depends on whether the proposed activity is to be processed as a Standard Permit (SP) which requires it to be placed on a public notice (PN) by the Corps. PN's are typically posted for 20 days during which time public comments are accepted. Agencies can request extensions of time to submit responses. If placed on PN it generally takes 90 to 120 days to process. If the work qualifies for a Letter of Permission (Section 10 projects only) which is a modified SP process that allows non-controversial projects to be processed after coordination with other agencies and the riparian property owners in as little as 30 days but may be longer if issues arise. If the work qualifies to be processed under one of our General Permits (GP) it is generally issued within 30 days.
2. As mentioned above public input for Standard permits is generally 20 days and LOP's 15 days. Comments are only accepted in writing, either by letter or email. Commenter's must also supply their contact info in case we have a need to follow-up with them. Any comments received without contact info (i.e. anonymously) are generally placed in the file but not considered with the same weight as legitimate comments.
3. All denials come with an explanation of the reasons that the proposed action was determined to not be in the public interest. Prior to issuing a denial the Corps would work with the applicant to determine if there is a feasible and prudent alternative that could be issued that would fulfill the applicants project purpose.

Example: We are not allowed to modify the applicant's plans for them but can work with them to allow them to modify their plans prior to issuing a denial of their project. This would be in writing and would identify possible alternatives that had been identified during the public interest review. These alternatives may fulfill the applicants project purpose while having less impact on the public interest factors that we consider in our

Environmental Assessment of the project.

The individual that I suggested that you contact is on vacation for two weeks and will be unavailable during that time, so feel free to contact me if you have additional questions.

Ed Arthur
Regulatory Project Manager
Sault Ste. Marie Field Office
(906) 635-3461



CHARLEVOIX COUNTY SHERIFF'S OFFICE

W.D. (Don) Schneider, Sheriff
Chuck Vondra, Undersheriff
Derek Gaylord, Jail Administrator
Deb Storm, Office Manager

August 11, 2014

City Council
Charlevoix City

RE: New dockage proposal in Round Lake

Dear Council Members,

I have reviewed the plans for the proposed new dockage in Round Lake and I have no objections to the expansion of this area.

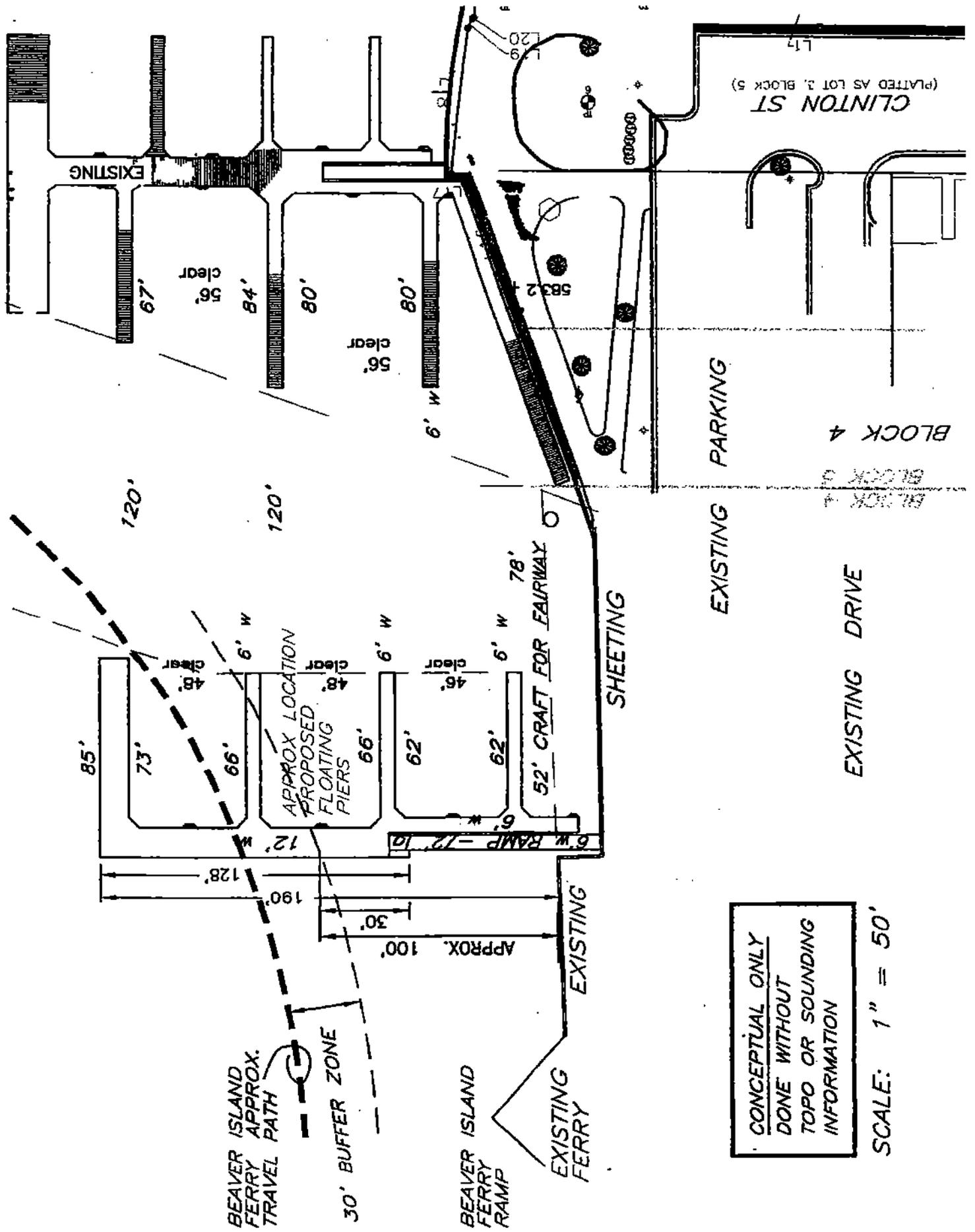
Also, I do not have concerns that the expansion will impede the navigability of these waters.

Sincerely,

W.D. (Don) Schneider
Sheriff

WDS:smk





CONCEPTUAL ONLY
 DONE WITHOUT
 TOPO OR SOUNDING
 INFORMATION

SCALE: 1" = 50'



103 Bridge Park Drive • Charlevoix, MI 49720 • (231) 547-2311
(888) 446-4095 • Fax: (231) 547-5542 • E-mail: info@bibco.com
Executive Offices • Box 148 • Beaver Island, MI 49782

February 27, 2014

Charlevoix City Council
210 State St.
Charlevoix, MI 49720

Dear Charlevoix City Council:

The Beaver Island Boat Company is writing to express our concern with the currently proposed dock expansion project.

In October 2012, the Council agreed to enter into a contract with United Design to study the feasibility of adding an additional dock in the area presently occupied by the MV Keweenaw Star (formerly the USCGC Acacia's dock). Results of this study found the proposed physical layout would interfere with the safe maneuvering of our ferry vessel (MV Emerald Isle) during docking and would also eliminate the present docking location of the MV Keweenaw Star.

The current proposal eliminates the physical impedance of a dock thru our maneuvering area which was a concern during the initial proposal. Any increase to the traffic congestion from recreational boaters, human powered craft, jet skis, and large commercial vessels would potentially introduce more hazardous conditions for maneuvering. If the city intends to increase the marina size by increasing the number and size of docks then there will be more traffic and the safety of the waterways will be affected due to increased congestion.

The burden to maneuver safely in this area has fallen heavily on our company and the increased recreational traffic has resulted in longer bridge openings and docking times.

There has been mention, as part of this new marina proposal, the possible practice of "Mediterranean Mooring" large vessels along the break wall between our vessel and the first dock section. This practice would result in creating the exact same conditions of interfering with our safe maneuvering previously addressed by United Design in the 2012 study. Having a vessel Mediterranean Moor to the seawall also requires the vessel to put out two anchors to hold the bow in place. These anchors would be a hazard to any novice recreational boater unfamiliar with this docking style. The scope of the anchor chain would be leading well ahead of the bow of the moored vessel and would create a hazard to traffic in such a congested highly traveled waterway. Additionally, it is common for this type of moorage to find

anchors fouled with other vessels moored alongside. We recommend Mediterranean Mooring not be considered as an alternate plan.

We appreciate the opportunity to share our concerns with the City and the Council. We will continue to be active participants in this process and hope that we can arrive at a solution that maintains the beauty of Round Lake, the safety of everyone in the harbor, and allows for commerce to continue.

Sincerely,



Margo S. Marks

President



103 Bridge Park Drive • Charlevoix, MI 49720 • (231) 547-2311
(888) 446-4095 • Fax: (231) 547-5542 • E-mail: info@bibco.com
Executive Offices • Box 148 • Beaver Island, MI 49782

22 July 2014

Dear City of Charlevoix Marina Extension Committee:

Thank you for providing us the copy of the new proposal. I am unable to attend today's meeting but wanted to share my thoughts.

I find it amazing that what you are proposing has already been deemed problematic by not only the Beaver Island Boat Company, but by your engineering firm and city staff at a February 13, 2014 meeting. It has been clearly demonstrated the navigable area in which you proposed to build these docks interferes with the approach our vessels have to our established dock area. Again, an additional range analysis was done by a city employee. This analysis was most likely a "day with optimal maneuvering conditions".

Now, you are stating "we are not compromising" when what you are proposing is reducing the length of the docks from 262 feet to 198 feet. In 2013, it was agreed that 190 feet would compromise the safe docking of our vessels. While what you are proposing is still 8 feet longer than the original problem length. If you want to continue to say we are unwilling to compromise, so be it. We will not compromise when it comes to a question of safety for our passengers and vessels.

We hope the city will ultimately find a solution which benefits the city without compromising safety and which does not impede on vessel navigation in Round Lake and the Pine River Channel.

Sincerely,

William J. McDonough
Chairman of the Board

RECEIVED

JUL 22 2014

CITY OF CHARLEVOIX

DATE: JULY 1, 2014
TO: CITY LEADERS OF CHARLEVOIX
FROM: JOHN OATES OF ST. LOUIS, MISSOURI (314)496-9555 ot@askcls.com
VESSEL: O MY PAPA HAILING PORT: JUNEAU, ALASKA
RE: EXPANSION OF THE CITY MARINA DOCKS

THANK YOU FOR HEARING ME OUT. I WOULD LIKE TO DISPEL A MYTH THAT HAS BEEN CIRCULATED WITHIN THE HALLS OF CHARLEVOIX CITY HALL.

SOME BELIEVE THAT THE VISITORS & TOURISTS WHO ARRIVE BY LARGE PRIVATELY-OWNED BOATS "DO NOT MAKE AN OVERSIZE IMPACT ON THE LOCAL ECONOMY."

THIS COULD NOT BE FURTHER FROM THE TRUTH AND IT TROUBLES ME THAT SUCH ASSUMPTIONS ARE SPOKEN WITHOUT ANY PROPER RESEARCH OR QUESTIONING.

(PLEASE, SOMEONE SURVEY THE VISITING BOATERS ! ASK THE MERCHANTS !)

CASE IN POINT:

MY FAMILY OPERATES A LARGE BOAT THAT HAS VISITED CHARLEVOIX FOR AN AVERAGE OF 10 DAYS FOR EACH OF THE PAST SIX YEARS. AND DURING THESE VISITS, WE ENTERTAIN ON-BOARD GUESTS AND THOSE THAT DRIVE TO MEET US. BY THE END OF EACH VISIT, WE FREQUENT NEARLY EVERY BUSINESS IN THE DOWNTOWN DISTRICT ALONG WITH ANOTHER DOZEN THROUGHOUT THE AREA.

THE MEN TEND TO GOLF, FISH, BOAT, GOLF.
THE WOMEN TEND TO SHOP, GOLF, SHOP, LUNCH, SHOP SOME MORE.

LAST YEAR ALONE, WE ENDED UP:

RENTING 2 ROOMS AT POINTS NORTH @ \$300/NT X 10 NIGHTS (\$6,000.00)
RENTING A COTTAGE NEAR THE BELVEDERE NEIGHBORHOOD (\$1,750.00)
BIRTHDAY DINNER FOR 10 AT GREY GABLES (\$1,900.00)
DINNER FOR 6 AT TERRY'S (2 TIMES, \$800.00)

THE LIST KEEPS GOING:

DINNER FOR 8, 5, 4, 3 AND 2 AT THE WEATHERVANE
MANY DINNERS AT WHITNEY'S FOR 4, 6, 8 PEOPLE (karaoke, too)
LUNCH FOR 4 AT ROQUET BURGER (5 TIMES)
BREAKFAST FOR 3 DAILY AT JUDY'S; FOR 2 AT JOHAN'S DAILY; 2 AT SUBWAY

A QUICK SURVEY OF OUR GUESTS LISTED THEIR CREATING COMMERCE ALL OVER CHARLEVOIX: Momentum, Revolution Bikes, Glik's, Ace Hardware, Town House Bar, the taffy place, Scovie's, the movie theater, the art galleries, hell, they even bought rocks and stones.

MY POINT IS SIMPLE -- YOUR MARINA DRAWS CONSUMERS WHO SPEND MONEY. OUR GUESTS (APPROX. 100 DIFFERENT PEOPLE OVER THE YEARS) WOULD NOT BE HERE IF NOT FOR THE BOAT.

IT MAKES SENSE TO COURT THEM. IT MAKES SENSE TO WELCOME BIGGER BOATS. THE PEOPLE ON THESE BOATS ARE "CONSUMERS" -- THEY CRUISE NORTHERN MICHIGAN TO VISIT THE LAND AND TO DINE AT THE "FARM-TO-TABLE" RESTAURANTS -- THEY DO NOT SIT ABOARD AND FIND HAPPINESS SIMPLY LOOKING OUT THEIR WINDOWS -- ON BOARD CHEFS SERVE A PURPOSE IN REMOTE LOCALES WHERE GOOD RESTAURANS ARE LACKING BUT SUCH CHEFS ARE RARELY USED IN NORTHERN MICHIGAN...THE DINING OPTIONS ARE TOO NUMEROUS AND DELICIOUS.

PERSONALLY -- I WOULD SUGGEST THAT SOMEONE LOBBY THE STATE TO RAISE THE DOCKAGE FEES -- THEY ARE FAR TOO INEXPENSIVE FOR WHAT YOUR MARINA OFFERS. PERHAPS HAVE FEES FOR "STATE RESIDENTS" AND HIGHER RATES FOR VISITORS -- A COMMON PRACTICE WORLDWIDE.

Linda Weller

From: Cliff Biddick [cbiddick@irishboatshop.com]
Sent: Thursday, July 24, 2014 3:33 PM
To: Linda Weller
Cc: Michelle Rick-Biddick; Matt Fogg (matt@stjamesmarine.com); Beaver Island Boat Company (mmarks@bibco.com)
Subject: proposed marina expansion

Mr. Rob Straebel, City Manager

I have seen the drawing of the proposed 198' addition to be located to the north of pier A at the City Marina. I expressed our concern at last fall's presentation and would once again reiterate those concerns.

As an operator of towing vessels often pulling barges, ferry boats, and many pleasure boats of various sizes, what is being proposed is not a good idea. The mouth of the channel is often crowded with less than experienced or skilled boat operators. It is compounded by variable direction currents, both incoming and outgoing, in the channel. It is an area subject to sudden and unpredictable wind gusts as well. When these factors are combined with this proposed pier (and overhanging boats) encroaching further to the north and east, I believe it is an accident waiting for a place to happen. These issues combined with the Beaver Island ferry, Emerald Isle, coming very close to the end of the proposed pier

Please don't let the eagerness to collect the dollars for three months of dockage distort the risk to those of us who earn a living going in and out of Charlevoix for closer to 10 months a year..

I appreciate your consideration to these facts and look forward anxiously to the public hearing input as well as the committee decision.

Cliff Biddick, VP
Irish Boat Shop, Inc.
and Master of towing vessels
Meghan B and Heather B

Planning Commission Meeting, Monday, August 11, 2014 at 7 PM at City Hall

Who I am: USCG licensed mariner on my fifth issue (30 years), operating tugs and barges, ferry boats, and pleasure boats from 16 to 75 feet, who has used the channel for 59 years,

Five years ago a plan was presented to the community by several interested parties including Watch. The plan was ultimately accepted following considerable community discussion and input from many interests including professional mariners.

A proposed additional dock was presented last fall and many people, myself included, voiced objections to both to projection into the Round Lake and the encroachment toward the Pine River channel.

A committee was formed with no one from the commercial marine sector asked to participate. That committee is now about to make a recommendation to the city council without input from those who use the channel the most- the licensed captains. I question using the Coast Guards' departed commander for input in this situation. This is an individual who made two dozen transits of the area in Charlevoix per year. You are placing more weight on his opinion than that of the captains who make two dozen transits per week for nine months out of the year.

Most of the committee members have never experienced the channel at all and never as a licensed mariner where they have to determine the motion of their often ungainly vessels in a close quarter's situations with numerous small, unpredictable boats sharing the channel.

The commercial captains have their lives and their livelihood on the line. If there is an accident, it is they who will be held to a higher standard, they who will lose their licenses, they who will be tied up with paperwork even if no one is injured and no vessel is damaged or sunk.

This proposed dock, and any boats moored to it, will be at risk. I believe that most of the licensed commercial captains operating in Charlevoix could put the boats or barges they operate into a button hole with small risk if it is necessary. But add in the restricted area to maneuver, variable and reversing currents in the channel, variable buffeting winds from different directions, solid fog, and the unpredictable actions of small boat operators and you have a recipe for disaster. When the boat you are about to pass going in the opposite direction at the channel mouth, suddenly crosses your bow- you must stop or turn. Two hundred tons of steel does not stop or turn quickly and room is often required.

I think your committee has an obligation to the community to listen and heed the recommendation of the most frequent users of the channel for almost 300 days a year and weigh their input significantly heavier than that of the proponents and prospective users of the proposed dock for only 6 weeks per year.

Cliff Biddick
Master Steam Motor and Sail 100 gross tons
Master of Towing Vessels

Marina & DDA Projections & Debt Obligations Summary
2014 FY - 2027 FY

	2013-14 Actual	2014-15 Budget	2015-16 Projected	2016-17 Projected	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected	2021-22 Projected	2022-23 Projected	2023-24 Projected	2024-25 Projected	2025-26 Projected	2026-27 Projected
Debt Obligations														
Marina / East Park Bond Issue	410,420	436,295	441,395	451,195	460,195	468,395	480,785	487,195	502,795	512,195	524,973	531,505	542,000	521,000
Marina - Electric Advance	7,000	6,983	31,930	31,680	56,430	55,930	55,430	104,930	103,930	102,930	101,930	99,930	-	-
Total Debt Obligations	\$ 417,420	\$ 443,278	\$ 473,325	\$ 482,875	\$ 516,625	\$ 524,325	\$ 536,225	\$ 692,125	\$ 606,725	\$ 615,125	\$ 626,903	\$ 626,436	\$ 542,000	\$ 521,000

Debt Payments														
Marina	117,420	116,278	131,930	131,680	156,430	155,930	175,430	234,930	233,930	232,930	241,930	239,930	150,000	150,000
DDA	300,000	325,000	341,395	351,195	360,195	368,395	360,795	357,195	372,795	382,195	384,973	391,505	392,000	371,000
Total Debt Payments	\$ 417,420	\$ 443,278	\$ 473,325	\$ 482,876	\$ 516,625	\$ 524,325	\$ 536,225	\$ 692,125	\$ 606,725	\$ 615,125	\$ 626,903	\$ 626,436	\$ 542,000	\$ 521,000

Ending Cash Balance w/o Expansion														
Marina	204,914	221,536	224,807	227,445	204,237	180,077	134,714	27,773	(60,483)	(190,197)	(311,708)	(426,383)	(484,719)	(505,053)
DDA	687,483	682,863	649,160	606,553	550,883	487,829	433,130	382,880	317,636	244,363	174,970	99,799	24,848	(27,622)
Ending Cash Balance w/o Expansion	\$ 872,397	\$ 904,619	\$ 873,967	\$ 833,997	\$ 755,119	\$ 667,906	\$ 667,844	\$ 410,653	\$ 237,452	\$ 54,166	\$ (136,740)	\$ (326,584)	\$ (439,870)	\$ (532,676)

Marina Expansion Project														
Revenue (7 slips)	-	-	406,000	-	-	-	-	81,200	81,200	81,200	81,200	82,012	82,832	83,660
Expenses	-	-	400,000	16,240	16,240	16,240	16,240	16,240	16,240	16,240	16,240	16,402	16,566	16,732
Operating Cashflow	\$ -	\$ 6,000	\$ (16,240)	\$ 64,960	\$ 64,960	\$ 64,960	\$ 64,960	\$ 65,610	\$ 66,266	\$ 66,928				

Ending Cash Balance w/ Expansion														
Marina	204,914	221,536	230,807	217,205	177,757	137,357	75,764	33,773	(9,523)	(54,277)	(110,829)	(161,903)	(131,963)	(105,370)
DDA	687,483	682,863	649,160	606,553	550,883	487,829	433,130	382,880	317,938	244,363	174,970	99,799	24,848	(27,622)
Ending Cash Balance w/ Expansion	\$ 872,397	\$ 904,619	\$ 879,967	\$ 823,757	\$ 728,639	\$ 625,186	\$ 508,894	\$ 416,653	\$ 309,412	\$ 190,086	\$ 64,140	\$ (62,104)	\$ (107,116)	\$ (132,992)

CITY OF CHARLEVOIX
MARINA EXPANSION COMMITTEE

Tuesday, July 15, 2014 -12:00 p.m.
210 State Street, City Hall, Conference Table in Second Floor Council Chambers,
Charlevoix, Michigan 49720

A. Call to Order/Pledge of Allegiance

The meeting was called to order by Peggy Brennan at 12:00pm.

B. Roll Call

Members Present: Peggy Brennan, Hal Evans, Bethany Pearson, Mike Spencer, Rob Straebel,
Shane Cole
Members Absent: None
Guests: Keith Bills- Retired USCG, Ron Tebo and James Muschell- UDA
Consultants
Public: 13

C. Inquiry Regarding Possible Conflict of Interest

None

D. Approval of Minutes

July 1, 2014 Minutes- Cole stated that he is marked as absent and he was present. Change will be noted and corrected. Minutes approved upon revision.

July 11, 2014 Minutes- Bills stated that he is retired from the United States Coast Guard (USCG) and will like that clarified in the minutes. Change will be noted and corrected. Minutes approved upon revision.

E. General Business

1. Review and Discuss Marina Expansion Options

Brennan opened the meeting by reading a prepared statement. In that statement she stated the objectives of this committee and thanked the Sunshine Charters and Keweenaw Excursions for their cooperation. Brennan stated that the City is committed to helping commercial businesses but BIBCO has been unresponsive to compromising. Brennan stated that the City is the sole owner of the marina and that we need to do what is best for the taxpayers. Brennan

outlined a timeline for this project and stated that a public hearing should be scheduled by the first Council meeting in September.

Brennan reviewed a drawing that had been developed last year of the riparian line of the BIBCO and stated that according to her observations coupled with video that Straebel took of their docking technique the drawing was inaccurate.

Straebel also noted his disappointment with BIBCO's willingness to find a solution with the City. Straebel suggested a conservative compromise with four 80ft docks, noting that additions could be installed at a later date. Straebel noted that he talked about this with Keweenaw and they did state that if it was engineered correctly, they would be able to dock in this location. Straebel said in an effort to bring more economic development to the area and compromise with BIBCO he would suggest either four or six 80ft slips.

Brennan noted that the four dock option would only increase the total number of 80 foot slips by one because the current three would be turned into 60 foot slips in order to accommodate the necessary fairway distance between docks. It was in her opinion that this is cost prohibitive.

Keweenaw stated that if they are stern in to their new proposed area, they would still be up against the same cement pas with their hook ups, and they would just cut a hole in the stern of their vessel to meet ADA compliance. Their biggest concern is the ease of tying their boat up without marina attendants. Once a final basic design is agreed upon, Keweenaw will work with UDA on specific requirements. Keweenaw also asked for a longer lease agreement and Straebel and Brennan both noted that they will work on that issue with Keweenaw as soon as the marina expansion was resolved. That issue will need to go through City Council.

All members of the committee agreed that they think this is good for the City and they would like to see BIBCO compromise on the option of increased shoppers dock, five 80ft slips and one docking area at the end of the new dock. A total of 164 feet.

Bills explained how he used to dock the Coast Guard Acacia and some of the challenges that are presented in Round Lake as well as different approach areas. He stated that he asked Margo about the proposed compromise and Margo stated that it might be doable. He emphasized that it is important for us to reach a compromise so that we are not held up by BIBCO in later paperwork and so that BIBCO can continue to operate with the City in their current lease agreement. He agreed that it seemed to be a generous compromise on behalf of the City. Bills finished by saying that in his professional captain's opinion that this is a good, feasible plan.

F. Call for Public Comment

BIBCO Representative, Bill McDonough stated that he believed that City employee, Pat Elliott developed the map that depicted the BIBCO's riparian line using a range finder.

McDonough stated that they have always been a partner to the City and they want to continue to work with the City. At a meeting in 2013 McDonough stated that City employees and BIBCO reps determined to look at other areas for the marina expansion. Brennan explained that an expansion to Dock A was brought forth to the community but met opposition and was no longer a viable option. McDonough stated that if his captain's feel there is a safety concern with the possible expansion it's his duty to go on record and state that. McDonough then read a letter from Josh Barnes that was dated from 2002.

Keweenaw asked who gets the slips and Evans explained that the City would maintain control of the slips because we are not using State waterways money for this project. In the original plan of eight 80ft slips Hal had recommended that four be for seasonal and four be for transient. With the new proposal he thinks it would be two seasonal and three transient.

John Winn urged the BIBCO to come to a compromise.

Doug Labelle stated that revenue generation was one of the main objectives of this expansion and that if BIBCO continues to object, the City should look at raising their rent rates from \$25,000 to \$100,000 to make up that loss.

G. Consensus

It was the consensus of the committee that UDA should construct an accurate, to-scale map to bring to the next meeting that cuts the original drawing for the new dock back to a five slip configuration with shoppers dock being up against the seawall. At the next meeting a decision needs to be made in order to stay on the proposed timeline.

The next meeting will take place on Tuesday, July 22 at noon.

H. Adjournment

Motion to adjourn by Evans, second by Pearson. Meeting adjourned at 1:02 p.m.

CITY OF CHARLEVOIX
MARINA EXPANSION COMMITTEE

Friday, July 11, 2014 -12:00 p.m.
210 State Street, City Hall, Conference Table in Second Floor Council Chambers,
Charlevoix, Michigan 49720

A. Call to Order/Pledge of Allegiance

The meeting was called to order by Peggy Brennan at 12:00pm.

B. Roll Call

Members Present: Peggy Brennan, Hal Evans, Bethany Pearson, Mike Spencer, Rob Straebel
Members Absent: Shane Cole
Guests: Keith Bills- Retired USCG
Public: 7

C. Inquiry Regarding Possible Conflict of Interest

None

D. General Business

1. Review and Discuss Marina Expansion Options

Straebel gave an overview of the architectural drawings that were presented at the last meeting.

BIBCO stated some of the challenges they have with docking. Brennan stated that she also took a video of the Emerald Isle docking and it did not appear to encroach on the city's plans for a new dock. BIBCO and Keweenaw stated that docking is never the same and it is always changing with conditions.

Bills asked if there was a compromise and Keweenaw stated that there is always challenges with change, especially without a bow thruster but they would be willing to work with the City, they did caution the City that the dock would need to be built very strong so that they didn't damage it.

Pearson asked if the dock was shortened and didn't impede on the navigation line of BIBCO if they would consider a compromise and BIBCO stated that any structure built there would be detrimental to BIBCOs operation.

Keweenaw offered the suggestion to do Mediterranean style docking at the end of A dock which was largely unsupported because of the depth of the water being 50+ feet and the inability to drive pilings what far down. He also went onto say that Charlevoix has the busiest marina he seen this year.

Bills suggested a sit down with all of the parties involved to try to come up with a compromise. Straebel agreed but started that we've come up with compromises that have been rejected by some of the parties involved.

F. Call for Public Comment

City resident John Winn stated that our commercial boating operations are important to the community but he has been disappointed in BIBCO's lack of ability to work with the City to come up with a compromise. He pointed out that this is City property, not private property and BIBCO pays less for the entire year than a 60 foot slip for the summer. The City needs to make a decision that's going to help the entire community, not just BIBCO. He thinks that the best compromise is for the City to remove two dock slips from the proposed new dock North of A Dock.

Bill McDonough said that this is only the second meeting he's been made aware of and he is not supportive of something that one of his captain's thinks could be a safety hazard.

G. Consensus

It was the consensus of the members of the committee that we should sit down at a round table meeting and try to work out a compromise.

H. Adjournment

Motion to adjourn by Pearson, second by Evans. Meeting adjourned at 12:31 p.m.

CITY OF CHARLEVOIX
MARINA EXPANSION COMMITTEE

Tuesday, July 22, 2014 -12:00 p.m.
210 State Street, City Hall, Conference Table in Second Floor Council Chambers,
Charlevoix, Michigan 49720

A. Call to Order/Pledge of Allegiance

The meeting was called to order by Peggy Brennan at 12:00pm.

B. Roll Call

Members Present: Peggy Brennan, Hal Evans, Bethany Pearson, Mike Spencer
Members Absent: Shane Cole, Rob Straebel
Guests: Ron Tebo and James Muschell- UDA Consultants
Public: 4

C. Inquiry Regarding Possible Conflict of Interest

None

D. Approval of Minutes

July 15, 2014 Minutes- approved as presented.

E. General Business

1. Review and Discuss Marina Expansion Options

Tebo presented the new drawing depicting five- 80foot slips, expanded shoppers docks, and an area on the opposite side to house a large mega yacht or cruise ship. The total length of the new proposed dock would be 198 feet.

Tebo stated that the next step after City Council approves the design is to start to apply for the permits. After the permitting process, UDA would work on preparing the working drawings and preparing the existing bulk head to put an access ramp on.

F. Call for Public Comment

BIBCO Representative, Margo Marks, stated that they still stand against the expansion because it could potentially cause safety concerns for the dockage of their vessel.

Todd Wyatt asked BIBCO why they can't maneuver around the proposed dock and what they used to do when the Acacia was there. He also asked what BIBCO would do if the City went ahead and did the expansion. BIBCO responded that they would continue to operate but it would hinder the navigation for both their vessel and other vessels.

Spencer asked BIBCO if they discussed making any alterations to the design that would better work for their operations. BIBCO stated that anything in that area would hinder operation and that they are not design experts.

BIBCO stated that they thought this design was ruled out earlier this year. Spencer responded that the City was taking BIBCO's word at that point and now other captains and marine experts have weighed in on the situation. BIBCO stated that the opinions of their captains differ from the other experts that the City has brought in. Pearson pointed out that that could be because of a conflict of interest that BIBCO captains have and that they not subjective because it could impact their employment.

Todd Wyatt stated that the waterways commission will have nothing to do with this issue because it is a newly constructed dock. Wyatt then stated that he would be interested in hearing from many captains (including BIBCO's) under oath and he may arrange that through his position with MDOT.

John Winn cautioned the committee about reducing the length of the dock from 7 slips to 5 slips because it would reduce the cost-effectiveness of the plan and would be more difficult to expand in the future. Winn stated that this is not a difficult situation to dock in and that if BIBCO's captains used the engines and bow thrusters instead of just the rudders they could dock without issue. It is in his opinion that BIBCO may be protecting their interests because they have plans in the future to dock both of their ferry boats in Charlevoix at the same time.

Brennan said that she has spoken to other captains about this situation and they believe that there is not a safety issue. If BIBCO captains cannot make the dock under this situation, maybe they need to find new captains.

G. Consensus

It was the consensus of the committee that the dock expansion needs to happen both from an economic development standpoint and a financial standpoint. The City and DDA are currently paying \$442,000 per year in bonds on East Park and that number is going to increase to more than \$600,000 in coming years, a number that is currently burdensome and unrealistic given the City and DDA's current situation.

Brennan asked for a motion to approve the plan as presented and send it to the DDA, Planning Commission and Council for their approval. Spencer made the motion and Pearson supported it. All in favor.

Brennan asked for a motion to allow the chairman to approve the minutes since the committee will not be meeting again in the next quarter. Spencer made the motion and it was supported by Evans. All in favor.

H. Adjournment

Motion to adjourn by Evans, second by Spencer. Meeting adjourned at 12:22pm

**CITY OF CHARLEVOIX
MARINA EXPANSION COMMITTEE**

Wednesday, August 13, 2014 -4:00 p.m.
210 State Street, City Hall, Conference Table in Second Floor Council Chambers,
Charlevoix, Michigan 49720

A. Call to Order/Pledge of Allegiance

The meeting was called to order by Peggy Brennan at 4:00pm.

B. Roll Call

Members Present: Peggy Brennan, Hal Evans, Bethany Pearson, Mike Spencer, Shane Cole,
Rob Straebel
Members Absent: None
Guests: Ron Tebo and James Muschell- UDA Consultants
Public: 3

C. Inquiry Regarding Possible Conflict of Interest

None

D. Approval of Minutes

July 22, 2014 Minutes- approved as presented.

E. General Business

1. Review and Discuss Marina Expansion Options

Brennan reported to the committee that both the DDA (8-0) and Planning Commission (4-1) voted in favor of the five 80ft dock expansion; however, both committees agreed that they would prefer to recommend to City Council that they accept a seven 80ft dock expansion.

Brennan has also been consulting with an Army Corps of Engineer employee Mr. Edward Arthur from the Sault Ste. Marine office. He stated that if we did submit the seven dock option and the ACOE thought there was safety issues that they would work with us to modify our plan before issuing a denial.

Evans entered the meeting at 4:05pm.

Straebel noted that the City is committed to working with the Keweenaw Excursions to make sure that they have a workable and practical area to dock their vessel.

Discussion occurred regarding Sunshine Charters. Their vessel would continue to stay at its current location on the dock parallel to the northern seawall on Dock A. Evans suggested taking 15 feet off of slips 1-4 on Dock A and moving sunshine charters back 15 feet. Sunshine Charters asked to have their boat drawn in to the plans.

Straebel noted that an accurate return on investment number is unobtainable at this moment because the exact engineering plans and infrastructure is not completed. At this point it is known what our revenue would be but unknown what the cost the build the project is. City Treasurer Joe Zielinski provided a revenue and bond debt report.

Zielinski reported that the five slip option would bring us \$58,000 and the seven slip would be \$81,200 per year in additional revenue. There are currently two debt obligations that come into effect with the DDA and the City Marina. The first is the East Park and Marina debt bonds which are shared between the DDA and the City Marina the second is a \$700,000 advancement from the electric fund to the City Marina. This year's payments are \$445,000 but that number increases to over \$625,000 in 2023/2024. Without the expansion in 2023 and 2024 the DDA and Marina will not have the funds to pay the remaining four years of bond service. The marina specifically turns to a negative cash balance in 2021/2022 so that means it will be a larger obligation to the DDA to pay for that shortfall.

Zielinski reported that when bonds were originally issue it was before the recession and both the City and the bond issuers didn't expect the recession to effect property values as much as it did. Zielinski reported that the marina expansion doesn't resolve the issue completely but it does go a long way to help alleviate some of the burden and financial uncertainty the marina faces. Straebel noted that when the park project was brought to the public they made a commitment to not use City general funds to pay off the debt.

Reissuing the bonds in 2018 is a possibility but the bond market is uncertain right now. The City currently pays 4% on our bonds. If we did reissue the bonds there would be a minimum of a \$40,000 fee to reissue.

Brennan noted that coast guard and ACOE officials noted that safety is less of a factor in their decision then safe navigation because safety is a relative factor based on captain experience; some people would be unsafe docking a dinghy in an 80 foot slip and some people could dock an 80 foot boat in an 80 foot slip in adverse conditions- it all depends on experience.

Brennan informed the committee that the local Sheriff's office has jurisdiction over the safety and navigation of local waters and that their office has written a letter to the committee stating that they have no issues over the current 7 slip dock expansion proposal.

F. Call for Public Comment

Craig Funkey from Keweenaw Excursions addressed the committee regarding the configuration of the dock. He urged the engineers and the committee to make sure that the dock is engineered strong enough to withstand his vessel. The Committee and Keweenaw discussed details and the committee stated that they are committed to working with Keweenaw and our engineers on a one-on-one basis to make sure that Keweenaw's needs are met.

G. Consensus

It was the consensus of the committee that the dock expansion needs to happen both from an economic development standpoint and a financial standpoint.

Spencer made a motion to recommend to City Council that they approve the seven 80 foot dock option and that we file the paperwork with the appropriate parties to let them determine if any safety factors exist. Motion seconded by Evans. All in favor, none opposed. Motion carries.

Spencer further clarified that the City is always worried about safety issues but we don't believe that either the City or BIBCO is qualified to determine what if any safety issues could arise from this potential expansion. That decision should be left to the ACOE, Coast Guard, and Sheriff's office.

Pearson made a motion to allow the chairperson to approve the minutes. Spencer seconded the motion. All in favor.

H. Adjournment

Motion to adjourn by Evans, second by Cole. Meeting adjourned at 4:42pm



Flotation Docking Systems, Inc.

August 13, 2014

City of Charlevoix
Attn. Rob Straeble – City Manager
210 State Street
Charlevoix, MI 49720

Re: Additional System at East Park Marina - Updated.

Dear Mr. Straeble:

Per our discussion, I have updated budgetary numbers (originally quoted in 2009 and again in 2012) to reflect a modified plan for a fifth head and finger system on the north end of East Park Marina's basin. Please note that the system quoted in 2012 was quite a bit smaller – 2,862 s.f. – as opposed to the current layout which covers 6,536 s.f. of dockage, not including aluminum ramp. Under this configuration, seven additional 80' slips and approximately 250' of broadside mooring (for the Keweenaw Star) would be created. The following dockage proposal is based on project parameters, design criteria, and technical requirements identical to that of our 2006 marina installation, and is defined by the following:

- 6' x 160' Access Pier from existing Shopper's Dock.
- 6' x 60' Aluminum Ramp.
- 12' x 212' Head Pier.
- 6' x 52' Switchback parallel to ramp.
- 16' x 80' "L" End Finger.
- Three 6' x 80' Fingers
- Wave dampening baffles under last 60' of Head Pier and 80' End Finger.
- Four pedestal bumpout pods mounted mid-slip.
- Ten 15,000 lb concrete anchor blocks, 5/8" chain, shackles, etc. for anchorage.
- This budgetary estimate includes 5 men onsite for 5 days of installation, use of our portable workboat and barge to set anchors.

Total "Dockage Only" Budget: \$363,000.00

After some discussion at our end regarding the suitability of docking the Keweenaw Star along the northern broadside face, we would strongly recommend that a marine contractor drive stand-off piles in the area where this large craft would be moored. We can discuss this further at your convenience.

Pricing pertaining to utilities and dry fires system has been estimated without requisite engineering. For budgetary purposes, we have based this number on "typical" pricing

P.O. BOX 178 ~ 160 HODECK STREET ~ CEDARVILLE, MICHIGAN 49719-0178
ph. 906-4 8-3 422 ~ fx. 90-4 8-2 335 ~ jkoni@flotationdocking.com
www.flotationdocking.com

related to recently installed systems. Items included are:

- A budgetary "per-slip" number of \$7,500 for electrical provisions (cable, pedestals, and electricians labor) water-ward of sheetpile wall. It is assumed that necessary shoreside work to run utilities to this location would be under a separate contract.
- 270 l.f. of 3" Schedule 40 galvanized pipe for Dry Fire System
- 270 l.f. of 2 ½" Schedule 40 galvanized pipe for Potable Water.
- 270 l.f. 3" PVC Duct for future use.
-

Total Utility Budget: \$117,000.00

There was not adequate time to secure pricing on an ice suppression system for this purpose.

QUALIFICATIONS, ASSUMPTIONS, AND LIMITATIONS

1. As stated above, this document is budgetary in nature and is based on preliminary designs and plans. As the project evolves, estimates should be adjusted accordingly.
2. This estimate excludes any/all shore work and assumes a structurally sound gangway attachment point.
3. Adequate site access is necessary for our crane-equipped semis and trailers to facilitate offloading directly into the water, and hanging gangway. A nearby launch ramp could serve this purpose. This must be verified prior to proceeding.
4. Unless stated otherwise, all marina design criteria and specifications are premised on the MDNR specification for small craft harbors.
5. Utility pricing assumes gangway would be used as the entry point for electrical and plumbing.
6. Pricing reflects *current* material costs.
7. Securing any/all necessary local, state, or federal permits, including electrical and plumbing, falls outside of this estimate's scope.

Thank you for looking to us for input on this next phase. Please let me know if you have questions or require further information.

Best regards,



Joni Burger

Cc: Cody Carmichael – FDS
Jeff Cason – FDS

CITY OF CHARLEVOIX
PLANNING COMMISSION MEETING MINUTES
Monday, August 11, 2014 - 6:00 p.m.
210 State Street, City Hall, Council Chambers, Charlevoix, MI

DRAFT

A. Call to Order/Pledge of Allegiance

The meeting was called to order at 6:17 p.m. by Chair Dave Novotny.

Due to the absence of Chair Hess and Vice Chair Chamberlain, the Commission approved Dave Novotny to chair the meeting. City Planner Spencer noted that the posted agenda showed a meeting start time of 6:00 p.m., but the City website and newspaper listed the start time as 7:00 p.m. Planner Spencer suggested waiting until 7:00 p.m. to hold the marina discussion so that citizens can be heard before a decision was made.

B. Roll Call

Chair: John Hess (absent)
Vice Chair: Sherm Chamberlain (arrive 6:45 p.m.)
Members Present: RJ Waddell, Toni Felter, Keith Sherwood, Judy Clock, John Elzinga, Dave Novotny
Members Absent: Sherm Chamberlain, John Hess
Planning Director: Michael Spencer

C. Inquiry into Potential Conflicts of Interest

Member Clock stated that she was associated with Sunshine Charters. Even though she has an unpaid position she has the authority to sign legal papers and Member Clock wanted to recuse herself from the discussion on the marina expansion proposal.

D. Approval of Agenda

Motion by Member Clock, second by Member Felter to discuss Item #2 under Old Business (amended Marina Expansion Project) before Item #1. Motion passed by unanimous voice vote.

E. Approval of July 14 and July 22, 2014 Minutes

Member Clock stated on the July 14th meeting minutes there was a typo on page one on outdoor displays near the bottom of the page that "Councilmembers" should be "Council members" and on page two under Public Comments, on page 2 under Public Comments the name "Jenny" should be "Ginny", and on the sandwich sign discussion the correct spelling of the speakers name under Public Comments is "Tony Duerr". Motion by Member Elzinga, second by Member Felter to approve the July 14 and July 22, 2014 meeting minutes as corrected. Motion passed by unanimous voice vote.

F. Call for Public Comment not Related to Agenda Items

No public comment.

G. New Business

None.

H. Old Business

2. Review of Zoning Amendments.

a) Staff presentation.

Planner Spencer stated that the Downtown Development Authority (DDA) was not supportive (6 of the 8 members) of having outdoor merchandise displays. The DDA believed that the dry erase, chalkboard type signs were a better fit for Charlevoix and they did not like the plastic message boards.

Planner Spencer stated that he wasn't able to find any cities that had a limit on the square footage allowed for a second dwelling unit in a single-family residential area as a special use permit. Planner Spencer indicated that a footnote could be added to the zoning amendment that stated "all other applicable sections of the Zoning Ordinance would apply including setbacks, lot coverage, etc." Member Clock stated that she was in favor of the owner having to be the resident of one of the two units on the property, and the Commission members agreed with that provision.

b) Call for public comment.

Resident [no name given] questioned whether second dwellings would be allowed only in R-2 zoning and Planner Spencer responded that R-1 and R-2 would be included.

c) Motion.

The Commission concurred with the addition of the requirement that the owner had to occupy one of the units as their primary residence and that the second dwelling unit would have to meet all applicable Zoning Ordinance requirements.

The Commission agreed with changing the front yard setback in R-4 zone to 15 feet.

The Commission concurred with allowing outdoor merchandise displays with the following restrictions: displays shall not exceed 25% of the length of the storefront, no greater than 4' in height, and on the private portion of their owner's property.

Staff will research and make recommendations to the Commission regarding the maximum square footage allowable for storage bins or sheds.

Commission agreed to prohibit the use of plastic, changeable letter type sandwich boards in the downtown area.

Commission recessed at 6:50 p.m. Reconvened at 7:00 p.m.

1. Review of Amended Marina Expansion Project.

Vice Chair Chamberlain announced that he would be recusing himself from the discussion on the marina project because he had been involved with the marina project through his employment.

a) Staff presentation.

As a result of preliminary discussions regarding the expansion of Dock A, City Council formed a subcommittee to explore other expansion options. The design selected by the subcommittee would add additional shopper's docks along the break wall and add five 80' slips. This design would accommodate the Keweenaw Star and Sunshine Charters. Planner Spencer stated that the Beaver Island Boat Company (BIBCO) has been opposed to this design and any alteration of this design throughout the entire process.

Planner Spencer indicated that the proposed design was also submitted to the Downtown Development Authority (DDA) and the DDA felt that the City should explore a seven slip option with more shoppers' docks available. Planner Spencer stated that there was considerable interest from boat owners who would pre-pay for the larger boat slips, and this particular design is estimated to pay for itself in 3-5 years.

b) Call for public comment.

Wayne LeClerc, 417 Bridge Street, posed several questions which were answered: the cost of the expansion project would be \$350,000 - \$400,000; anticipated revenue would be \$11,600 annually per slip; the seasonal wait list has approximately twenty boats. Mr. LeClerc believed that the City was building docks for transient slips.

John Kurtz, resident of Charlevoix and also a board member of the Beaver Island Boat Company (BIBCO) stated that BIBCO's only issue with the marina expansion is about safety. He noted that BIBCO did not oppose the Dock A expansion. BIBCO's captains expressed safety concerns with the proposed expansion and the docking of the Emerald Isle. He stated that BIBCO does not plan to attend future City meetings unless specifically requested by the City of Charlevoix. He feels that BIBCO's captains and staff have presented their safety concerns and BIBCO will bring their concerns to hearings with the Coast Guard, the Army Corps of Engineers, DEQ and the City's and BIBCO's insurance companies. Mr. Kurtz suggested that the Planning Commission should take a ride on the Emerald Isle so safety issues can be demonstrated. BIBCO understands the City's desire to expand the number of docks, but for safety reasons BIBCO is unable to support the most recent dock configuration proposals.

Jerry Puhl, Charlevoix Township and on the Board of Directors of W.A.T.C.H., believed that the residents did not want to see the marina docks expanded, and that the proposed dock expansion was not adequate and had safety concerns.

Luther Kurtz, Charlevoix resident and member of the DDA, stated that he was in favor of expanding the docks; his first choice would have been the original expansion of Dock A which he felt would be of benefit to the boaters and a

large portion of the City. If the Dock A expansion is not possible, then he is in favor of this proposed design and he urged the Commission to allow the reviewing agencies to determine the matter of safety.

Cliff Biddick, Irish Boat Shop, professional mariner and a member of W.A.T.C.H., stated he was disappointed that when the subcommittee was formed it was not well announced and it did not include a professional mariner. He expressed various safety concerns dealing with the channel, weather, and other boats. He believed that the subcommittee should reconsider their proposal and listen to the people who use the channel regularly.

Jim Stewart, family physician in Charlevoix and a Charlevoix township resident, stated that the City should determine if there is a need for expansion. He stated that this was his fourth meeting to voice his displeasure at this marina expansion and was particularly chagrined when he learned that all members of the subcommittee were individuals who had publicly supported the marina expansion.

Mary Eveleigh, 1st Ward, questioned whether the expansion would violate the Clean Marina award given to the City. Harbormaster Evans felt that there was no reason to think that they wouldn't continue to be granted Clean Marina status.

Kirby Dipert, Charlevoix Township and Charlevoix businessman/property owner expressed that he was in favor of expanding the marina. He stated that if BIBCO wanted to control the City-owned property at the marina they should be willing to pay the annual revenue that the property could generate. Mr. Dipert stated that parking issues should not have any bearing on the expansion of the marina.

Joshua Mack, Sunshine Charters, stated that the only concerns he had with the current expansion proposal was that the 80' slip closest to the seawall was not possible with his commercial vessel parked in its current location. He believed the 80' boat would have no way to back out of that slot without hitting his boat. He felt it was important to note that there would only be four 80' slips not five. He stated another issue was the lack of a sufficient number of shopper's docks. He felt that the Commission needed to address parking concerns at the marina.

Kraig Funkey, owner of the Keweenaw Star, stated it was suggested to him by several Councilmembers that since his lease was due this year that he should not comment regarding the marina expansion. He indicated that he was opposed to the dock because he did not like tying up to that dock and he was not comfortable with the floating dock in any kind of storm surge.

John Winn stated that he was in favor of the current proposal, but not in favor of extending Dock A. He urged the Commission to vote for the seven slip option. Mr. Winn stated that he did not understand why BIBCO was opposed to this plan and BIBCO only pays \$26,000 a year to the City for usage. He felt the rent BIBCO pays to the City is insignificant compared to their revenues. He urged the Commission to do what was best for the entire community. Mr. Winn stated that the City would have more revenue by going to transient rather than seasonal and he preferred seeing that all the slips be transient.

Peggy Brennan, Subcommittee Chair and Councilmember, stated that the Subcommittee was asked by City Council to provide a safe haven for larger boats and to develop the dock area formerly used by the Coast Guard cutter into a useful part of the marina providing maximum benefit to the City. Councilmember Brennan reviewed the sequence of events throughout the proposed approval process. She also apologized on behalf of the Council if Mr. Funkey felt he had been threatened by anyone.

c) Motion.

Member Felter questioned if the Commission went with Option No. 1 would the proposal have to go through the reviews that Councilmember Brennan discussed and Planner Spencer responded affirmatively. Planner Spencer readdressed all the reasons for the recommendation for the marina expansion and indicated that the Council's public hearing was scheduled for August 18.

Member Sherwood stated that it didn't make sense from a business perspective for the Planning Commission to make the recommendation on the marina expansion.

Member Waddell stated that he liked this proposal better than the Dock A proposal. He took a ride on the Emerald Isle and has witnessed the boat dock at other times. Member Waddell understands his role on the Planning Commission, but he had a problem sending something to City Council that has a dollar amount without knowing what he is recommending and he felt that more information should have been included in the agenda packet.

Chair Novotny stated he was apprehensive about making the recommendation based on some of comments from the public hearing.

Motion by Member Feller, second by Member Elzinga for Option 3 that the Planning Commission recommends that the City Council consider a different design prior to approval and move forward with [the] 7 [80'] slips [option]. Motion passed by a 4 to 1 vote, with Chair Novotny voting against the motion and Members Clock and Chamberlain abstained from voting on this matter.

I. Staff Updates

None.

J. Request for Next Month's Agenda or Research Items

None.

K. Adjournment

Meeting adjourned at 8:10 p.m.

Joyce M. Golding/fgm

City Clerk

David Novotny

Chair

CHARLEVOIX CITY COUNCIL

AGENDA ITEM

AGENDA ITEM TITLE: Consideration to Approve a License Agreement for Use of Alice Street Right-of-Way

DATE: September 2, 2014

PRESENTED BY: Rob Straebel

ATTACHMENTS: License Agreement

BACKGROUND INFORMATION: On August 21, City Council directed Staff to develop a License Agreement with the Boss Family to utilize City right-of-way for a driveway/parking area. The City and Boss' have committed to the following:

- ❖ Use of 25' of City right-of-way for a driveway/parking area. The paved area will start on the southern property line and continue 25' north. Remainder of the right-of-way will be planted with grass seed. The paved area will connect the edge of the east side of the sidewalk with edge of Alice Street. Because the City excavated this area to repair a broken sewer main, the City will pay for all costs of replacing the asphalt and plant grass in the City right-of-way. The Boss' will be responsible for all costs to pave their driveway on their private property.
- ❖ City retains full ownership of this area and may have the asphalt removed in its sole discretion.
- ❖ Licensee does not retain any ownerships rights by way of adverse possession or prescriptive easements pertaining to the City right-of-way.
- ❖ Licensee shall not obstruct sidewalk.

The Boss Family is agreeable to the provisions in the License Agreement.

RECOMMENDATION: Motion to Approve License Agreement for Driveway/Parking Area in the Right-of-Way at 203 Alice Street.

LICENSE FOR DRIVEWAY/PARKING AREA IN ALICE STREET RIGHT OF WAY

This Agreement is made on the last date set forth below between the City of Charlevoix, a Michigan municipal corporation (the "City"), and Kenneth J. Boss and Myrna Rae Boss ("Licensees").

RECITALS

- A. The City owns the Alice Street right-of-way located in the City of Charlevoix as dedicated in the Original Plat of Newman's Addition to the Village of Charlevoix as recorded with the Charlevoix County Register of Deeds.
- B. Kenneth J. Boss and Myrna Rae Boss own the south 70 feet of Lots 9 and 10 of Block 22 of Newman's Addition in the City of Charlevoix, commonly known as 203 Alice Street (see deed recorded at Liber 196, Page 626, Charlevoix County Register of Deeds).
- C. The Licensees have previously constructed an asphalt driveway and parking area within the Alice Street right-of-way (the "Encroachment").
- D. The parties wish to resolve any disputes between them with respect to the Encroachment.

In consideration of the foregoing and other good and valuable consideration, the parties agree as follows:

1. The City agrees that the Licensees, and their heirs, successors, or assigns (collectively the "Licensees") may continue to occupy a portion of the Alice Street right-of-way in order to maintain a 25 foot driveway and parking area, so long as:
 - a. The Licensees do not expand the driveway/parking area beyond 25 feet in width at any point, and
 - b. The City, in its sole discretion, decides it does not need to make any other use of the Alice Street right-of-way for any lawful purpose.

2. In consideration for this License Agreement, Licensees acknowledge the City's ownership of the road right-of-way and that Licensees have not obtained any right, title or interest in the Alice Street right-of-way by way of adverse possession, prescriptive easement or any other way. Licensees further expressly waive any and all claims for any right, title or interest in the Alice Street right-of-way.
3. The privilege granted by the City to the Licensees is made with the express condition that the Licensees shall not acquire any right of easement or any other rights with respect to the Encroachment in the future. Such permission shall also not evolve into a property right or easement by lapse of time or otherwise.
4. This Agreement shall remain in force and effect only so long as the driveway remains in place. Upon the removal of the driveway/parking area, all rights of the Licensees under this agreement shall cease. Should the City decide, in its sole discretion, to use any portion of the Alice Street right-of-way as provided in Paragraph 1(b), this agreement shall cease.
5. Licensees' use of the driveway/parking area shall comply with all applicable City Ordinances, including (but not limited to) keeping sidewalks free from obstruction.

Date: _____

City of Charlevoix
a Michigan municipal corporation

WITNESSES:

By: _____
Its: _____

STATE OF MICHIGAN
COUNTY OF CHARLEVOIX

Signed and acknowledged before me on _____, 2014 by _____, its _____ of the City of Charlevoix, a Michigan municipal corporation, on behalf of the corporation.

Notary Public

County, Michigan
Commission Expires: _____

WITNESSES:

LICENSEES:

Kenneth J. Boss

Myrna Rae Boss

STATE OF MICHIGAN
COUNTY OF CHARLEVOIX

Signed and acknowledged before me on _____, 2014 by Kenneth J. Boss and Myrna Rae Boss, husband and wife.

Notary Public

County, Michigan
Commission Expires: _____

Prepared by:
Scott W. Howard (P52028)
OLSON, BZDOK & HOWARD, P.C.
420 E. Front Street
Traverse City, MI 49685
231-946-0044

CHARLEVOIX CITY COUNCIL

AGENDA ITEM

AGENDA ITEM TITLE: Discussion Regarding Golf Course Consulting Proposal from Vargo Golf Company

DATE: September 2, 2014

PRESENTED BY: Tom Heid
Rob Straebel

ATTACHMENTS:

1. RFP for Golf Course Consultant Services
2. Vargo Golf Company Proposal
3. Golf Course Financials 2007-2014

BACKGROUND INFORMATION: The City received one proposal from Vargo Golf Company after issuing a RFP for golf course consultant services. Upon reading the attached proposal, Vargo's main thrust is to partner with the City to "turn over the golf operations to a qualified golf management company".

Vargo did make some key findings in their evaluation of Charlevoix Golf Club that are as follows:

- ❖ Overall golf course turf condition is excellent.
- ❖ Price charge for a round of golf is too low.
- ❖ Vargo believes that the maintenance department is over-staffed by two part-time employees.
- ❖ Rate structure is too complicated and needs to be streamlined.
- ❖ Need to incorporate a method for customers to reserve tee times.
- ❖ Golf carts are needed (could be a safety concern with crossing U.S. 31).
- ❖ Need new computers with point of sale software.
- ❖ Need a marketing plan and development of a specific golf course website.

- ❖ Major capital improvements are not needed at this time which is a testament to the investments the City has made over several years.

As mentioned above, Vargo strongly recommends that the City hire their company to manage the course. They manage seven courses in the Detroit Metro area. Vargo believes they have the resources, expertise and experience to manage the course whereby City subsidies to pay for annual operations “won’t cost the City a dime.” Intriguing words indeed for a recreational amenity that has averaged \$65,000 in subsidies from the General Fund each year from 2007-2014.

Tom Heid and Rob agree that the fee schedule and associated costs in the proposal would not be a prudent expenditure at this time.

RECOMMENDATION: Tom Heid has done a commendable job managing the Charlevoix Golf Club over the last 19 years. Nevertheless, there are various factors out of our control (population loss, Michigan economy, golf course saturation in northern Michigan) that challenge the solvency of the golf course. We have tried various pricing schedules to increase revenues, limited capital improvements and deferred some equipment maintenance. All for naught as the operation continues to lose money each and every year.

Both the City Treasurer and City Manager feel that we should at least explore the details of how Vargo would approach managing the golf course. We would like to better understand the proposal and the specific roles and responsibilities of Vargo and the City. If we think their business case may make sense, we would report back to City Council. There would be no obligations at this point as discussions would simply be exploratory. If we thought that hiring a management company is a viable solution, an additional RFP would be crafted to solicit management proposals for the Charlevoix Golf Club.

Staff is requesting direction from City Council on how to proceed.

REQUEST FOR PROPOSAL GOLF COURSE CONSULTANT SERVICES

INTRODUCTION

The intent of this RFP is to help determine how the City of Charlevoix can best manage, operate and improve our municipal golf course, The City Charlevoix Golf Club (CGC). The City of Charlevoix is seeking proposals from interested and qualified recreational management consultants that specialize in evaluating golf course operations. The consultant is expected to provide technical expertise while acting as an advisor/consultant to assist City staff. It is the expectation of the City of Charlevoix to provide for its citizens a quality public golf facility with a customer service level and fee structure comparable to other municipal/public golf courses in the area with similar services and facilities.

GOLF COURSE INFORMATION

The Charlevoix Golf Club is located in Charlevoix, Michigan in a resort community/region with a highly competitive golf market.

The Charlevoix Golf Club (also originally known as The Chicago Golf Club) was built in 1896 by Scottish Architect William Watson, and is identified as one of the earliest regulation courses in the United States.

William Watson, a renowned golfer from St. Andrews, Scotland, came to this country to help promote the game of golf in the late 1800's. Mr. Watson assisted in numerous golf course promotions and designs throughout the United States, including Minikahda Club, Minneapolis, Minnesota (1898), TPC Harding Park –Municipal (1925) and Lake at the Olympic Club (1924) in San Francisco, California, and The Belvedere Club Charlevoix, Michigan (1925).

In 1903 The Chicago Golf Club added another nine holes making the course a complete eighteen hole facility.

The Chicago Club was primarily a private facility where privileges were restricted to the members of the association (Charlevoix Golf Association) and their guests.

In 1937 the effects of the stock market crash forced the Chicago Club to part with the golf course and sold the facility to The City of Charlevoix for the sum of one dollar. The Chicago Club and The City of Charlevoix agreed to that the property would always remain as a parkland.

In 1940 the Charlevoix Golf Club converted from a eighteen hole course to a nine hole regulation facility as another result of economics.

The Charlevoix Golf Club is a par 36 measuring 3015 yards and offers over 4 sets of tees. Course amenities include a 2,500 sq .ft. club house building with a seating area, offering basic snacks, and retail sales items. There is also a putting green, practice sand bunker and chipping area, along with a practice net. CGC sits on approximately 100 acres with an estimated 65 acres being maintained for course operations.

The course is irrigated via a 12" well and an updated pumping system installed in 2004. The automated single row irrigation system was fully upgraded by the year 2000.

The fee structure is basic muni-course memberships, with a separate fee structure for city residents and non-city residents, along with five play punch cards, weekday and weekend daily fees. The course is primarily a walking only facility, with the exception of allowing individuals with a disability the usage of motorized golf carts at no additional fee. The club also provides golf club and pull cart rentals.

Average annual rounds played on The Charlevoix Golf Club since 1997 are as follows:

1997=26,000
1998=22,000
1999=20,000
2000=17,965
2001=17,002
2002=17,850
2003=18,354
2004=19,569
2005=16,928
2006=16,639
2007=15,806
2008=15,572
2009=14,146
2010=14,025
2011=12,068
2012=12,409
2013=12,236

CONSULTANT SCOPE OF SERVICES

It is the intent of the City of Charlevoix to hire a consultant with experience evaluating and recommending improvements to municipal or private golf courses. The consultant will assess the current golf course operations and review the financial practices of CGC. Evaluating best practices and their relevance or use at CGC will also be a key element of the evaluation sought by the consultant.

The City has multiple objectives for the operational review of CGC which firm(s) must successfully address. Determining the effectiveness, efficiency and economy of operation based upon minimum industry standards for municipal golf courses as well as providing recommendations that will improve the operations of these areas will be key objective in this assessment. The consultant will be expected to provide us with the following services:

- Item 1: Evaluate existing golf course conditions and maintenance practices being performed to include, but not limited to: overall golf course conditions and maintenance practices being employed to maintain greens, tee boxes, fairways, irrigation system, cart paths, etc.; evaluate clubhouse operations and pro shop to include, but not limited to; review fee structures / financial information and provide an analysis as well as recommendations based upon CGC's competitive market.
- Item 2: Identify and assess CGC's competitive market, including the physical and operating characteristics of competitor golf courses. This assessment should include, but is not limited to, the following: location, type of facilities, facility characteristics, rounds played, golf rates and fees, types , etc.
- Item 3: Identify capital improvements that will improve revenue generation of CGC. Prioritize capital improvements based on the available funding identified within this RFP. However, do not limit your capital improvement recommendations based upon the available funding. The City's objective is to improve CGC's ability to be a competitive player in the Charlevoix area golf market as well as to minimize subsidies to the golf course operation.
- Item 4: Overview of Golf Course Management structures/alternatives available to the City and provide, based upon your expertise, trends for managing and operating a municipal golf course with applicable economic performance estimates for each structure/alternative as well as the pros/cons for municipalities regarding each structure/alternative. The City's goal, if possible, is operating CGC without subsidies from the City's operating budget.
- Item 5: Presentation of review findings and recommendations for operational improvement of CGC will be required at least (1) public meeting with the City Council. In addition to a written report, a power point slides presentation should be planned for and an electronic copy shall be provided to the City for possible future presentations by City staff.

OTHER REQUIREMENTS

The following shall be requirements of the contract: all data collected shall be treated as confidential material and shall be disclosed only to authorized City representatives; the consultant shall not disclose or permit disclosure of any information or material furnished and/or generated under the contract without the City's prior written consent; all documents, data, studies, estimates, summaries and any other work or material developed under the contract shall be the property of the City and shall be promptly delivered to the authorized City representative upon the completion of a particular service/assignment or upon the request of the City.

The contracted firm shall maintain books, records, and other compilations of data pertinent to the performance of the provisions and requirements of the ensuing contract to the extent and in such detail to properly substantiate claims for payment under the contract.

Detailed invoices shall be required for those services performed detailing the hours spent, tasks accomplished, applicable hourly rates and such information as the City may reasonably request. All payment requests will be subject to a ten-percent (10%) retainage, to be paid upon the acceptance by the City of all work to be completed for the project under contract.

SUBMISSION REQUIREMENTS

All proposers shall signify by signing this RFP that no person acting for, or employed by the City of Charlevoix, including members of City boards and commissions, has any direct or indirect interest in the proposal or in any profits that may be derived from it.

All proposals shall signify, by signing this RFP, which the proposer has read and understands all conditions concerning this request for proposal, and the proposal is made in accordance with the invitation.

Prospective consultants are requested to prepare proposals, which satisfy the objectives of this project as described in this RFP. The proposers should prepare a detailed list of procedures, methodologies, resources, and budget. In addition, a description of how each participant in the consultant team will be employed in these projects. A narrative responding to the objectives and scope of services should be provided indicating and highlighting where changes or adjustments in the scope suggested or proposed, if any.

CONTENTS OF PROPOSAL

The Golf Course Consultant Services proposal shall be concise and complete. The City will require **eight (8) bound hard copies** plus one (1) digital copy (CD or Flash Drive) of the proposals from all interested firms. Firms submitting proposals should clearly

outline their fee structure and plans for implementation of the proposal's scope of services. Proposals shall include, but not limited to:

- Names and qualifications/resumes of consulting team to be involved with the evaluation of The Charlevoix Golf Course.
- The team's or individual firm's experience in this type of work.
- Plans to implement and conduct the tasks for items as outlined in the Consultant Scope of Services.
- A list of relevant projects and clients (include contact person and phone numbers) that may be contacted for references and verification of assessment abilities.
- Information and assistance that will be required from the City of Charlevoix.
- Any supplemental information that will assist the City of Charlevoix in evaluating your firm's capabilities.
- An anticipated project timeframe, including deliverables.
- **A cost for each individual item identified in Consultant Scope of Services as well as a total price for all items (Items 1 through 5).** Also include fee schedule (hourly rates) for all personnel and sub-consultants assigned to this project, to be used as a basis for additional services that may be requested by the City of Charlevoix not included. An hourly cost for services provided outside of the proposed scope of services.

EVALUATION AND SELECTION

A selection team of City staff will meet and review the material submitted in response to this request. The selection team will evaluate the information provided; including the findings of the reference checks conducted. The proposals will be evaluated on the following weighted criteria, and the City may use other sources of information, in addition to the submitted response to the RFP, to make an evaluation according to the following:

- Previous experience of the individual firm or team assembled, in evaluating golf course operations, to include operations and maintenance, marketing plans, customer service, financial evaluation of expenses and revenues, experience of assigned staff working with municipal golf courses. (30%)

- Project approach proposed for CGC operational analysis, review of existing conditions, current and future operational needs, golfing trends, recommendations to improve operations, etc. (20%)
- Content and quality of response; knowledge, skill and organization of the respondent's work plan; and, estimated project timelines for completion of CGC's review. (15%)
- The character, integrity, and reputation of firm as well as the number and scope of past golf course evaluations completed by your firm. (10%)
- Capabilities of your firm and how long you have been in business. (5%)
- Fees (20%)

A full evaluation of the proposals will be made following opening of the proposals on as timely a basis as possible. The City of Charlevoix reserves the right to take a minimum of sixty (60) days for evaluation of the responses.

Proposals will be evaluated in part on the manner in which the proposers are able to complete the Scope of Services. Proposers should submit any additional analysis methods or procedures which have been utilized in past efforts and describe the outcome of these additional analysis items. Modifications, eliminations or replacement of any of the suggested elements, objectives or approach should be clearly stated. The selection team may request clarification of any submitted response. Each response shall be subject to the same review and assessment process.

The selection team shall select firm(s), which in its own opinion, is/are best suited for further or final consideration. Interviews may be conducted with these selected firm(s) to explain submitted information. The City reserves the right to negotiate with the selected firm(s) as to the terms of the contract, including, but not limited to, the scope of services and price, whether or not those proposals are the lowest cost to the City. Negotiations are intended to lead to a binding contract.

NOTE: All potential proposers are reminded that information contained in submitted material will become public record upon opening of proposals by the City.

DEADLINE FOR SUBMITTING PROPOSAL

A mandatory **pre-proposal meeting** to provide information and answer questions concerning this project will be held on July 30, 2014 at 10:00 a.m. **The meeting will be at The CGC Club House at 400 Fairway Drive, Charlevoix, Michigan 49720.**

All proposals shall be clearly marked "RFP Golf Course Consultant" and shall be delivered to:

City of Charlevoix, Michigan
Attention: Joyce Golding, City Clerk
210 State Street
Charlevoix, Michigan 49720

No later than 10:00 a.m. on August 19, 2014

LATE PROPOSALS WILL BE RETURNED UNOPENED

End of Proposal



Response To:
City of Charlevoix
RFP Golf Course Consultant

August 19, 2014

Vargo Golf
850 Stoney Creek Road
Oakland Township, Michigan 48363
Telephone: 248-693-7170
Fax: 248-693-5760
www.vargogolf.com

Please contact: Ed Maciejewski, Vice President of Operations
edm@vargogroup.com
586-337-2934

Council Members,

Thank you for the opportunity to turn Charlevoix Golf Club (CGC) into a thriving golf course. This response to the RFP has been done with complete objectivity and honesty. Vargo Golf (VG) wants to give the council an honest opinion on how the golf course is being operated, and what can be done to take the burden of operating CGC away from the City of Charlevoix.

While the RFP asked for golf consulting, VG strongly encourages the City to partner with VG and turn the golf operations over to a qualified golf management company. In VG's opinion, this is the only way the City will be able to stop funding the golf course. This option is explained in more detail under Alternative Solutions.

In this response, VG has included VG's experience in golf management, key personnel, an evaluation of the current operation, recommendations, the competitive market, suggested capital improvements, an alternative solution to CGC problems and a fee schedule. VG would enjoy the opportunity to sit with the City Council and discuss how the City of Charlevoix can stop contributing funds to support CGC, while still maintaining ownership of the property.

Thank you for your time and VG looks forward to continuing discussions relating to CGC in the near future.

Sincerely,



Ed Maciejewski
VP of Operations
Vargo Golf Company

EXPERIENCE

Vargo Golf has been managing golf courses for over 16 years. Currently, VG manages seven golf courses in the state of Michigan. Five of the courses are municipal golf courses that have partnered with VG to help turn the facilities around. Exhibit A has recommendation letters from municipalities we have partnered with. Below is a description of the golf courses that VG currently manages:

- **Bruce Hills Golf Club** – 6771 Taft Road, Romeo, MI 48065. Purchased in 1998. As with all VG's properties our goal is to maximize each property's potential. Bruce Hills features an open layout that appeals to juniors and seniors. VG immediately shifted attention to these groups. Currently, VG's junior camp program is thriving and for the past eleven years the Senior Appreciation Tournament has sold out. VG continues to adapt and has remained profitable during the recent recession.
- **The Myth Golf & Banquets** – 850 Stoney Creek Road, Oakland Township, MI 48363. Purchased in 2007. VG faced their most daunting challenge in refurbishing the Myth. The course, formerly known as Beaver Creek, was dilapidated and its reputation sullied. VG focused on customer service, improving course condition, and marketing the property. By 2009, gross income had quadrupled that of 2007 and 2014 looks to be another banner year. Compared to 2009, wedding receptions booked has grown from 14 to 50, memberships have grown from 11 to 46, and the number of league members has doubled. The Myth is the cornerstone of VG's success and a strong indication of the power of our marketing, service, and course maintenance capabilities.
- **The Hampton Golf Club** – 2600 Club Drive, Rochester Hills, MI 48307. Managed as of August 2008, the Hampton is owned by the Property Owners Association at Hamptons.

Hampton Golf Club is a nine-hole facility at the center of apartment complexes, condos, and homes. Prior to VG management, Hampton had drawn the bulk of its clientele from these neighborhoods. VG saw this was a great opportunity to reveal this hidden gem to everyone else. A website was developed, the pro-shop made interactive, golf carts were purchased and, once again, an aggressive marketing campaign was launched. As a result, sales were up 46% from 2008 to 2014. The Hampton does not have a liquor license, but is still is able to turn a profit year after year.

- **Rackham Golf Course** – 10100 W. 10 Mile Road, Huntington Woods, MI 48070.
Managed as of January 2011, Rackham Golf Course is owned by the City of Detroit. Rackham is a beautiful Donald Ross designed 18-hole golf course. Currently, Rackham doesn't have a liquor license. Still, in the first year of management by Vargo Golf the course had over one million dollars in gross revenue. Rackham golf course had over 50,000 rounds played in 2013.
- **Chandler Park Golf Course** – 12801 Chandler Park Drive, Detroit, MI 48213.
Managed as of January 2011, Chandler Park Golf Course is owned by the City of Detroit. Chandler Park is located in the center of a once thriving park in the City of Detroit. VG saw this as a great opportunity to market the course to the neighboring cities such as Grosse Pointe, Huntington Woods, Grosse Pointe Farms, St. Clair Shores, and Harper Woods in which VG saw a great response. Most patrons commented that they had not been to the course in 10-20 years and couldn't believe how good the course conditions were.
- **Rouge Park Golf Course** – 11701 Burt Road, Detroit, MI 48228. Managed as of January 2011, Rouge Park Golf Course is owned by the City of Detroit. Rouge Park has

18-holes along the Rouge River. In addition, Rouge Park has a full service driving range. VG has teamed up with 2 local golf instructors that use the driving range to provide lessons for our patrons. The prior management company had no attendant at the driving range, only a machine for dispensing balls. VG wanted to promote customer service and immediately staffed the range with full time employees. This gave the range a face and a personality that was lacking in previous years.

- **Palmer Park Golf Course** – 19013 Woodward Avenue, Detroit, MI 48203. Managed as of January 2011, Palmer Park Golf Course is owned by the City of Detroit. Prior to VG's arrival, Palmer Park had a reputation of bad course conditions and unfriendly staff. In response, VG completely revamped the staff and installed automated sprinkler systems to all the tees and greens. VG also gave exclusive rights to Hollywood Junior Golf School to make Palmer Park its home course. In 2013, VG saw revenue grow over 20% from 2012.

KEY PERSONEL

VG's management team prides itself on being easily accessible to our customers, vendors and employees. Please feel free to contact us at the email addresses below.

Robert Vargo

Owner/CEO

17 Years Experience in Golf Industry

robv@vargogroup.com

Ed Maciejewski

Vice President of Operations

Juris Doctor, Thomas M. Cooley Law School

Bachelors in Accounting, Western Michigan University

14 Years Experience in Golf Operations

edm@vargogroup.com

Dathon Skelton

Regional Golf Course Superintendent
Turf Management, Ferris State University
25 Years Experience in Turf Management
dathons@vargogroup.com

Laura Nicholson

Marketing Director
10 Years Experience in Internet Marketing
laurav@vargogroup.com

EVALUATION/RECOMMENDATIONS

The overall condition of the golf course is excellent. The turf looks extremely healthy and well-maintained. But, this level of course conditions comes with a price. It is VG's opinion that the price charged for a round of golf is much lower than what the course conditions warrant.

Currently, the maintenance department is over-staffed. A golf facility of this size should be able to maintain the grounds with 2 full-time employees. These employees need to be cross trained and capable of doing several different jobs. These employees should work 40 hours per week and be laid off during the winter months. Currently, there are 2 full-time employees and 2 part-time employees, on the grounds crew. VG currently operates a similar 9-hole golf course, The Hampton, with one full-time and one part-time employee on the maintenance staff. It is VG's opinion that too many resources are being spent on the maintenance of the golf course, and not enough is being spent on the clubhouse operations.

CGC will never be profitable without a drastic change in the way the clubhouse is operated. Every clubhouse needs a salaried manager that is on the property and working the pro shop counter on a day-to-day basis. Customers enjoy talking to the person in charge. Currently, the manager of CGC is more of a Maintenance Superintendent than a Clubhouse General Manager. Moving the salaried manager into the clubhouse and behind the counter puts them in front of the most important aspect of the business, THE CUSTOMER.

The current rate structure is too complicated, it must be simplified. VG recommends having a nine-hole rate for walking, a nine-hole rate for riding, and a senior/junior rate. VG would also suggest a spring and fall rate that is determined by the weather. The current use of the punch card is a good idea, but VG feels it's not being used properly. VG would suggest giving a punch card to every customer. Then after each customer plays 5 times they will receive a free round. This will create more loyalty and an incentive for ALL customers to revisit the golf course. VG suggests keeping the season pass rate but would look at adjusting the season rates to match the excellent course conditions.

VG would allow customers to reserve tee times. This eliminates wait times during busy hours. Customers don't want to show up and wait to tee off. People are busy and only have a certain amount of time to play golf. It's hard to comprehend that CGC doesn't allow tee times.

Golf carts are needed, in order to stay competitive. Eighty-five percent of golfers use a golf cart. VG would suggest having at least 15 golf carts available to rent at CGC. In VG's research, CGC was the only golf course in the area that didn't have golf carts available to rent. This is a huge disadvantage when CGC is fighting for golfers.

VG would suggest that there is always a staff member on the property during golfing hours. Currently, during slow times the clubhouse uses the "tin-can" method for collecting money. If you can't afford to have someone on the property to collect money, then the course shouldn't be open.

A point of sale computer system needs to be installed. This system will allow the proshop to take tee times, track customer's playing habits, and send out email specials.

A marketing budget must be developed. This is a way to attract new customers. CGC sits on a busy road, but there aren't any signs along US-31 advertising the golf course. VG

would print banners that advertise rates, leagues, outings, and junior specials and put them along the road frontage. This can be done for a minimal cost, with the possibility of a large payoff.

CGC needs its own website. The website must be independent of the City of Charlevoix's website. Currently, the golf course is invisible on the internet. Try to Google "golf courses near Charlevoix, MI." CGC doesn't even show up as an option. This is a huge problem. The City of Charlevoix attracts thousands of tourists every year, but those tourists don't know that CGC is even an option for golfing because they can't find them on the internet. VG can make CGC a beautiful website that is optimized for every search engine. This needs to be done immediately.

COMPETITIVE MARKET

Most of the golf courses near CGC are high end, 18-hole facilities. VG feels CGC has a much different target market than these facilities. CGC needs to be targeting novice golfers that don't want to spend high dollar amounts to play golf. CGC's target market is families, juniors, seniors and price conscious golfers.

CGC biggest competitor is Ye Nyne Olde Golf Club. Both golf courses are nine-hole facilities. Neither have a strong internet presence, but Ye Nyne Olde Golf Club offers golf carts and food options. CGC needs to become more aggressive with their internet presence and offer golf carts if they want to compete with Ye Nyne Olde Golf Club.

Below are brief descriptions of golf courses near CGC:

Ye Nyne Olde Holles Golf Club – 6386 Ferry Road, East Jordan, Michigan, 49727

- Number of Holes: 9-holes
- Golf Cart Rental Available: Yes
- Average 9-hole Price: \$15
- Public or Private: Public
- Book Tee Times Online: No
- PGA Professional: No

- Miscellaneous: No website, but does have Facebook

Belvedere Golf Club – 5731 Marion Center Road, Charlevoix, Michigan 48720

- Number of Holes: 18-holes
- Golf Cart Rental Available: Yes
- Average 9-hole Price: \$34.00
- Public or Private: Public
- Book Tee Times Online: Yes
- PGA Professional: Yes
- Miscellaneous: Offers 2 week, monthly, and season playing packages

Charlevoix Country Club – 9600 Club House Drive, Charlevoix, Michigan 49720

- Number of Holes: 18-holes
- Golf Cart Rental Available: Yes
- Average 9-hole Price: \$35.00
- Public or Private: Public, memberships available
- Book Tee Times Online: Yes
- PGA Professional: Yes
- Miscellaneous: Offers golf, tennis, pool, fitness center and dining

Dunmaglas Golf Course – 9031 Boyne City Road, Charlevoix, Michigan 49720

- Number of Holes: 18-holes
- Golf Cart Rental Available: Yes
- Average 9-hole Price: \$39.00
- Public or Private: Public
- Book Tee Times Online: Yes
- PGA Professional: Yes
- Miscellaneous: Golf packages available

CAPITAL IMPROVEMENTS

Currently, CGC doesn't need any capital improvements. To be competitive the golf operations need to be improved. The focus right now must be on bringing in golf carts, marketing, and customer service.

VG would suggest two improvements, although they are not necessary at this time:

1. Remodel the clubhouse to accommodate larger groups and serve food. This allows more options for outings, wedding showers, baby showers, birthday parties, etc. Being able to accommodate these types of groups would be a new revenue stream for CGC.

2. Install a tunnel system for safe crossing at US-31 for golfer safety.

ALTERNATIVE SOLUTIONS

VG strongly suggests that the City of Charlevoix hire VG to manage CGC. This is the only way the City can achieve its goal of operating CGC without subsidies from the City's operating budget. VG has the experience, resources, and expertise to turn around a struggling property and this alternative won't cost the City a dime. VG is so confident in our abilities; we will invest our money into CGC. At VG's expense we will bring in golf carts, create a new website, aggressively market on the internet, purchase a point of sale computer system, bring in qualified staff, handle the day-to-day operations, seek new customers, pay wages, pay utilities, etc.

Exhibit B is the management contract that VG currently has with the Property Owners Association at Hampton to operate Hampton Golf Course. This gives an idea as to what each parties responsibilities would be if the City of Charlevoix chose to contract with VG to manage CGC.

Below are some pros and cons of hiring a management company to operate a municipal golf course.

Pros	Cons
No funds contributed by the City	City doesn't receive profits
City still owns the property	City doesn't have as much input on day-to-day operations
City doesn't have to deal with day-to-day issues	City contributes to approved capital improvements
Employees no longer work for the City	
City doesn't have to maintain the property	

FEE SCHEDULE

- Enter into a management contract with Vargo Golf \$0
 - VG will invest its own money in CGC

- Develop a state-of-the-art website \$5,000
 - Includes hosting and updating for one year

- Develop a marketing campaign to attract new customers \$1,500
 - Doesn't include costs incurred
 - Council approval on all marketing campaigns
 - Facebook creation

- Week long training program for staff members \$10,000
 - Includes employee manuals
 - Presentation for future staff members use
 - One month follow-up

- Hourly rate for any golf course consulting \$50

This fee schedule is negotiable based upon the needs of CGC.

FOLLOW-UP

VG is looking forward to the opportunity to discuss the golf course operations with the City Council at an upcoming meeting and presenting a power point presentation. VG wants to create a partnership with the City of Charlevoix and turn CGC back into a prospering golf property.

Presented by:
Vargo Golf
850 Stoney Creek Road
Oakland Township, Michigan 48363
248-693-7170
edm@vargogroup.com

EXHIBIT A

November 14, 2011

To Whom It May Concern:

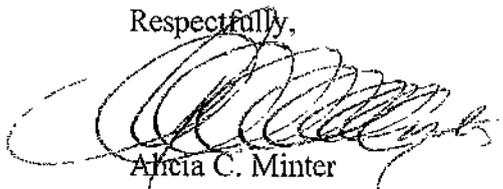
On behalf of the Detroit Recreation Department, we offer a recommendation for Vargo Golf, LLC.

This company has provided services to all four (4) of the golf courses under the supervision of the Recreation Department which include Palmer Park, Chandler Park, Rouge Park, and Rackham. These courses were well maintained and the customer service displayed by the employees was exceptional.

It was a pleasure working with Vargo Golf, LLC, and we look forward to future endeavors with them.

Please feel free to contact my office for additional information at (313) 224-1123.

Respectfully,



Alicia C. Minter
Director



TO: Whom it May Concern

FROM: Lisa Woodcox – The First Tee of Southeast Michigan

DATE: November 3, 2011

Board of Directors

Mike Beals
Chairman

Don Tinsley
Vice Chairman

Frank Ervin
Treasurer

Frank Hutton
Secretary

Steve D'Arcy

Clark Durant

Deshon Hervey

Linda Koos

Tom Pursel

Tom Standen

This memo is in reference to Vargo Golf's continued commitment to youth golf and specifically their support of The First Tee of Southeast Michigan.

During the 2011 season, over 1000 young people participated in our youth development, life skill and leadership programs. Affordable access to Vargo operated golf facilities allowed our participants to receive instruction, participate in supervised play, participate in a competitive arena and receive classroom instruction.

In addition, the office space Vargo Golf provided us at Rackham G.C. allows us to operate in a professional setting. The financial savings allows us to put our valuable and limited resources directly into the program to better serve our young golfers.

The Vargo Golf management staff are wonderful representatives of the game and share their support and enthusiasm for growing the game through numerous player development programs.

If you have any questions or would like any additional information, I can be reached at 248-763-5501 or lisa@thefirstteesemichigan.org.

Executive Director
Lisa Woodcox

Program Director
Daniel Arment

Lisa Woodcox
Executive Director

Administrative Office
Rackham G.C.
10100 W. 10 Mile Rd.
Huntington Woods, MI 48070
tel 248.545.4929
fax 248.543.3678
www.thefirstteesemichigan.org

EXHIBIT B

PTON GOLF COURSE LEASE

GROUND AND BUILDING LEASE

THIS GROUND AND BUILDING LEASE (the "Lease") is being entered into on the 24th day of July, 2008 (the "Effective Date") by and between the **Property Owners Association of Hampton**, (POAH) a Michigan non-profit corporation, whose address is P.O. Box 70715, Rochester Hills, Michigan 48307 (hereinafter referred to as "Landlord") and **Hampton Golf Company**, a Michigan 'S' corporation, whose address is 850 Stoney Creek Road, Oakland Township, Michigan 48363 (hereinafter referred to as "Tenant").

RECITALS:

A. Landlord is the owner of the land (the "Land") described on Exhibit A, the three barns, the Pro Shop, the parking lot and all the other improvements located on and in the Land (collectively the "Leased Premises");

B. Subject to the terms and conditions contained in this Lease, Tenant desires to lease the Leased Premises to conduct a golf course business and the other activities permitted by this Lease;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and in consideration of the mutual covenants herein contained, Landlord and Tenant hereby agree as follows:

1. **Leased Premises.** Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed by Tenant, leases unto Tenant, and Tenant hereby leases from Landlord, upon and subject to restrictions, easements and rights of way of record, the reservation of easements provided for in Section 2 and the terms, conditions, covenants, and provisions hereof, the Leased Premises.

2. **Reservation of Easements.** Landlord hereby reserves the right to impose easements ("Easements") in, on or under the Leased Premises for Landlord's use in maintaining and improving the common areas so long as any such Easements do not materially interfere with the Tenant's operation of the golf course business and other activities permitted by this Lease.

Tenant shall cooperate, join in and execute any written documents, instruments or agreements necessary to establish any such Easements including dedication to any governmental agency. Tenant's failure to cooperate, join in or execute such instruments or actions necessary for such Easements within ten (10) days of request by Landlord shall constitute a default under this Lease.

3. **Lease Term.** The term of this Lease shall commence on the Effective Date and shall expire on November 30, 2010, unless: (i) the Term is terminated earlier due to an event of default pursuant to Section 16 or (ii) the Term is extended by exercise of Tenant's Option to Extend pursuant to Section 3.1 (the "Term").

3.1. **Tenant's Option To Extend.** Landlord agrees that if Tenant is not then in default and has never been in default (unless such default(s) was timely cured) it shall

have two consecutive options to extend the Term of this Lease. Each such option shall be to extend the Term for an additional five (5) year period.

The first five (5) year period, Option One, from and after the expiration of the original term of the Lease, commencing December 1, 2010 and continuing through November 30, 2015, and the second five (5) year period, Option Two, from and after the expiration of Option One, commencing December 1, 2015 and continuing through November 30, 2020. In order to exercise such Option One, written notice of such exercise duly signed by Tenant must be received by Landlord not later than September 15, 2010, and in order to exercise Option Two, written notice of such exercise duly signed by Tenant must be received by Landlord not later than September 15, 2015; provided that the exercise of such Options, Option One and Option Two, is conditioned upon the Tenant not being in, or never been in, default under any provision of the Lease and Tenant being in occupancy of the Leased Premises.

4. **Rent.** In consideration of the substantial maintenance obligation imposed upon Tenant by this Lease (and Tenant's other monetary obligations to pay taxes, insurance premiums, utilities, etc.) the rent due Landlord shall be One and 00/100 (\$1.00) Dollar per year which shall be paid on the Effective Date and on December 1st each year thereafter as long as this Lease is in effect.

4.1. **Rent To Be Net To Landlord.** With the exception of the Landlord's obligations contained in Sections 7.1.1 and 8.1, it is the intention of the parties that the rent payable hereunder shall be net to Landlord, so that this Lease shall yield to Landlord the rent specified above during the Term and that all costs, expenses and obligations of every kind and nature whatsoever relating to the Leased Premises shall be paid by Tenant.

5. **Improvements to Be Constructed Upon Leased Premises.**

5.1. **Tenant Improvements.** Tenant shall have the right, at its sole cost and expense, to construct on any part or all of the Leased Premises, at any time and from time to time, such parking areas, driveways, walks, gardens landscaping or other similar improvements as Tenant shall, subject to Landlord's prior approval, not to be unreasonably withheld, and all appropriate municipal approvals, from time to time, determine, are reasonably necessary for the operation of the golf course business and other activities permitted by this Lease. Tenant shall not construct any structure, building, fence or other barrier upon the Leased Premises without the prior written consent of Landlord and all appropriate municipal approvals.

5.2. **Reversion To Landlord.** Upon the expiration or earlier termination of the Term, all Tenant's right, title and interest in and to the Leased Premises and any alterations, changes or additions made to the Leased Premises shall vest in Landlord and Tenant shall quit and surrender the Leased Premises and such alterations, changes or

additions in a first class condition, ordinary wear and tear excepted. Notwithstanding the foregoing, title to any equipment, trade fixtures and other personal property (collectively "Personal Property") installed by Tenant (and at its expense) upon the Leased Premises which may be removed without damage or injury to the Leased Premises and without impairing its value shall remain in Tenant. Tenant shall have the right to remove such Personal Property provided Tenant removes the Personal Property within a reasonable period of time not to exceed thirty (30) days following the expiration or earlier termination of the Term. Any Personal Property not removed by Tenant shall, at the option of Landlord, be either: (1) removed and disposed of by Landlord at Tenant's sole cost and expense; or (2) conveyed and transferred to Landlord free of all ownership and possession rights of Tenant.

6. Use of Leased Premises.

6.1. Use. Tenant agrees that it shall be permitted to use the Leased Premises only for the operation of a golf course business including storage, equipment housing, a retail store for golf and other recreational merchandise, special events, recreational and other activities which are ancillary to the operation of a golf course business and which are necessary to maintain and enhance its profitability. Tenant shall also have the right to use the barns to store equipment therein and use said barns for golf outings, provided, however, in no event shall any alcoholic beverages, including beer and wine be sold or consumed on the Leased Premises or at any such outings. Furthermore, such outings shall not last beyond one (1) hour after dusk. Tenant further agrees that the golf course business will at all times be operated in a first class manner. Without limiting the generality of the foregoing, Tenant agrees that it shall at all times during the Term:

A. Offer preferences to all members of the Property Owners Association of Hampton in good standing or such members' Tenants ("Members"). Such preferences must include discounted golf memberships, preferred green fees, tee times and preferred time slots for leagues organized by Members;

B. Actively market the golf course to Members such that the involvement in the golf course and other activities conducted on the Leased Premises is maximized;

C. Weather permitting keep the golf course open March 15 through November 15 of each year and 7:00 a.m. to 9:00 p.m. each day also dependent on weather and light conditions;

D. On a daily basis clean and organize all areas on the Leased Premises consistent with a first class public golf facility;

E. Identify a supervisor and hire and train hourly employees to conduct all golf course and other activities including opening and closing, greeting players and guests, taking tee time reservations, selling

merchandise, food and beverage, organizing and running competitive events, etc.;

F. Install and maintain a state-of-the-art point-of-sale system for detailed tracking of all sales and product categories and create an interactive Website available for the members of Landlord to use to learn about upcoming events, make tee time reservations on-line and join in any mail club that provides golf course specials; and

G. Make customer service a priority at all times, concentrating a friendly attitude and integrity.

6.2. Declaration. Tenant acknowledges and agrees that this Lease and Tenant's use of the Leased Premises is and will at all times be subject to the terms of the Declarations of Restrictions, Easements, Conditions and Liens - Residential dated June 11, 1974 (recorded in the Oakland County Register of Deeds office, Liber 6358, Pages 518 through 549) (the "Declaration") attached hereto as Exhibit C. Tenant specifically acknowledges that Section 5 of this Declaration limits the use of the Leased Premises to active sports, recreation, social, civic and cultural activities and that this Lease must require the Tenant to give priority in a manner and on such terms as Tenant shall determine to persons residing on the residential property, as defined in the Declaration, in making any facilities located on the Leased Premises available. Landlord requires and Tenant agrees to give such priority to persons residing on the residential property and Tenant further agrees to comply with all other restrictions contained in the Declaration applicable to it.

6.3. Compliance With Laws. Tenant shall, at its sole cost and expense, promptly observe and comply with all present and future laws, rules, regulations and orders of the federal, state and local governmental agencies applicable to the business of Tenant and the condition, use, maintenance and occupancy of the Demised Premises whether the same are in force as of the Effective Date or may in the future be passed, enacted, directed or promulgated and Tenant shall pay any costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands, including Landlord's attorney fees, resulting from Tenant's failure to comply with the covenants of this Section 6.3. Tenant shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Landlord, the validity or application of any law, rule, regulation or order, if by the terms thereof, compliance therewith may legally be delayed pending the prosecution of any such proceeding and provided Landlord shall not be subject to any criminal or civil action, fine, penalty or forfeiture of the Leased Premises as a result of such delay in compliance.

6.4. Signs. Subject to municipal approval, Tenant shall not erect, modify or permit to be erected or modified any exterior signs upon the Leased Premises without the prior written consent of Landlord, which shall not be unreasonably withheld. Landlord agrees to cooperate with Tenant and provide reasonable assistance to Tenant so that Tenant may locate signs in and around the common areas under Landlord's control

advertising the golf course and other permitted activities being conducted on the Leased Premises.

6.5. Hazardous Substances. Tenant shall observe and comply with all Environmental Laws. "Environmental Laws" means all applicable federal, state and local laws, rules, regulations, orders, judicial determinations, and decisions or determinations by any judicial legislative or executive body of any governmental or quasi-governmental entity, as they may be amended from time to time, whether presently existing or hereinafter enacted, adopted or ordered with respect to: (a) the existence on, discharge from or to, or removal from all or any portion of the Leased Premises of any Hazardous Substance; and (b) the effects of the environment of all or any portion of the Leased Premises (including, without limitation, any wetlands located on the Leased Premises) or of any activity conducted on the Leased Premises. Environmental Laws shall include, but not be limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC §§9601-9675; the Superfund Amendments and Reauthorization Act, Public Law 99-499, 100 Stat. 1613; the Resource Conservation and Recovery Act, 42 USC §§6901-6992(k); the National Environmental Policy Act, 42 USC §4321; the Safe Drinking Water Act, 42 USC §§300-300j-11; the Toxic Substances Control Act, 15 USC §§2601, 2671; the Hazardous Materials Transportation Act, 49 USC §1801; the Federal Water Pollution Control Act, 33 USC §§1251, et. seq.; the Clean Air Act, 42 USC §§7401-7642; the Clean Water Act, 33 USC §§1251-1387; the Medical Waste Tracking Act, 42 USC §§6992-6992; the Michigan Environmental Protection Act, MCL §691/1201, et. seq.; the Environmental Response Act, MCL §199.601, et. seq.; the Hazardous Waste Management Act, MCL §299.501, et. seq.; the Michigan Solid Waste Management Act, MCL §299.401 et. seq.; the Michigan Air Pollution Act, MCL §336.11, et. seq.; the Water Resource Commission Act, MCL §323.1 et. seq.; the Inland Lake and Streams Act, MCL §281.951 et. seq.; the Soil Erosion and Sedimentation Control Act, MCL §282.101, et. seq.; the Sand Dune Protection and Management Act, MCL §281.651, et. seq.; the Goemaere-Anderson Wetland Protection Act, MCL §281.70, et. seq.; the Michigan Medical Waste Regulatory Act, MCL §333.13801, et. seq.; and the "Michigan Polluter Pay Amendments", being Acts 233 and 234 of the Michigan Public Acts of 1990; as any of the foregoing have or will be amended; (ii) any regulations promulgated pursuant to any of such statutes; (iii) Environmental Protection Agency regulations pertaining to Asbestos (including 40 CFR Part 61, Subpart M); and (iv) any other state and local laws and regulations pertaining to any Hazardous Substance and/or Asbestos.

7. Taxes and Utility Expenses.

7.1. Payment.

7.1.1. Landlord agrees to pay the December 2007, July and December 2008, real estate tax bills (the "Taxes"). Tenant shall, commencing July 1, 2009 and continuing during the term of this Lease, if this Lease is extended as provided for in Section 3.1, as additional rent, pay and discharge punctually, as and when the same shall become due and payable, and before any fine, penalty, interest or other charges may be added thereto for nonpayment, all taxes, both real and

personal, special and general assessments, water bills and assessments, rates and charges, sewer charges or assessments, and other governmental impositions and charges and obligations owed to governmental authorities of every kind and nature whatsoever, extraordinary as well as ordinary and including any Michigan single business taxes which may be imposed upon rents received by Landlord under this Lease (hereinafter referred to as "Taxes"), and each and every installment thereof which shall or may during the term of this Lease be charged, levied, laid, assessed, imposed, become due and payable, or liens upon or for or with respect to the Leased Premises or any part thereof, the MOB, appurtenances or equipment owned by Tenant thereon or therein or any part thereof, together with all interest and penalties thereon, under or by virtue of all present or future laws, ordinances, requirements, orders, directives, rules or regulations of the federal, state, and local governments and of all other governmental authorities whatsoever (all of which shall also be included in the term "Taxes" as heretofore defined). Tenant shall remit paid copies of the paid tax bills on or before February 15th for the December tax bill and on or before September 15th for the July tax bill. In the event Tenant shall be required by the terms of any mortgage permitted hereunder to pay any funds into escrow with respect to Taxes, Tenant agrees to make such payments in accordance with the terms of such mortgage. In the event Tenant shall fail to pay Taxes during the period of time such Taxes may be paid without penalty or interest, Landlord, without prejudice to any other rights it may have, may, but shall not be required to, pay such Taxes and Tenant will remit the amount of such payment to Landlord upon demand together with interest thereon at the rate of three (3%) percent per annum in excess of the prime rate of Comerica Bank, or its successor, as the same shall be announced from time to time from the date of payment of such taxes to the date of repayment by Tenant but not in excess of the highest legal rate of interest permitted by statute.

7.1.2. To the extent that the same may be permitted by law, Tenant or its designees shall have the right to apply for the conversion of any assessment for local improvements assessed on the Leased Premises during the term of this Lease in order to cause the same to be payable in annual installments, and upon such conversion Tenant shall pay and discharge punctually said installments as they shall become due and payable during the term of this Lease; provided, however, that Tenant shall not convert any assessment to a term which would continue longer than the term of this Lease. Landlord agrees to permit the application of the foregoing conversion to be filed in Landlord's name, if necessary, and shall execute any and all documents requested by Tenant to accomplish the foregoing result.

7.1.3. Tenant shall be deemed to have complied with the covenants of this Section 7.1 if payment of such Taxes shall have been made either within any period allowed by law or by the governmental authority imposing the same during which payment is permitted without penalty or interest or before the same shall become a lien upon the Leased Premises, and Tenant shall produce and exhibit to Landlord satisfactory evidence of such payment.

7.2. No Proration. All Taxes, including assessments which have been converted into installments as set forth in Section 7.1.2, which shall be prepaid by Tenant for a period including the day upon which the Term terminates or expires shall be the sole responsibility of Tenant and shall not be apportioned pro rata between Landlord and Tenant.

7.3. Tenant's Right To Contest Taxes. Tenant or its designees shall have the right to contest or review all Taxes by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, Tenant or its designee shall conduct promptly at its own cost and expense, and free of any expenses to Landlord and if necessary, in the name of and with the cooperation of Landlord, and Landlord shall execute all documents necessary to accomplish the foregoing). Notwithstanding the foregoing, Tenant shall continue to pay all such Taxes on a timely basis before the imposition of interest or penalty.

7.4. Refunds. Landlord covenants and agrees that if there shall be any refunds or rebates on account of the Taxes paid under the provisions of this Lease, such refund or rebate shall belong to Landlord for years 2007 and 2008 and shall belong to Tenant commencing 2009 for the balance of the term of this Lease. Any refunds received by Landlord shall be deemed trust funds and as such are to be received by Landlord in trust and paid to Tenant forthwith.

7.5. Utilities. It shall be the responsibility of Tenant to provide and pay all costs and charges for sewer, water, steam, heat, gas, hot water, electricity, light and power, and other service or services, to be furnished to the Leased Premises or the occupants thereof or to be for the golf course during the term of this Lease (hereinafter referred to as "Utility Expenses").

8. Repair and Maintenance; Additions and Alterations.

8.1. Landlord Obligations. Landlord shall not be required to furnish any services or facilities or to make any improvements, repairs, maintenance or alterations in or to the Leased Premises during the Term hereof, with exception of the following:

- (a) Clean out barns;
- (b) Haul existing garbage off property;
- (c) Put the irrigation pump in good working order;
- (d) Maintain the roof of the clubhouse in a leak free condition;
- (e) Landlord shall use its best efforts to complete items (a) and (b) above by September 30, 2008, and provided, however, once the irrigation pump is in good working order, Tenant shall be fully responsible to maintain same, and commencing December 1, 2010, Tenant shall maintain the roof of the clubhouse;

8.2. Repairs and Improvements. Tenant shall, at its sole cost and expense, make, as the same shall from time to time be necessary, all repairs and improvements on the Leased Premises (so long as such repairs would not be considered capital improvements) including, but not limited to the roof, exterior walls, windows, floor, foundation, drainage facilities, water reclamation devices and systems, interior and other structural and nonstructural portions thereof, as may be reasonably necessary to keep the same clean and in good condition, dry, structurally sound, tenantable, insurable, and shall comply with the requirements of any public authority having jurisdiction over the Leased Premises. In addition, Tenant shall paint entry signs and the clubhouse by September 30, 2008, and all of the barns as reasonably necessary and maintain all of the Leased Premises in order to maintain an attractive appearance to the surrounding residential neighbors.

8.3. Maintenance. Tenant shall have the obligation to completely maintain the Leased Premises in a first class condition that will maximize its overall appearance and the playability of the golf course in compliance with the Technical Maintenance Specifications attached hereto as Exhibit B. Tenant shall not hire a contractor without Landlord's prior written consent. Copies of all other or subsequent contracts for maintenance of the Leased Premises entered into by Tenant shall be provided to Landlord by Tenant. Landlord will conduct inspections of the Leased Premises from time to time upon written notice to Tenant (which will not interfere with golf course play) and shall physically inspect the condition of the golf course on or about May 1st, June 15th, August 1st, and September 15th of each year to make sure such golf course is maintained pursuant to the requirement of Exhibit B. Such inspection shall be done by two (2) members of the Board of POAH, one member selected by the Board of POAH and the other member selected by Tenant. Any default in Tenant's maintenance obligation shall be immediately communicated in writing to Tenant by Landlord.

9. Insurance and Indemnification.

9.1. Public Liability Insurance. During the entire term of this Lease, Tenant shall, at its sole cost and expense, procure and maintain general liability insurance in a good and solvent insurance company licensed to do business in the State of Michigan, with a Best's rating of at least A-13 or better, selected by Tenant, and reasonably satisfactory to Landlord in the amount of at least One Million (\$1,000,000) Dollars with respect to injury or death to any one person and Two Million (\$2,000,000) Dollars with respect to injury or death to more than one person in any one accident or other occurrence and One Million (\$1,000,000) Dollars with respect to damage to property or such greater amount as may be reasonably required by Landlord from time to time during the term of this Lease. Such policy or policies shall include Landlord as a named additional insured. During the entire term of this Lease, Tenant shall, at its sole cost and expense, also procure and maintain comprehensive auto liability and workman's compensation insurance in amounts as required by the State of Michigan with good and solvent insurance companies licensed to do business in the State of Michigan. Tenant agrees to deliver certificates of all such insurance to Landlord at the beginning of the Term and

thereafter not less than thirty (30) days prior to the expiration of any such policy. If Tenant fails to comply with requirements of this Section 9.1, Landlord shall have the right, but not the obligation, to cause such insurance as aforesaid to be issued, and in such event Tenant shall pay the premium for such insurance as additional rental within thirty (30) days of invoice by Landlord. Such insurance shall be noncancellable without thirty (30) days' advance written notice to Landlord.

9.2. Fire and Extended Coverage Insurance. During the term of this Lease, Landlord shall procure and maintain all risk fire and extended coverage insurance in a good and solvent insurance company licensed to do business in the State of Michigan covering the barns, Pro Shop and all other improvements on the Leased Premises, insuring Landlord and Tenant, as their respective interests may appear, against loss or damage by fire, vandalism, malicious mischief and such other perils as are included in a standard all risk coverage endorsement and, at Landlord's option, special extended coverage endorsements, in an amount which is at all times equal to the full replacement and reconstruction cost and valued on a full replacement cost basis of the barns, Pro Shop and all such other improvements. Such insurance shall be noncancellable without thirty (30) days' advance written notice, shall name Tenant as an additional insured, and shall provide that any loss shall be paid notwithstanding any act or negligence of Landlord or Tenant. All proceeds payable at any time and from time to time by any insurance company under such policies shall be used by Landlord for the purpose of repairing, restoring or replacing the barns, Pro Shop and other improvements to the Leased Premises provided, however, Landlord shall have no obligation to repair or replace any of Tenant's fixtures, furniture, equipment or personal property.

9.3. Tenant Reimbursement

Tenant shall, within thirty (30) days of invoice, reimburse Landlord the entire cost of the insurance covered by Landlord, pursuant to Section 9.2 plus Landlord's liability insurance covering the Leased Premises.

9.4. Indemnification.

9.4.1. Landlord shall indemnify, defend and hold harmless Tenant and Tenant's officers, directors, employees and agents from and against any and all claims, suits, personal injuries, death, property damage, liabilities, damages, losses, costs or expenses, including, but not limited to, reasonable attorney fees which may be imposed upon, incurred by or asserted against Tenant or Tenant's officers, directors, employees or agents arising from or related to: (i) prior golf course operations; or (ii) a breach by the Landlord of a term or condition contained in the lease agreement.

9.4.2. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's officers, directors, employees and agents from and against any and all claims, suits, personal injuries, death, property damage, liabilities, damages, losses, costs or expenses, including, but not limited to, reasonable attorney fees which may be imposed upon, incurred by or asserted against Landlord or

Landlord's officers, directors, employees or agents arising from or related to: (i) Tenant's use, maintenance and/or repair of the Leased Premises or for any cause of action occurring upon the Leased Premises from any cause whatsoever; or (ii) Tenant's breach of any term or condition contained in this Lease.

9.5. Waiver Of Subrogation. All insurance policies carried by Tenant covering the Leased Premises, including but not limited to contents, fire and casualty insurance, shall expressly waive any right on the part of the insurer of subrogation against Landlord.

10. Damage and Destruction.

10.1. **Restoration/Termination.** In the event that, at any time during the Term, the barns, Pro Shop and/or any other improvements on the Leased Premises shall be damaged or destroyed, in whole or in part, by fire or other casualty:

10.1.1. Landlord shall, subject to the actual amount of such insurance reimbursement, promptly repair, restore and rebuild the barns, Pro Shop and/or improvements on the Leased Premises to the condition they were in prior to such casualty. Such repair and/or restoration shall commence within fifteen (15) days of such insurance settlement and Landlord shall expedite the completion of such repairs and/or restoration. Tenant shall in no event be called upon to repair, replace or rebuild the barns, Pro Shop or other improvements, provided however, Tenant shall have the obligation to repair and/or replace any of its fixtures, furniture, equipment or personal property.

10.1.2. In the event during the last two (2) years of the term of this Lease, more than fifty (50%) percent of the barns are destroyed by casualty, Landlord shall have the option of not repairing or replacing the barns.

11. Eminent Domain.

11.1. **Total Taking.** If the entire Leased Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain or private purchase in lieu thereof, then: (i) this Lease shall automatically terminate as of the date that possession has been taken; and (ii) Landlord shall be entitled to collect from the condemnor (or purchaser) the entire portion of the award that may be made in such proceeding (or the purchase price) for the fee simple interest in the Leased Premises.

11.2. **Partial Taking.** If less than the entire Leased Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain or private purchase in lieu thereof, then (i) this Lease shall automatically terminate as to such portion of the Leased Premises as of the date that possession has been taken, (ii) Landlord shall be entitled to collect from the condemnor (or purchaser) the entire portion of the award that may be made in such proceeding (or the purchase price) for the fee simple interest in such portion of the Leased Premises. If a substantial portion of the Leased Premises shall be taken (or purchased) as provided in this Section 11, and the remaining

portion of the Leased Premises shall be insufficient for the reasonable operation of Tenant's golf course business, then such taking (or purchase) shall be deemed a total taking and the provisions of Section 10.1 hereof shall apply.

12. Construction Liens.

12.1. Covenant Against Liens. Tenant shall not suffer or permit any construction liens to be filed or exist against the Leased Premises or any part thereof, by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or its agents, contractors, subcontractors, and subtenants. If any such construction liens shall at any time be filed, Tenant shall, within ten (10) business days after notice of the filing thereof cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Tenant shall have the right to contest the validity of the amount of any such lien by appropriate proceedings timely instituted, provided that Tenant (i) gives Landlord written notice of its intention to do so, (ii) diligently prosecutes any such contest, and (iii) if requested by Landlord, furnishes a bond in cash or surety, whichever shall be acceptable to Landlord in an amount equal to the amount of the lien as claimed, and Tenant shall not be in default hereunder for failure to pay or discharge any such lien so long as it is contesting the lien in good faith. Tenant shall observe and comply with any and all requirements under the Michigan Construction Lien Act (1980 P.A. 497, as amended by 1981 P.A. 191 and 1982 P.A. 17), as the same may be amended from time to time.

12.2. Contractor's Insurance. Tenant shall require any contractor(s), including any contractor maintaining the Leased Premises, at its sole cost and expense, to procure and maintain general comprehensive liability insurance in a good and solvent insurance company licensed to do business in the State of Michigan, with a Best's rating of at least A-13 or better, selected by the contractor(s), and reasonably satisfactory to Landlord in the amount of at least One Million (\$1,000,000) Dollars with respect to injury or death to any one person and Two Million (\$2,000,000) Dollars with respect to injury or death to more than one person in any one accident or other occurrence and One Million (\$1,000,000) Dollars with respect to damage to property or such greater amount as may be reasonably required by Landlord from time to time during the term of this Lease. Such policy or policies shall include Landlord as an additional named insured. Tenant shall also require any of such contractors, at its sole cost and expense, procure and maintain comprehensive auto liability and workman's compensation insurance in amounts required by the State of Michigan with good and solvent insurance companies licensed to do business in the State of Michigan. The Contractor(s), including any contractor maintaining the Leased Premises, must deliver certificates of all such insurance to Landlord at the beginning of any maintenance, construction, repair, alteration, remodeling, renovation or rebuilding permitted pursuant to this Lease. Such insurance shall be non-cancellable without thirty (30) days' advance written notice to Landlord.

13. Assignment or Transfer of Lease.

13.1. Transfer. For purposes of this Lease, "Transfer" shall mean a sale, assignment, bargain, exchange, lease, sub-lease, pledge, hypothecation, use or other transfer (including any transfers by operation of law or otherwise). Transfer shall also include any of the following: (1) the sale or liquidation of any assets of Tenant not in the ordinary course of business; (2) the merger, acquisition or consolidation of Tenant by or with any other person; (3) the merger, acquisition, or consolidation by Tenant of any other person; or (4) the reorganization, change in control or other material change in the structure of Tenant. A person shall include any individual, corporation, partnership (either general or limited), other business entity, trust, or fiduciary and any successor or assign thereof.

13.2. Prohibition on Transfer. Tenant shall not Transfer this Lease or any estate or interest therein or permit any part of the Leased Premises to be used by any third party without the prior written consent of Landlord.

13.3. Landlord's Consent to Transfer. In the event of a Transfer with Landlord's consent, Tenant shall remain and continue to be fully liable to perform all of Tenant's obligations under this Lease, unless Landlord releases Tenant in writing from such obligations. Any Transfer by Tenant without such written consent shall give Landlord the right to terminate this Lease, re-enter and repossess the Leased Premises and exercise all rights and remedies hereunder. Consent by Landlord to one or more Transfers shall not operate to exhaust Landlord's rights hereunder. The acceptance of any rent or any other payment from any assignee, sub-tenant or occupant shall not constitute a release of Tenant from the obligations and covenants in this Lease. In the event of a Transfer by Tenant, with or without Landlord's consent, all rent, sums of money or other economic considerations received by Tenant which exceed, in the aggregate, the total sums of rent and payments which Tenant is obligated to pay Landlord under this Lease shall be payable to Landlord as additional rent under this Lease without affecting or reducing any obligations of Tenant.

14. Utilities. Tenant shall pay all charges made against the Leased Premises for Tenant's use of gas, heat, water, electricity, sewage, garbage, telephone and all other utilities during the Lease Term as and when such expenses become due.

15. Bankruptcy. If the Tenant during the Term: (a) be adjudicated bankrupt or adjudged to be insolvent pursuant to the provisions of any state or federal insolvency or bankruptcy law; (b) a receiver or trustee of the property and affairs of Tenant shall be appointed; (c) any assignment shall be made of Tenant's property for the benefit of creditors or if a petition shall be filed by or against Tenant seeking to have Tenant adjudicated insolvent or bankrupt pursuant to the provisions of any state or federal insolvency or bankruptcy law and such petition shall not be withdrawn and the proceedings dismissed within sixty (60) days after the filing of the petition; or (d) any execution or attachment shall be issued against Tenant or any of Tenant's property, whereby the Leased Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant then and in any of such events, Landlord may terminate this Lease by written notice to Tenant.

16. Default and Remedies.

16.1. Event Of Default: An Event of Default shall have occurred upon Tenant's failure to: (1) pay any installment of rent and/or any other sums required to be paid hereunder by Tenant (e.g. taxes, insurance, utilities, etc.) when the same shall be due and payable; (2) perform any of the other covenants, conditions and agreements contained in this Lease if Tenant's failure continues for a period of thirty (30) days (except for emergencies which shall be cured immediately) after notice in writing to Tenant from Landlord specifying in detail the nature of such failure and provided Tenant shall not cure the failure within this thirty (30) day period.

16.2. Extension of Cure Period. If Landlord gives notice of a default of such a nature that it cannot be cured within a thirty (30) day period, then the time period available for cure of the default shall be deemed to continue beyond the thirty (30) day period provided above so long as Tenant proceeds to cure the default as soon as reasonably possible and continues, without interruption, to take all steps necessary to complete the same within a reasonable period of time, with Landlord being the sole judge of whether Tenant has satisfied the conditions for extending the cure period. No default shall be deemed to continue if and as long as Tenant shall be so proceeding to cure the same in good faith.

16.3. Remedies. Upon the occurrence of an Event of Default:

16.3.1. Landlord may, at its option, give to Tenant a notice of election to end the term of this Lease upon a date specified in such notice which date shall be not less than ten (10) business days (Saturdays, Sundays and legal holidays excluded) after the date of such notice, and upon the date specified in said notice, the Term and estate hereby vested in Tenant shall cease and any and all other right, title and interest of Tenant in and to the Leased Premises shall cease without further notice or lapse of time, as fully and with like effect as if the Term of this Lease had expired.

16.3.2. Upon any such termination of the Term, or at any time thereafter, Landlord may, in addition to and without prejudice to any other rights and remedies Landlord shall have at law or in equity, re-enter the Leased Premises, and recover possession thereof and dispossess Tenant, its assigns and successors of the Leased Premises in the manner prescribed by the statute relating to summary proceedings, or similar statutes. In case of any such default, re-entry, expiration and/or dispossession by summary proceedings: (i) the rent shall become due thereupon and be paid up to the time of such re-entry, expiration and/or dispossession; and (ii) Landlord may relet the Leased Premises or any part or parts thereof.

16.3.3. Tenant shall pay Landlord, as damages for the failure of Tenant to observe and perform the covenants, conditions and agreements contained in this Lease, including but not limited to all of the costs and expenses incurred by Landlord to maintain the Leased Premises as required by this Lease and the golf course as required by Exhibit B, any and all deficiency between: (i) the rent to be paid for the balance of the Term (which shall be accelerated) plus all Taxes,

utility expenses, insurance premiums and other amounts Tenant is required to pay pursuant to this Lease; and (ii) the net amount of the proceeds of reletting, if any, for the balance of the Term. In computing such damages, there shall be added to the said deficiency such reasonable expenses as Landlord may incur in connection with obtaining possession and reletting, such as attorney fees, brokerage fees, advertising expenses, inspection fees, and costs of alterations, repairs and preparation for reletting. Any such damages shall be paid by Tenant within ten (10) days after demand has been made by Landlord and any suit brought to collect the amount of the deficiency for such period shall not prejudice in any way the right of the Landlord to collect damages for any subsequent period by similar proceeding or other appropriate action. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Leased Premises as Landlord, in Landlord's sole judgment, considers advisable and necessary for the purpose of reletting the premises, all of which shall be reimbursed by Tenant within twenty (20) days of invoice; and the making of such alteration, repairs, replacements and/or decorations shall not operate or be construed to release Tenant from liability.

16.3.4. Landlord may, at its option, institute an action for specific performance of the provisions of this Lease.

16.3.5. No remedy herein conferred upon Landlord shall be exclusive of any other remedy, but the same shall be cumulative and in addition to every other remedy available at law or in equity or provided elsewhere in this Lease.

17. Marketing Assistance. Landlord agrees to provide to Tenant on the Effective Date, names, e-mail addresses, street addresses, telephone numbers and other contact information regarding its members (that it has collected as of the Effective Date) at no charge, solely for Tenant's use in marketing the golf course business conducted on the Leased Premises and the other permitted activities conducted on the Leased Premises. Landlord further agrees to cooperate with Tenant and provide reasonable assistance to Tenant in locating signs on the common areas, subject to municipal approval, advertising Tenant's golf course business conducted on the Leased Premises and other permitted activities being conducted on the Leased Premises by Tenant.

18. Quiet Enjoyment. Landlord covenants and agrees with Tenant that, conditioned upon Tenant's paying the rent herein provided and performing and fulfilling all the covenants, agreements, conditions and provisions herein to be kept, observed or performed by Tenant, Tenant shall and may at all times during the term hereby granted, peaceably, quietly and exclusively have, hold and enjoy the Leased Premises, without hindrance or molestation from Landlord or any other person holding by or through Landlord, subject to the Declaration, zoning ordinances, easements and restrictions of record, governmental regulations and the terms and conditions hereof.

19. Right of Entry by Landlord. Landlord shall have the right to enter upon the Leased Premises (including the barns, the Pro Shop and any other structure) and improvements thereon at all reasonable hours for the purpose of inspecting the same. If Landlord reasonably

deems any repairs required to be made by Tenant necessary, pursuant to the provisions of this Lease, Landlord may demand that Tenant make the same forthwith, at Tenant's sole cost and expense. If Tenant fails to make such repairs, Landlord shall have the right to make such at the expense of Tenant and Tenant shall pay the costs thereof upon written demand.

20. Landlord's Right to Cure Defaults. If Tenant defaults in the performance of any provision of this Lease, Landlord shall have the right (but not the obligation) in addition to any other rights and remedies in the event of default, to cure such default for the account of Tenant, without prior notice to Tenant and Tenant shall upon receipt of notice thereof and demand for payment from Landlord reimburse Landlord by the 15th day of the month following the month in which Landlord's demand is made, together with interest thereon at the rate of three (3%) percent per annum in excess of the prime rate of Comerica Bank, as the same shall be announced from time to time from the date that such payment was made by Landlord until the date of repayment by Tenant.

21. Miscellaneous.

21.1. **Power of Attorney.** Tenant hereby makes, constitutes and appoints Landlord, with full power of substitution, its true and lawful attorney-in-fact for it and in its name, place and stead, and for its use and benefit to sign, execute, certify, acknowledge, deliver, file and record any agreement, document or instrument required of Tenant to fulfill or implement the terms and conditions of this Lease.

21.2. **Partial Invalidity.** If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

21.3. **Governing Law.** This Lease and the performance thereof shall be governed, interpreted, construed, and regulated by the laws of the State of Michigan.

21.4. **Waivers.** Failure of Landlord or Tenant to complain of any act or omission on the part of the other party no matter how long the same may continue, shall not be deemed to be a waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Lease or a consent to any subsequent breach of the same or any other provision. No acceptance by Landlord of any partial payment shall constitute an accord or satisfaction but shall only be deemed a part payment on account.

21.5. **Parties.** Except as herein otherwise expressly provided, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective permitted successors and assigns. The term "Landlord" as used in this Lease shall mean only the owner of the fee simple interest in the Leased Premises, so that in the event of any sale, transfer or conveyance of the fee simple interest in the Leased Premises, Landlord shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Landlord hereunder, and it shall

be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the purchaser, transferee or grantee at any such sale, transfer or conveyance that such purchaser, transferee or grantee has assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder.

21.6. No Third Party Beneficiaries. Nothing contained in this Lease, whether express or implied, is intended to confer upon any person or entity, other than the parties hereto any rights or remedies, nor is anything in this Lease intended to relieve or discharge the liability of any other person or entity to any other person or entity, nor shall any provision hereof give any such person or entity any right of subrogation against, or action over, any party.

21.7. Notices. Every notice, approval, consent or other communication authorized or required by this Lease shall not be effective unless the same shall be in writing and (1) personally delivered, (2) sent by facsimile, telecopy or similar method of telecommunications with service being effective upon receipt of the transmission or (3) sent by United States mail, postage prepaid, return receipt requested, directed to the other party at its address hereinafter set forth, or such other address as either party may designate by notice given from time to time in accordance with this Section 21.7 with service being effective two (2) days after mailing.

If to Landlord: Property Owners Association of Hampton
P.O. Box 70715
Rochester Hills, Michigan 48307

With a copy to:
Stuart Frankel
1334 Maplelawn Drive
Troy, MI 48084

If to Tenant: Hampton Golf Company
Robert Vargo
850 Stoney Creek Road
Oakland Township, MI 48363

21.8. Entire Agreement. This Lease shall constitute the entire agreement of the parties hereto; all prior agreements between the parties, whether written or oral, are merged herein and shall be of no force and effect. This Lease cannot be changed, modified or discharged orally but only by an agreement in writing, signed by the party against whom enforcement of the change, modification or discharge is sought.

[Signatures follow on next page.]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on this 24th day of July, 2008.

WITNESSES:

LANDLORD:

Property Owners Association of Hampton

[Handwritten signature]

By: Anne M. Losh

Anne Losh

Its: President

TENANT:

Hampton Golf Company
a Michigan 'S' corporation

[Handwritten signature]

By: [Handwritten signature]

Robert Vargo

Its: President

STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 24 day of July 2008, by ANNE LOSH of Property Owners Association of Hampton, on behalf of the Association.

Margaret M. Renee
Notary Public, _____ County, MI
Acting in _____ County
My Commission Expires _____
MARGARET M. PENCE
Notary Public, State of Michigan
County of Genesee
My Commission Expires May 1, 2012
Acting in the County of OAKLAND

STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 24 day of JULY 2008, by ROBERT YARGO, of Hampton Golf Company, a Michigan 'S' corporation, on behalf of the corporation.

Margaret M. Pence
Notary Public, _____ County, MI
Acting in _____ County
My Commission Expires: MARGARET M. PENCE
Notary Public, State of Michigan
County of ~~Genesee~~
My Commission Expires May 1, 2012
Acting in the County of OAKLAND

Account #	Account Description	3/31/2014	3/31/2013	3/31/2012	3/31/2011	3/31/2010	3/31/2009	3/31/2008	3/31/2007
		\$	\$	\$	\$	\$	\$	\$	\$
		% of Rev							
101-000-850.000	Revenue								
101-000-850.001	Golf - Taxable Items	4,847	5,401	5,677	4,938	6,117	7,546	7,282	5,134
101-000-850.002	Golf - Non Taxable Items	2,407	2,985	3,168	3,866	3,346	3,722	3,922	4,087
101-000-851.000	Golf - Lessons & Repair	-	120	(8)	-	-	-	-	-
101-000-851.000	Use & Admissions - Green Fees	118,582	120,589	118,152	136,280	140,312	151,074	151,337	143,140
	Total Revenue	125,908	129,095	128,987	144,894	149,776	162,342	162,551	165,361
101-782-706.000	Expenditures								
101-782-706.001	Salaries & Wages	37,485	34,759	35,739	34,849	37,598	37,928	32,343	33,372
101-782-707.000	Wages (ICMA)	3,183	2,839	1,011	995	1,068	881	898	904
101-782-718.000	Salaries & Wages - Temporary	67,394	67,975	65,448	73,301	73,983	70,410	73,255	73,121
101-782-728.000	Employee Fringe Benefits	39,722	36,629	35,987	35,437	38,837	34,967	31,853	33,197
101-782-730.000	Office Supplies	1,224	2,037	1,683	2,140	2,102	2,845	2,364	2,780
101-782-740.000	Golf Merchandise for Sale	4,544	4,405	5,382	6,648	7,381	6,789	8,813	9,484
101-782-751.000	Operating Supplies	2,728	2,801	2,394	2,841	2,318	5,285	4,629	5,948
101-782-818.000	Gasoline, Oil, etc.	5,769	5,384	5,615	4,821	4,656	6,279	5,307	4,783
101-782-853.000	Contractual Services	4,248	5,304	3,240	4,427	3,441	4,890	5,887	4,756
101-782-860.000	Telephone	2,058	2,389	1,518	1,640	1,348	1,018	1,220	1,812
101-782-920.000	Conference & Travel	550	929	909	745	943	1,821	3,415	913
101-782-931.000	Utilities	6,603	7,542	6,208	8,887	6,890	6,886	8,021	6,762
101-782-933.000	Building Maintenance	1,361	1,467	26,079	1,290	3,089	934	3,219	-
101-782-935.000	Equipment Maintenance	7,650	6,424	7,882	11,815	3,328	5,614	8,120	9,372
101-782-937.000	Course Maintenance	16,868	18,178	14,272	15,098	16,010	18,480	15,488	15,927
101-782-843.000	Inflation Maintenance	1,759	1,140	1,607	1,088	1,871	1,528	2,318	481
101-782-843.000	Equipment Rental	1,313	1,017	2,002	2,148	1,505	3,658	3,658	3,446
101-782-982.000	Miscellaneous	2,022	2,208	1,271	1,895	1,904	2,158	2,313	1,542
	Total Expenditures	208,478	203,335	218,237	207,893	208,120	214,095	212,881	208,670
	Net Revenue Over Expenditures	(80,573)	(74,240)	(91,250)	(62,769)	(58,348)	(61,754)	(60,330)	(63,209)
		-4%	-5%	-7%	-4%	-4%	-3%	-3%	-4%

CHARLEVOIX CITY COUNCIL

AGENDA ITEM

AGENDA ITEM TITLE: Purchase of Energy

DATE: September 2, 2014

PRESENTED BY: Don Swem

BACKGROUND INFORMATION:

As has been done several times in the past the Michigan Public Power Agency (MPPA) is recommending that the City purchase future blocks of energy in accordance with the City's approved MPPA Risk Management Policy and the associated Hedge Policy. These recommended purchases are meant to fill in future predicted shortages in our power supply for the City. This action keeps us in compliance with our own Hedge Policy.

According to the predictions of MPPA the City needs to purchase energy to fill in during peaking hours (16 hours/day on weekdays) in 2016 and in 2019. At this time the prices for these transactions would be as follows:

<u>Term</u>	<u>Maximum Quantity MW per Hour</u>	<u>Unit Price (\$/MWh) Not To Exceed</u>	<u>Total Price (\$) Not To Exceed</u>
Calendar Year 2016	1.0	\$50	\$ 204,000
Calendar Year 2019	1.0	\$60	<u>\$ 244,800</u>
Overall Total Cost Not To Exceed:			\$ 448,800

In accordance with our Hedge Policy, these purchases are needed to help stabilize our costs going forward. If we did not make these purchases at this time we would be risking higher prices in the future, and on the open market these prices can be outrageous and unpredictable. Therefore it is recommended to lock in these prices today rather than risk waiting for future prices.

RECOMMENDATION:

It is recommended that Council consider a motion for approval to spend up to a maximum of \$448,800 to purchase blocks of peak energy as detailed above for the years 2016 and 2019.

CHARLEVOIX CITY COUNCIL

AGENDA ITEM

AGENDA ITEM TITLE: Water & Sewer Turn On Fees and Water Usage Minimum for Multiple Unit Locations

DATE: September 2, 2014

PRESENTED BY: Joe Zielinski, City Treasurer

ATTACHMENTS: (1) Current & Proposed Water & Sewer Rates & Fees
(2) Proposed Resolution to Adopt Amended Fees & Usage Minimum

BACKGROUND INFORMATION: The water and sewer turn on fees adopted for the 2014-15 fiscal year, which started April 1st, were not increased to account for the annual increases to the water and sewer rates. With the current rates, it would be advantageous for seasonal residents who are gone for more than four months to turn off their water and sewer services while they are gone and pay the turn on fee when they return as opposed to pay the monthly minimum charge for water and sewer services.

If a large number of seasonal residents took advantage of this discrepancy in rates, it would significantly impact the City's water and sewer revenues as well as increase the workload for the DPW staff. Therefore, the water and sewer turn on fees need to be adjusted to the proper amount in order to prevent this situation from occurring. Staff recommends increasing the turn on fees for both water and sewer to equal approximately seven months of the minimum charge. Attached in your agenda packet are the current water and sewer rates and fees and the proposed turn on fees.

In addition to the water and sewer turn on fees, the monthly water usage minimum charged to multiple unit locations, such as an apartment or condominium building, that are served with a single water meter should be increased. Currently, multiple unit locations with one water meter are charged a monthly water usage minimum of 1,500 gallons per unit. However, all other single family residential homes and commercial properties are charged a monthly water usage minimum of 2,000 gallons.

The City does not have a resolution or written policy in place stating that multiple unit locations with a single water meter will be charged a monthly water usage minimum of only 1,500 gallons per unit, but this practice has been in place for nearly 30 years. There are presently 125 customers that receive this reduced water usage minimum amount and of these customers, over 75% of them have six units or less. In order to have a fair and equitable rate structure

though, it is recommend to increase the monthly water usage minimum charged to multiple unit locations that have one water meter to 2,000 gallons per unit, which is the same monthly amount charged to all other single family residences and commercial properties.

RECOMMENDATION: Since the proposed increases above may impact a number of customers, particularly the change to the monthly water usage minimum charged to multiple unit locations with one water meter, Staff is only introducing these proposed increases tonight and would like to have further discussion with a possible vote to pass a resolution to adopt these changes at the next Council meeting on September 15th. The extra time will give the public the opportunity to review these proposed changes and voice any concerns they may have to Staff and Council.

**CITY OF CHARLEVOIX
WATER & SEWER RATES
2014-2015 Budget**

	WATER RATES - In City		WATER RATES - Rural	
	Effective 4/1/2014	Proposed	Effective 4/1/2014	Proposed
Water Service Charge - Meter Size				
3/4" or Smaller	\$13.91		\$27.82	
1"	17.11		34.22	
1 1/2"	27.61		55.22	
2"	38.86		77.72	
3"	68.61		137.22	
4"	124.61		249.22	
6"	243.61		N/A	
Sprinkling Meter	1.50		3.00	
Commodity Charge				
1st 2,000 Gallons	3.30		6.60	
3rd-50th 1,000 Gallons	2.55		5.00	
51st 1,000 Gallons and Over	2.10		4.00	
Water Usage Minimum (Gallons)		2,000		2,000
Water Minimum Charge	17.21		34.42	
Privilege Fees				
New User Cost per REU, Prepaid	\$1,000.00		\$1,500.00	
Turn On Fee - Water Only	150.00	No Change	150.00	250.00
Turn On Fee - Sprinkler	20.00		20.00	

Other Water Rates

Service Upgrade
(to remove old galvanized pipe) Effective 4/1/2014
\$500.00

Water Tap Fee
3/4" Line 250.00
1" Line 320.00
Larger than 1" Line cost

Water Bacteriological Tests \$20/sample

	SEWER RATES - In City		SEWER RATES - Rural	
	Effective 4/1/2014	Proposed	Effective 4/1/2014	Proposed
Sewer Service Charge - Meter Size				
3/4" or Smaller	\$23.40		\$35.10	
1"	32.60		48.90	
1 1/2"	52.40		78.60	
2"	75.50		113.25	
3"	145.50		218.25	
4"	246.00		369.00	
6"	N/A		375.00	
Commodity Charge				
Commodity Rate per 1,000 Gallons	5.00		6.35	
Sewer Minimum Charge	33.40		47.80	
Summer Sprinkling Rate	N/A		N/A	
Privilege Fees				
New User Cost per REU, Prepaid	\$2,000.00		\$3,000.00	
Turn On Fee - Water & Sewer	210.00	350.00	210.00	525.00

CITY OF CHARLEVOIX
RESOLUTION 2014-09-XX
RESOLUTION TO AMEND RATES AND FEES ASSOCIATED WITH THE 2014-15 BUDGET

WHEREAS, the City of Charlevoix annually must adopt a balanced budget to comply with the City Charter; and

WHEREAS, the City of Charlevoix in preparing the budget, assumes the adoption of rates and fees for various services they provide in order to pay for those services in whole or in part as proposed in their annual budget; and

WHEREAS, the City of Charlevoix defines all of their rates and fees in the rate section of the proposed budget; and

THEREFORE, BE IT RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF CHARLEVOIX amends the rates and fees included in the 2014-15 Budget with changes to the rates and fees for the following areas, effective September 16, 2014:

1. Turn On Fee – Water Only (Rural): \$250
2. Turn On Fee – Water & Sewer (In City): \$350
3. Turn On Fee – Water & Sewer (Rural): \$525
4. Water Usage Minimum: 2,000 gallons

RESOLVED, this ____ day of September, A.D. 2014.

Resolution was adopted by the following yea and nay vote:

Yeas:

Nays:

Absent: