THE CITY OF Eaton Rapids MICHIGAN

Pamela Colestock – *Mayor*
Willliam Steele – *Mayor Pro Tem*
Deb Malewski – *Council Member*
Rick Loftus – *Council Member*
Ken Nicholas – *Council Member*

Yvonne Ridge – City Manager
Larry Joe Weeks – *Police Chief*
Roger McNutt – *Fire Chief*
LeRoy Hummel – *Building Official*
Rob Pierce – *Public Works/Utilities Director*
Genny Allen – *Treasurer/Finance Director*
Robin Webb – *City Clerk*
Corey Cagle – *Director of Parks, Recreation and Events*
Lisa Barna – Community and Economic Development Specialist
Randy Jewell – *City Assessor*
Cullen Harkness – *City Attorney*

CITY OF EATON RAPIDS
WORK SESSION AGENDA

June 10, 2024
5:00 pm
200 S. Main Street

This meeting will be streamed live for viewing only at:
https://us06web.zoom.us/j/85394331944
Meeting ID: 853 9433 1944
Please note all public comments must be made in person.

Call To Order

Public Comments

Unfinished and Special Business

New Business

1. Proposal for 2024 Bridge High Flow Monitoring Inspections – C2AE Engineering

2. Proposal for Substation Recloser Replacement & Foundation Repair Engineering Services – GRP Engineering, Inc. (Project #302)

3. Proposal for Substation Transformer Bid Documents, Engineering Services – GRP Engineering, Inc. (Project #206)

4. Ax MI Tax Update

5. 2023/2024 Budget Amendments

Pamela Colestock – *Mayor*
Willliam Steele – *Mayor Pro Tem*
Deb Malewski – *Council Member*
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6. Appendix – Article XVIII-General Standards & Exceptions, see 18.72 Performance Standards/Noise Ordinance Revision Recommendations

7. Low-Income Energy Assistance Fund (LIEAF) – OPT-IN or OPT-OUT

Public Comments

Adjourn

200 S. Main St. Eaton Rapids, MI 48827

RESOLUTION NO. 2024-13

A RESOLUTION TO AUTHORIZE CONTRACT WITH C2AE ENGINEERING SERVICES FOR 2024 BRIDGE HIGH FLOW MONITORING INSPECTIONS

WHEREAS, to comply with the Michigan Department of Transportation Bridge High Flow Monitoring; and,

WHEREAS, the following bridges are included for High flow Event inspections: State Street Bridge over Grand River, East Knight Street Bridge over Grand River. Hall Street Bridge over Mill Race; and,

WHEREAS, C2AE Engineering has submitted a quote to for 2024 Bridge High Flow Monitoring Inspections for the City of Eaton Rapids; and

THEREFORE, BE IT RESOLVED that the City Council authorizes the contract with C2AE Engineering for 2024 Bridge High Flow Monitoring Inspections.

The Foregoing resolution offered by Council Member _____ and supported by _____.

Upon roll call vote, the following voted:

Aye:
Nay:
Absent:

This resolution is adopted by the City of Eaton Rapids and approved by the Mayor this 10th day of June 2024.

_____
Pamela Colestock, Mayor

I hereby certify the foregoing is a true and complete copy of a resolution offered and adopted by the Eaton Rapids City Council at a Regular meeting held on June 10, 2024.

_____
Robin Webb, City Clerk

106 W Allegan St, Suite 500
Lansing, MI 48933
517.371.1200
www.c2ae.com

June 4, 2024

Mr. Rob Pierce
Public Works / Utility Director
City of Eaton Rapids
200 South Main Street
Eaton Rapids, MI 48827

Re: Proposal for 2024 Bridge High Flow Monitoring Inspections for Eaton Rapids

Dear Rob,

MDOT issued an email in 2023, regarding bridge inspections for high flow events.

This proposal is written to equip the City of Eaton Rapids (City) to satisfy the requirements described in that email. The attached proposal is to provide engineering services to assist the City to maintain continuous compliance.

The following scour critical bridges are included for High Flow Event inspections: State Street Bridge over Grand River, E. Knight Street Bridge over Grand River, Hall Street Bridge over Mill Race. See table of scour excerpt below.

Bridge Location/Name	Bridge #	Item 113 rating	Level I scour Completed	Level II Scour Completed	POA Completed	Existing foundation type
East Knight St. over Grand River	2442	3	2009	1996	2010	Spread abutment and pier footings
Hall St over Mill Race	2443	3	2009		2010	Pile supported curtainwall abutments
State St. over Grand River	2444	3	2009	2009	2010	Spread abutment and pier footings

These bridges show up on MDOT's High Flow Monitoring website as shown on the Attachment A screen shot.

Scope of Services

To comply with MDOT's request, we are providing a scope and fee for field visits and documentation after high flow events.

To determine if a storm event is to be considered a high flow event, C2AE will confer with the City of Eaton Rapids.

There is a stream gage near Petrieville. Gage # is 04111000. We will use this gage for flow data after significant rain events.

C2AE will perform the following described services:

1. Provide two people for the inspections for safety (one C2AE Qualified Team Leader and a support engineer from C2AE)

2. Conduct the High Flow Inspections per NBIS for the subject bridges after the High Flow event has occurred. This includes probing around existing pier and abutment footings to document any changes that may have occurred during the high flow event. This may also include streambed elevation documentation, if warranted to supplement existing information. The unscheduled scour inspection documentation will be collected on MiBRIDGE on the Scour Action Inspection Form.

3. Notify MDOT and the City in the event that Critical Findings are observed in the field, per Chapter 10, Critical Findings of Michigan Structure Inspection Manual.

4. Update MiBRIDGE, including new streambed cross sections and Scour Action Inspection Forms within 30 days after the high flow inspection has occurred.

5. Submit documentation electronically to the City for your records.

Assumptions

1. The inspections will occur in a portion of one day. You will be notified 24 hours before the inspection.

2. Inspections will consist of probing substructures and documenting new stream bed elevations if there is noticeable change in streambed depth at the substructures.

3. No traffic control will be necessary.

4. Field survey will not be performed.

5. Underwater inspections will not be performed as part of this work but should be considered for future inspection.

6. No face-to-face meetings have been included with this scope of work beyond the on-site meeting at the start of the inspections.

7. It is anticipated that a high flow event will require the inspections at bridges 2442, 2443 and 2444 during the same visit.

8. No kayak or boat is anticipated for these inspections.

9. The proposed cost will be for one visit for one high flow event.

Schedule

Once the agreement is signed, we will be on call and speak with you to determine when a high flow event has occurred. If it is determined that a high flow event has occurred, C2AE will mobilize and perform the high flow inspection on a mutually agreement date.

Update to MiBRIDGE within 30 days of the high flow event inspection.

Submit memo documenting findings within 14 days of the inspection.

Fee

We propose to provide the high flow bridge inspection scope of services for a total lump sum cost of $5,600 per occurrence. This proposal will renew annually with an Increase based on recent inflation.

In the event that streambed inspections are not required, the price will be reduced at amount to be reported to you before completing the work.

We have included our Standard Contract Provisions as part of our proposal. If the terms and conditions as stated are acceptable, please countersign and return one copy to our office. Feel free to contact us should you have any questions or concerns, or if you need additional information.

C2AE

Roger F. Marks, PE
Client Services Manager

Jim Minster, PE
Client Manger

Accepted by:

City of Eaton Rapids

Date

The parties to this agreement, Capital Consultants, Inc., dba "C2AE" in Michigan and dba "Capital Consultants Architecture and Engineering" in New York, hereinafter called C2AE and "City of Eaton Rapids", in Michigan, hereinafter called OWNER, hereby agree to the following conditions:

A. Scope of Services: OWNER and C2AE have agreed to a written description of services C2AE will provide to OWNER for an established compensation, hereafter referred to as "Scope of Services". Additional Services may be agreed to in writing by OWNER and C2AE in addition to the Scope of Services. Services not set forth in written agreement are specifically excluded from the scope of C2AE 's services, including any "financial advising" services. C2AE assumes no responsibility to perform any services not specifically agreed to in writing.

B. Standard of Care: C2AE shall perform its services consistent with the professional skill, care, and timeliness ordinarily provided by professional engineers and architects practicing in circumstances of similar time and place. C2AE makes no warranties, express or implied, under this Agreement or otherwise, in connection with any services performed or furnished by C2AE. However, C2AE shall correct any technical accuracy deficiencies in C2AE's Instruments of Service without additional compensation.

C. Schedule: C2AE shall ordinarily perform its services within a reasonable time. Upon OWNER's request, C2AE shall prepare and submit for OWNER approval a detailed schedule for the performance of C2AE's services. This schedule shall include reasonable allowances for review and approval times required by OWNER, performance of services by OWNER's consultants, and review and approval times required by public authorities having jurisdiction over the project. This schedule shall be equitably adjusted as the project progresses, allowing for changes in scope, character or size of the project requested by OWNER, or for delays or other causes beyond C2AE's reasonable control.

D. Changed Conditions: If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to C2AE are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, C2AE may call for renegotiation of appropriate portions of this Agreement. C2AE shall notify OWNER of the changed conditions necessitating renegotiation, and both parties shall promptly and in good faith renegotiate this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.

E. Payment Terms: Invoices prepared to C2AE's standard format will typically be submitted by C2AE monthly, are due upon receipt, and shall be considered past due if not paid within thirty (30) calendar days of the due date. If work is abandoned or suspended, C2AE shall be paid in full for services performed prior to receipt of written notice from OWNER of abandonment or suspension. If OWNER fails to make payments when due, C2AE may charge interest at one-and-one-half (1.5) percent or the maximum rate allowable by law, whichever is less, per month on the past due amount, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal. In addition, if OWNER fails to make payments when due or otherwise is in breach of this Agreement, C2AE may suspend performance of services when any invoice for services remains unpaid 60 days after the date of the invoice and upon five (5) calendar days' notice to OWNER. C2AE shall have no liability whatsoever to OWNER for any costs or damages as a result of such suspension caused by any breach of this Agreement by OWNER. Upon payment in full by OWNER, C2AE shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any other reasonable time and expense necessary for C2AE to resume performance.

F. Disputed Invoices: OWNER shall not withhold amounts from C2AE's compensation to impose a penalty or liquidated damages on C2AE, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless C2AE agrees or has been found liable for the amounts in a binding dispute resolution proceeding. If OWNER objects to any portion of an invoice, OWNER shall so notify C2AE in writing within ten (10) calendar days of receipt of the invoice. OWNER shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within ten (10) calendar days after presentation of invoice by direct negotiation

between the parties shall be resolved within thirty (30) calendar days in accordance with the Dispute Resolution provision of this Agreement.

G. Regulatory Compliance: C2AE shall put forth reasonable professional efforts to comply with applicable laws, codes and regulations in effect as of the date of submission to building authorities, including the Americans with Disabilities Act (ADA) which provides that alterations to a facility must be made in such a manner that, to the maximum extent feasible, the altered portions of the facility are readily accessible to persons with disabilities. Design changes made necessary by newly enacted laws, codes and regulations after submission date shall entitle C2AE to a reasonable adjustment in the schedule and additional compensation in accordance with the Additional Services provision of this Agreement. OWNER acknowledges that the requirements of laws, codes, and regulations, including the ADA, will be subject to various and possibly contradictory interpretations. C2AE, therefore, will use its reasonable professional efforts and judgment to interpret applicable requirements and other federal, state and local laws, rules, codes, ordinances and regulations as they apply to the project. C2AE, however, cannot and does not warrant or guarantee that OWNER's project will comply with all interpretations of all the requirements of federal, state and local laws, rules, codes, ordinances and regulations as they apply to the project.

H. Errors and Omissions and CONSULTANT's Limit of Liability: In recognition of the relative risks and benefits of the Project to both OWNER and C2AE, the risks have been allocated such that OWNER agrees, to the fullest extent permitted by law, to limit the liability of C2AE and its officers, directors, shareholders, employees, and sub-consultants for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert-witness fees and costs, so that the total aggregate liability of C2AE and its officers, directors, shareholders, employees, and sub-consultants shall not exceed $10,000 or C2AE's total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

I. Consequential Damages: Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither OWNER nor C2AE nor their respective officers, directors, shareholders, employees, and sub-consultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the project or to this Agreement. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both OWNER and C2AE shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.

J. Dispute Resolution: OWNER agrees that all claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or breach thereof first shall be submitted for nonbinding mediation to any one of the following, as agreed to by the parties: American Arbitration Association, American Intermediation Service, Americord, Dispute Resolution, Inc., Endispute, or Judicate. Any party hereto may initiate mediation within the time allowed for filing for arbitration as set forth below and the parties hereto agree to fully cooperate and participate in good faith to resolve the dispute(s). The cost of mediation shall be shared equally by the parties hereto. Any time expended in mediation shall not be included in calculating the time for filing arbitration. If mediation fails to resolve the claim or dispute, the matter shall be submitted to arbitration with the American Arbitration Association under the Construction Industry rules, unless the parties mutually agree otherwise or unless a plaintiff not a party hereto institutes litigation in a court of competent jurisdiction and said court takes personal jurisdiction over one of the parties hereto regarding the same subject matter as in dispute between the parties hereto. No arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder, or in any other manner, any additional person not a party to this Agreement except by written consent of the parties and such consent to arbitration involving an additional person(s) shall not constitute consent to arbitration of any dispute not described therein. This Agreement to arbitrate and any agreement to arbitrate with an additional person(s) shall be specifically enforceable under the prevailing arbitration law. The demand for arbitration shall be made within one (1) year of the date the claimant knew or should have known

of the existence of the claim, dispute, or other matter. If the demand for arbitration is not effectuated within one (1) year, the claim, dispute, or other matter shall be forever barred and not mandatory. The decision rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. In the event either party makes a claim or brings action against the other party for any act arising out of the performance of the services hereunder, and the claimant fails to prove such claim or action, then the claimant shall pay all legal and other costs (including attorneys' fees) incurred by the other party in defense of such claim or action.

K. Mutual Indemnification: Neither OWNER nor C2AE shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence. C2AE agrees, to the fullest extent permitted by law, to indemnify and hold harmless OWNER, its officers, directors and employees (collectively, OWNER) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by C2AE's negligent performance of professional services under this Agreement and that of its sub-consultants or anyone for whom C2AE is legally liable. Likewise, OWNER agrees, to the fullest extent permitted by law, to indemnify and hold harmless C2AE, its officers, directors, employees and sub-consultants (collectively, C2AE) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by OWNER's negligent acts in connection with the project and the acts of its contractors, subcontractors or consultants or anyone for whom OWNER is legally liable.

L. Use of Documents: All Documents (data, reports, drawings, specifications, models, and other deliverables, whether in printed or digital format) are Instruments of Service for which C2AE shall retain all common law, statutory and other reserved rights, including copyrights, whether or not the Project is completed. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of C2AE. C2AE grants to OWNER a nonexclusive license to use C2AE's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that OWNER substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. The license granted under this section permits OWNER to authorize the Contractor, Construction Manager, Subcontractors, and material or equipment suppliers, as well as OWNER's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services or construction for the Project, subject to the following limitations: (1) OWNER acknowledges that such Documents are not intended or represented to be suitable for use on the Project unless completed by C2AE, or for use or reuse by OWNER or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by C2AE; (2) any such use or reuse, or any modification of the Documents, without written verification, completion, or adaptation by C2AE, as appropriate for the specific purpose intended, will be at OWNER's sole risk and without liability or legal exposure to C2AE or to its officers, directors, employees, and sub-consultants; (3) OWNER shall indemnify and hold harmless C2AE and its officers, directors, employees, and sub-consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the Documents without written verification, completion, or adaptation by C2AE; and (4) such limited license to OWNER shall not create any rights in third parties. C2AE and OWNER warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

M. Construction Activities: Neither the professional activities of C2AE nor the presence of C2AE or its employees and sub-consultants at a project site shall relieve the Contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the work in accordance with the Contract Documents and any health or safety precautions required by any regulatory agencies. C2AE and its personnel have no authority to approve construction change orders or to issue stop work orders. C2AE and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures. OWNER agrees that the Contractor shall be solely responsible for jobsite safety and warrants that this intent shall be carried out in OWNER's contract with the Contractor. OWNER also agrees that OWNER and C2AE and its sub-consultants shall be included as indemnified parties by the Contractor in OWNER-Contractor agreement and shall be made additional insureds under the Contractor's policies of general liability insurance.

N. Hazardous Materials: As used in this Agreement, the term *hazardous materials* shall mean any substances, including but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes) or any other substances under any conditions and in such quantities as would pose a substantial danger to persons or property exposed to such substances at or near the project site. Both parties acknowledge that C2AE's Scope of Services does not include any services related to the presence of any hazardous or toxic materials. In the event C2AE or any other party encounters any hazardous or toxic materials, or should it become known to C2AE that such materials may be present on or about the jobsite or any adjacent areas that may affect the performance of C2AE's services, C2AE may, at its option and without liability for consequential or any other damages, suspend performance of its services under this Agreement until OWNER retains appropriate consultants or contractors to identify and abate or remove the hazardous or toxic materials and warrants that the jobsite is in full compliance with all applicable laws and regulations. OWNER agrees, notwithstanding any other provision of this Agreement, to the fullest extent permitted by law, to indemnify and hold harmless C2AE, its officers, directors, employees and sub-consultants (collectively, C2AE) from and against any and all claims, suits, demands, liabilities, losses, damages or costs, including reasonable attorneys' fees and defense costs arising out of or in any way connected with the detection, presence, handling, removal, abatement, or disposal of any asbestos or hazardous or toxic substances, products or materials that exist on, about or adjacent to the project site, whether liability arises under breach of contract or warranty, tort, including negligence, strict liability or statutory liability or any other cause of action, except for the sole negligence or willful misconduct of C2AE.

O. Opinions of Probable Construction Cost: When in the Scope of Services C2AE provides opinions of probable construction cost, OWNER understands that C2AE has no control over the cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that C2AE's opinions of probable construction costs are made on the basis of C2AE's professional judgment and experience. C2AE makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from C2AE's opinion of probable construction cost.

P. Distribution of Digital Documents: When in the Scope of Services C2AE provides digital information extracted from its Instruments of Service to OWNER or to others on behalf of OWNER, the recipient of the information will be required to agree to C2AE's Release of Electronic Documents Agreement, including compensation for C2AE to prepare the files. Under no circumstances shall delivery of electronic files by C2AE be deemed a sale, and C2AE makes no warranties, either express or implied, of merchantability and fitness of electronic files for any particular purpose. In no event shall C2AE be liable for any loss of profit or any consequential damages as a result of OWNER's or other's use or reuse of these electronic files.

Q. Record Documents: When identified in the Scope of Services and upon completion of the work C2AE shall compile for and deliver to OWNER a reproducible set of Record Documents based upon the marked-up record drawings, addenda, change orders and other data furnished by the Contractor. These Record Documents will show significant changes made during construction. Because these Record Documents are based on unverified information provided by other parties, which C2AE shall assume will be reliable, C2AE cannot and does not warrant their accuracy.

R. Design Without Construction Administration: When the Scope of Services does not include substantial involvement in project observation or review of the Contractor's performance or other construction phase services, OWNER assumes all responsibility for interpretation of the Contract Documents and for construction observation, and OWNER waives any claims against C2AE that may be in any way connected thereto. In addition, OWNER agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless C2AE, its officers, directors, employees and sub-consultants against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising out of or in any way connected with the performance of such services by other persons or entities and from any and all claims arising from modifications, clarifications, interpretations, adjustments or changes made to the Contract Documents to reflect changed field or other conditions, except for claims arising from the sole negligence or willful misconduct of C2AE.

S. On-site Construction Observation: When the Scope of Services includes part-time or full-time on-site project representation in order to observe the progress and quality of the work completed by the Contractor such observation is not intended to be an exhaustive check or a detailed inspection of the Contractor's work but rather is to allow C2AE, as an experienced professional, to become generally familiar with the work in progress and to determine, in general, if the work is proceeding in accordance with the Contract Documents. Such observation shall include keeping OWNER informed about the progress of the work and C2AE shall endeavor to guard OWNER against deficiencies in the work. In any case, C2AE shall not supervise, direct or have control over the Contractor's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. These rights and responsibilities are solely those of the Contractor in accordance with the Contract Documents. Finally, C2AE shall not be responsible for any acts or omissions of the Contractor, sub-contractor, any entity performing any portions of the work, or any agents or employees of any of them and does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform its work in accordance with the Contract Documents or any applicable laws, codes, rules or regulations.

200 S. Main St. Eaton Rapids, MI 48827

RESOLUTION NO. 2024-14
A RESOLUTION TO AUTHORIZE CONTRACT WITH GRP ENGINEERING, INC FOR SUBSTATION RECLOSER REPLACEMENT & FOUNDATION REPAIR ENGINEERING SERVICES

WHEREAS, the City of Eaton Rapids adopted an Electric Distribution System Study and Five-Year Plan April 23, 2023; and,

WHEREAS, the completion of the recommended projects listed in the report will allow the City of Eaton Rapids to more reliably serve electric system customers by replacing aged equipment, removing single-points of failure, and increasing circuit backfeed capabilities to the majority of customers including the top load and critical customer; and,

WHEREAS, the Substation Recloser Replacement is a recommended Fiscal Year 2024/2025 project; and,

WHEREAS, GRP Engineering, Inc., proposed to complete the engineering services for the West Substation Recloser Replacement Project for a lump sum of $23,000 including all expenses; and,

WHEREAS, GRP Engineering, Inc., proposes to complete the engineering services for the North Substation Recloser Replacement and Foundation Repair Project for a lump sum of $40,500 including all expenses and subcontract services; and,

THEREFORE, BE IT RESOLVED that the City Council authorizes the contract with GRP Engineering Inc., for Substation Recloser Replacement and Foundation Repair Engineering Services.

The Foregoing resolution offered by Council Member _____ and supported by Council Member _____.

Upon roll call vote, the following voted:

Aye:
Nay:
Absent:

This resolution is adopted by the City of Eaton Rapids and approved by the Mayor this 10th day of June 2024.

200 S. Main St. Eaton Rapids, MI 48827

_____

Pamela Colestock, Mayor

I hereby certify the foregoing is a true and complete copy of a resolution offered and adopted by the Eaton Rapids City Council at a Regular meeting held on June 10, 2024.

_____

Robin Webb, City Clerk

June 4, 2024

Mr. Robert Pierce
Public Works / Utilities Director
City of Eaton Rapids
200 S. Main Street
Eaton Rapids, MI 48827

RE: Substation Recloser Replacement & Foundation Repair
Engineering Services Proposal

Dear Rob:

GRP Engineering is pleased to present this proposal to the City of Eaton Rapids for engineering services associated with the North & West Substation Recloser Replacement project. This project is being completed to replace aging equipment and modernize protection and control systems at both North & West Substations. In conjunction with this project, the North Substation main bus foundation repair work will be completed since new foundations will be poured for the reclosers.

The project scope at West Substation includes replacement of four (4) reclosers and associated controllers plus new substation frames. The four new reclosers will include SEL-651RA controllers plus new power and control cables, covered wire jumpers, bushing wildlife guards, and new conduits. Reclosers will be replaced one at a time in order to maintain service to customers at all times. Circuits will be backfed through field switches and/or the substation transfer bus. All work on the West Substation recloser replacement will be completed by City of Eaton Rapids crews. Estimated total project cost is $182,000 based on City crews completing the work and GRP supporting testing and commissioning.

The project scope at North Substation includes replacement of four (4) reclosers, removal of the existing structural steel support members, installation of new concrete foundations and recloser frames. The existing SEL protective relays located inside the control house will be maintained. The four new reclosers will include new power and control cables, covered wire jumpers, bushing wildlife guards, and new conduits. Reclosers will be replaced two at a time since the existing structural frames support two reclosers. Circuits will be backfed through field switches and/or the substation transfer bus. Additionally, since new concrete foundations are required for this project, foundation repair for the 15kV main bus structure will be included in the project. All work on this project will be completed by contracted crews. Estimated total project cost is $247,000 which covers both the recloser replacement and foundation repair.

GRP will complete project design, prepare and process the recloser procurement document, prepare and process one construction contract for the North Substation work, perform construction observation, prepare circuit switching orders, perform recloser function testing, and project closeout. Proposed construction schedule is to start in March 2025 and complete recloser replacement and foundation repair no later than the end of April 2025. Due to recloser lead times of 24 – 26 weeks after award, the reclosers must be ordered by no later than October 1, 2024 to ensure on time delivery for fall 2025 commissioning.

West Substation Recloser Replacement Scope of Services

Our scope of services for completing the engineering design and commissioning phases include:

- Project kickoff meeting with City of Eaton Rapids staff.
- Drawing retrieval and conversion into AutoCAD format.
    - Existing paper drawings will be scanned into TIF format and inserted as images.
- Update West Substation one-line diagram.
- Complete physical layout and elevation drawings for West substation recloser replacement.
- Complete schematic and wiring diagrams for the new reclosers.
- Prepare revised cable tab and bill of materials.
- Assist City of Eaton Rapids with procurement of the four (4) new substation reclosers including bidding, evaluation and award.
- Calculation of settings and programming logic for the new SEL-651RA recloser controllers at West Substation.
- On-site recloser replacement work plan review meeting with City of Eaton Rapids staff.
- Preparation of switching orders and assistance with switching operations to isolate equipment for recloser replacement.
- Full function testing of the four new recloser controllers at West Substation.
    - Proposal based on four separate days on site with one substation engineer to complete function testing. Additionally, this includes one day on site with one substation engineer for initial controller power up, logic scheme retrieval and new database uploading.
- Preparation of electronic substation reference files including relay settings and documented test reports for new equipment.
- Provide record drawings in Adobe PDF format.

GRP Engineering proposes to complete the engineering services for the West Substation Recloser Replacement Project for a lump sum fee of $23,000 including all expenses. Engineering services will be billed on a monthly basis. Should work be requested by the City of Eaton Rapids outside the scope listed above, those services will be invoiced based hourly rates in place at time services are completed.

North Substation Recloser Replacement & Foundation Repair Scope of Services

Our scope of services for completing the engineering design and commissioning phases include:

- Project kickoff meeting with City of Eaton Rapids staff to review overall project scope.
- Drawing retrieval and conversion into AutoCAD format.
    - Existing paper drawings will be scanned into TIF format and inserted as images.
- Update North Substation one-line diagram.
- Complete physical layout and elevation drawings for substation recloser replacement.
    - Includes removal drawings for existing recloser structural steel mount.
- Complete schematic and wiring diagrams for the new reclosers.
- Prepare revised cable tab and bill of materials.
- Prepare main bus structure foundation repair drawings.
    - Circuits #4 & 5 will be de-energized during repair by moving load to circuits #2 & 3, respectively.
- Attend one (1) design review meeting with City of Eaton Rapids staff.
- Assist City of Eaton Rapids with procurement of the five (5) new substation reclosers including bidding, evaluation and award.
- Prepare construction contract including Contractor's bid, bonds and insurance.
- Conduct one on-site pre-construction meeting.
- Preparation of switching orders and assistance with switching operations to isolate equipment for recloser replacement and foundation repair.

- Calculation of settings and programming logic for the new SEL-651R reclosers controllers at North Substation.
- Full function testing of substation protection and control schemes covering the five new reclosers at each substation.
    - Proposal based on three separate days on site with one substation engineer to complete function testing. Additionally, this includes one day on site with one substation engineer for initial controller power up, logic scheme retrieval and new database uploading.
- Preparation of electronic substation reference files including relay settings and documented test reports for new equipment.
- Prepare project "punch list" following completion of construction.
- Process contractor invoicing and change orders *(if required.)*
- Prepare contract close-out documents.
- Provide record drawings in Adobe PDF format.

GRP Engineering proposes to complete the engineering services for the North Substation Recloser Replacement & Foundation Repair Project for a lump sum fee of $40,500 including all expenses and subcontracted services. Engineering services will be billed on a monthly basis. Should work be requested by the City of Eaton Rapids outside the scope listed above, those services will be invoiced based hourly rates in place at time services are completed.

Proposed Project schedule:

Project Kickoff	June 12, 2024
Procurement Document Completion	July 3, 2024
Bid Opening	August 7, 2024
Recloser Award	August 12, 2024
Construction Contract	September 23, 2024
Construction Award	October 14, 2024
Commissioning	April – May 2025

We appreciate the opportunity to submit this proposal and look forward to being of service to you. Please contact me should you have any questions.

Sincerely,
GRP Engineering

Michael P. McGeehan, P.E.

Accepted:

_____
City of Eaton Rapids

_____
Date

Enclosures

cc: City of Eaton Rapids
Lee Sifton

CITY OF EATON RAPIDS
WEST SUBSTATION RECLOSER & CONTROLLER REPLACEMENT
CONSTRUCTION COST ESTIMATE

ITEM	ITEM DESCRIPTION	UNITS	LABOR	MATERIAL	TOTAL	EXTENDED TOTAL
1	SEL-651RA Recloser Controller	4	$750.00	$10,500.00	$11,250.00	$45,000
2	G&W Viper ST Vacuum Recloser	4	$1,750.00	$16,450.00	$18,200.00	$72,800
3	19-Pin Circular Control Cable	4	$150.00	$385.25	$535.25	$2,141
4	2-Pin Circular Power Cable	4	$150.00	$328.85	$478.85	$1,915
5	Animal Guard (Ea. Recloser)	4	$150.00	$750.00	$900.00	$3,600
6	PT Secondary Cable (Ea. Recloser)	4	$520.00	$125.00	$645.00	$2,580
7	15kV #500CU Primary Jumpers & Fittings (Ea. Recloser)	4	$550.00	$700.00	$1,250.00	$5,000
8	Conduit Modifications (Ea. Recloser)	4	$250.00	$400.00	$650.00	$2,600
10	Demolition & Removals	LS	$2,000.00	$0.00	$2,000.00	$2,000
					Subtotal	$138,000
					Contingency (15%)	$21,000
					Engineering Design & Commissioning	$23,000
					Total Estimated Project Cost	**$182,000**

Notes:

1. All costs are estimated as 2024 construction costs.
2. Cost estimate based on a replacement of four existing Cooper VXE reclosers and Form-4C relcoser controllers with new G&W Viper vacuum reclosers including SEL-651RA controllers. As part of this project, the cabinets, control & power cables, primary jumpers, and PT secondary cables will be replaced. Cost estimate includes conduit modifications, animal guard, plus testing & commissioning of recloser controllers.
3. The cost estimate submitted herein is based on time-honored practices within the construction industry. As such, the Engineer does not control the cost of labor, materials, equipment or a contractor's method of determining prices and competitive bidding practices or market conditions. The estimate contained represents our best judgment as design professionals using current information available at the time of preparation. The Engineer cannot guarantee that proposals, bids and/or construction costs will not vary from this cost estimate.

CITY OF EATON RAPIDS
NORTH SUBSTATION RECLOSER & CONTROLLER REPLACEMENT
CONSTRUCTION COST ESTIMATE

ITEM	ITEM DESCRIPTION	UNITS	LABOR	MATERIAL	TOTAL	EXTENDED TOTAL
1	G&W Viper ST Vacuum Recloser	4	$1,750.00	$16,450.00	$18,200.00	$72,800
2	14-Pin Circular Control Cable	4	$725.00	$1,541.00	$2,266.00	$9,064
3	2-Pin Circular Power Cable	4	$500.00	$1,315.00	$1,815.00	$7,260
4	Animal Guard (Ea. Recloser)	4	$150.00	$750.00	$900.00	$3,600
5	PT Secondary Cable (Ea. Recloser)	4	$650.00	$225.00	$875.00	$3,500
6	15kV #500CU Primary Jumpers & Fittings (Ea. Recloser)	4	$550.00	$700.00	$1,250.00	$5,000
7	Conduit Modifications (Ea. Recloser)	4	$250.00	$400.00	$650.00	$2,600
8	Main Bus Foundation Repair	LS	$56,500.00	$8,500.00	$65,000.00	$65,000
9	Demolition & Removals	LS	$5,000.00	$0.00	$5,000.00	$5,000
10	Contractor Mobilization	LS	$2,500.00	$0.00	$2,500.00	$2,500
11	Insurance & Bonding	LS	$1,500.00	$0.00	$1,500.00	$1,500
					Subtotal	$178,000
					Contingency (15%)	$27,000
					Engineering Design & Commissioning	$42,000
					Total Estimated Project Cost	**$247,000**

Notes:

1. All costs are estimated as 2024 construction costs.
2. Cost estimate based on a replacement of four existing Cooper VXE reclosers with G&W Viper ST reclosers, removal of the existing structural recloser support members, and installation of new foundations and recloser frames. As part of this project, control & power cables, primary jumpers, and PT secondary cables will be replaced. Cost estimate includes conduit modifications, animal guard,and testing & commissioning of recloser controllers.
3. Inlcudes repair of one deteriorating mainbus concrete foundation.
4. The cost estimate submitted herein is based on time-honored practices within the construction industry. As such, the Engineer does not control the cost of labor, materials, equipment or a contractor's method of determining prices and competitive bidding practices or market conditions. The estimate contained represents our best judgment as design professionals using current information available at the time of preparation. The Engineer cannot guarantee that proposals, bids and/or construction costs will not vary from this cost estimate.

200 S. Main St. Eaton Rapids, MI 48827

RESOLUTION NO. 2024-15
A RESOLUTION TO AUTHORIZE CONTRACT WITH GRP ENGINEERING, INC FOR SUBSTATION TRANSFORMER BID DOCUMENTS

WHEREAS, the City of Eaton Rapids adopted an Electric Distribution System Study and Five-Year Plan April 23, 2023; and,

WHEREAS, the completion of the recommended projects listed in the report will allow the City of Eaton Rapids to more reliably serve electric system customers by replacing aged equipment, removing single-points of failure, and increasing circuit backfeed capabilities to the majority of customers including the top load and critical customer; and,

WHEREAS, the Substation Transformer Replacement is a recommended Fiscal Year 2025/2026 project; and,

WHEREAS, GRP Engineering, Inc., proposes to complete the Substation Transformer Bid Documents engineering services for a lump sum fee of $5,900, including expenses; and,

THEREFORE, BE IT RESOLVED that the City Council authorizes the contract with GRP Engineering Inc., for Substation Transformer Bid Documents.

The Foregoing resolution offered by Council Member _____ and supported by Council Member _____.

Upon roll call vote, the following voted:

Aye:
Nay:
Absent:

This resolution is adopted by the City of Eaton Rapids and approved by the Mayor this 10th day of June 2024.

_____
Pamela Colestock, Mayor

I hereby certify the foregoing is a true and complete copy of a resolution offered and adopted by the Eaton Rapids City Council at a Regular meeting held on June 10, 2024.

_____
Robin Webb, City Clerk

June 4, 2024

Mr. Robert Pierce
Public Works / Utilities Director
City of Eaton Rapids
200 S. Main Street
Eaton Rapids, MI 48827

RE: Substation Transformer Bid Documents
Engineering Services Proposal

Dear Rob:

GRP Engineering is pleased to present this proposal to the City of Eaton Rapids for engineering services associated with procurement of the new substation transformer. This 46kV:12.47kV 12/16/20MVA power transformer with LTC transformer will be utilized at West Substation as part of the larger substation upgrade project. Due to current manufacturing lead times, procurement of this transformer is being separated out from a complete engineering services contract for the substation.

The scope of this proposal covers the process to obtain proposals for the substation transformer including preparation of bid documents, submittal of bid documents to transformer manufacturers, plus evaluation of proposals, and recommendation for award. GRP Engineering will prepare bid documents based on the most current EJCDC Procurement Documents (2019) including Invitation to Bid, Instructions to Bidders, Bid Form, Procurement Agreement, Bond forms, and Supplementary Conditions, plus transformer specifications meeting the City's specific needs for this transformer including both electrical and physical requirements.

Proposed schedule is to complete preparation of the procurement documents within three weeks of acceptance of proposal, allow for a 6-week bid period, and completion of transformer proposal evaluations within one week after bid opening.

Substation Transformer Bid Documents Scope of Services

The scope of services for the bidding phase of the Substation Transformer Project includes the following:

- Preparation of transformer option list and review with the City of Eaton Rapids (including bushing type, monitoring equipment, insulating oil, warranty, spare parts, etc.)
- Preparation of Bid Documents *(EJCDC Project Manual)*
  - Invitation to Bid
  - Instruction to Bidders
  - Bid Form
  - Procurement Agreement
  - Bond Forms
  - General Conditions
  - Supplementary Conditions
  - Transformer Specifications

- Procurement Document Review meeting
- Submit bid documents to transformer manufacturers
- Respond to manufacturer questions during bid period
- Attend bid opening at City of Eaton Rapids offices
- Complete evaluation of bids received including loss evaluation and 10-year cost analysis
- Provide bid tabulation and purchase recommendation to the City of Eaton Rapids

GRP Engineering proposes to complete the Substation Transformer Bid Documents engineering services for a lump sum fee of $5,900, including expenses. All services performed for the City of Eaton Rapids within this scope will be billed on a monthly basis. Should additional services be required outside the scope of this proposal, we will complete those tasks on an hourly basis based on the attached rate sheet.

Proposed Project schedule:

Project Kickoff	June 12, 2024
Bid Document Completion	July 3, 2024
Bid Opening	August 7, 2024
Award (City Council Meeting)	August 12, 2024

We appreciate the opportunity to submit this proposal and look forward to being of service to you. Please contact me should you have any questions.

Sincerely,
GRP Engineering

Michael P. McGeehan, P.E.

Accepted:

_____
City of Eaton Rapids

_____
Date

Enclosures

cc: City of Eaton Rapids
Lee Sifton

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 6/10/2024

CITY MANAGER

To: Mayor and City Council

From: Yvonne Ridge, City Manager

Submitted: 6/6/2024

Subject: Ax MI Tax Update

☒Work Session

☐Regular Meeting

SUMMARY

The Michigan Municipal league has provided information to provide awareness to municipalities of the Ax MI Tax proposal that estimated to cut over $17 Billion in Funding for schools, roads, recreation, and public safety.

STAFF RECOMMENDATION/MOTION

Information and Discussion

LIST OF SUPPORTING DOCUMENTS

MML – Ax MI Tax Update

MML – Ax MI Tax Talking Points

michigan municipal league

Ax MI Tax Talking Points

Framing Comment

An effort known as Ax MI Tax aims to eliminate all real and personal property taxes in Michigan. This proposal will cut over $17 billion in funding for schools, roads, recreation, and public safety. At the same time, it provides fractional and restricted replacement funding to cities, villages, townships, and counties with no replacement revenue to schools or other authorities.

This proposal is not tax reform. It is an attack on our communities, and on schools, parks, libraries, community colleges, elections, trash collection, and public safety, which provide benefits to every resident of Michigan. The human impact will be profound, and the elimination of these services will ultimately devalue the property of every homeowner and business because Michigan will be a much less desirable place to live.

In a state that already has two constitutional property tax limitations, this proposal will cut over $17 billion in funding for critical services. It will immediately eliminate tens of thousands of jobs from our local economy and increase unemployment. It only provides fractional and restricted replacement funding to cities, villages, townships, and counties. There is NO replacement revenue for any other millage, including local school millages, state education tax, libraries, parks authorities, community colleges, garbage pick-up, roads, public safety authorities, transit, etc. Additionally, it seeks to establish minority rule by requiring super majorities for any revenue proposals going forward.

In short, this is bad public policy. Taxpayer-provided resources are needed to fund services we recognize are for the greater good. They provide real human and economic benefit to us all and are necessary for us to function as a society. In their absence, we lose more than just services: we lose the very community we know and love.

General Talking Points:

The Ax MI Tax ballot proposal:

- Cuts over $17 billion in funding for critical services and only provides fractional and restricted replacement funding to cities, villages, townships, and counties. Eliminates all other millages, including local school millages, state education tax, libraries, parks authorities, community colleges, garbage pick-up, roads millages, public safety authorities, debt, transit, zoo, art institute, etc.
- Eliminates thousands of skilled jobs from the Michigan economy.
- Encourages Michigan-based businesses to leave due to their inability to attract and retain workers in a state that will effectively have no public services or educational opportunities.
- Puts in place minority rule by requiring a 2/3 majority of the legislature for any increase in revenue that exceeds .01% over five years and similarly puts in place a 60% super majority requirement for local tax questions.

Schools

- Devastates and effectively eliminates capital improvements to our school buildings by cutting nearly $10 billion in funding with zero replacement revenue.
- Creates massive cuts to school support services, such as counselors, librarians, and educational aides, further impacting student well-being and academic success.
- Eliminates roughly 45% of ISD funding, which supports special education services.
- Will likely force schools to cut essential programs, such as:
  - Arts and music programs
  - Advanced Placement (AP) and International Baccalaureate (IB) classes
  - Vocational and technical education programs
  - Athletics and extracurricular activities
- Removes the ability for school districts to levy millages to repair, update, and build new school buildings. Bonds and sinking funds will not be able to cover the costs to keep existing buildings from crumbling or build new ones when they do.
- Has a significant and disproportionate impact on students from low-income families and communities that already face educational challenges.
- Guts school budgets, leading to teacher layoffs, significantly larger class sizes, program cuts, and even school closures.

Local Government

- Provides only fractional and restricted revenue replacement, ensuring a reduction in essential services, including police, fire, and EMS.
- Prohibits spending on any parks and recreation programs.
- Prohibits spending on any senior programs.
- Does not provide funding for county jails.
- Does not provide for the maintenance of any public grounds, i.e., the grass can't be cut or the snow shoveled around facilities.
- Provides no funding for trash collection or recycling services.
- Provides no funding for elections.
- Does not protect statutory revenue sharing, putting over $500 million at risk.
- Effectively eliminates economic development tools like downtown development authorities (DDAs) and tax increment financing (TIF).
- Communities utilizing Authorities for public safety or other services with tax capacity as a funding source receive no replacement revenue.
- Puts public pensions at risk due to both the stark revenue elimination and limited use provisions of the proposal.
- Requires a 60% super majority to approve any new tax proposal.

Other Tax Entities

- Eliminates over $4 billion (nearly 30%) from the state general fund budget, which could impact important services like the state police, corrections, economic development, veterans' affairs, etc.
- Drastically impacts community colleges, eliminating approximately 35% of their funding and potentially impacting another 24% due to the reduction in state general fund revenues.
- Eliminates most funding for public libraries, which will lead to the closure of important community anchors where residents utilize their services for both education and work. These closures will lead to layoffs and thousands of newly unemployed Michigan residents.
- Damages public transportation systems, which are vital for many residents to get to school, their place of employment, or the doctor's office. Funding cuts will lead to reduced service, fare hikes, and even complete shutdowns.
- Parks authorities like Huron Clinton Metro Parks will receive no replacement funding.
- Requires a 2/3 majority for any revenue increase over five years of more than .01%, not even matching inflation rates.

What you can and cannot do as a local elected official

With regard to ballot question committees, Michigan law significantly limits the types of activity that a Public Body can undertake. A governmental entity is essentially limited to:

- Taking a position on a ballot question; and
- Doing analysis on the impact of a ballot question.

Individual officers of a Public Body may also communicate a position on a ballot question. Apart from these narrow exceptions, section 57 of the Michigan Campaign Finance Act (MCFA), 1976 PA 388, as amended, MCL 169.257, strictly prohibits activities related to the support or opposition of a ballot question committee.

The MCFA broadly defines a Public Body to include:

a. A state agency, department, division, bureau, board, commission, council, authority, or other body in the executive branch of state government.

b. The legislature or an agency, board, commission, or council in the legislative branch of state government.

c. A county, city, township, village, intercounty, intercity, or regional governing body; a council, school district, special district, or municipal corporation; or a board, department, commission, or council or an agency of a board, department, commission, or council.

d. Any other body that is created by state or local authority or is primarily funded by or through state or local authority, if the body exercises governmental or proprietary authority or performs a governmental or proprietary function. [MCL 169.211]

The MCFA significantly limits the actions that a Public Body can undertake relative

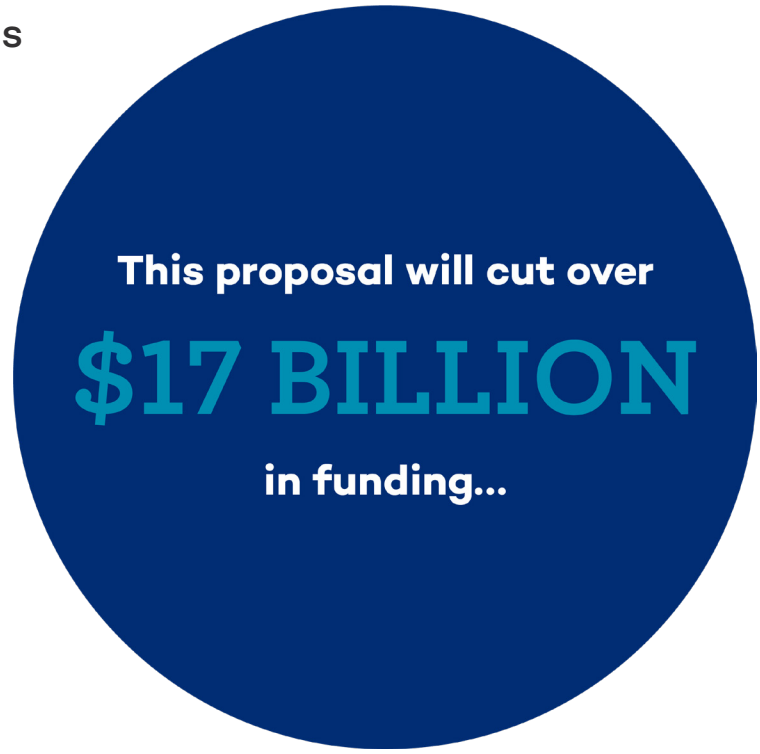
to a ballot question. Generally, the MCFA provides the following:

- **Use of Public Resources Prohibited.** Michigan's Campaign Finance Act prohibits a Public Body or an individual acting on behalf of the Public Body from using or authorizing the use of public resources to make a contribution or expenditure to influence or assist the qualification, passage, or defeat of a ballot question. [MCL 169.257(1)]
- **Exceptions for Views of Officials and Factual Information.** This general prohibition does not apply to "the expression of views by an elected or appointed public official who has policy making responsibilities" or to the production or dissemination of factual information concerning issues relevant to the function of a Public Body. A Public Body may undertake an analysis of the potential impacts of a ballot question. [MCL 169.257(1) (a) to (b)]
- **Adoption of Resolution.** A Public Body may adopt a resolution supporting or opposing a ballot question.
- **Publicizing Resolution.** A resolution supporting or opposing a ballot question may only be publicized in the same manner as other resolutions adopted by a Public Body and the use of public resources to distribute or publicize the resolution beyond ordinary means is a violation of the MCFA.
- **Occasional, Incidental Use of Public Resources by Official.** The occasional, incidental use of public resources to communicate with a constituent or the media regarding a ballot question falls within the statutory exception because public officials have an obligation to take positions on controversial political questions so that constituents are fully informed and better able to assess their qualifications for office.
- **Mass Communication Prohibited.** Mass distribution of e-mail messages, mailing of brochures, postcards, or flyers that in express terms advocates the passage or defeat of a ballot question is prohibited.

michigan municipal league

Ax MI Tax Update

An effort known as Ax MI Tax aims to eliminate all real and personal property taxes in Michigan. This ballot initiative is being pursued by individuals who say they "don't care" about what is lost. This "don't care" approach to the impact of this proposal devalues the importance of having shared interest and connections between community members.

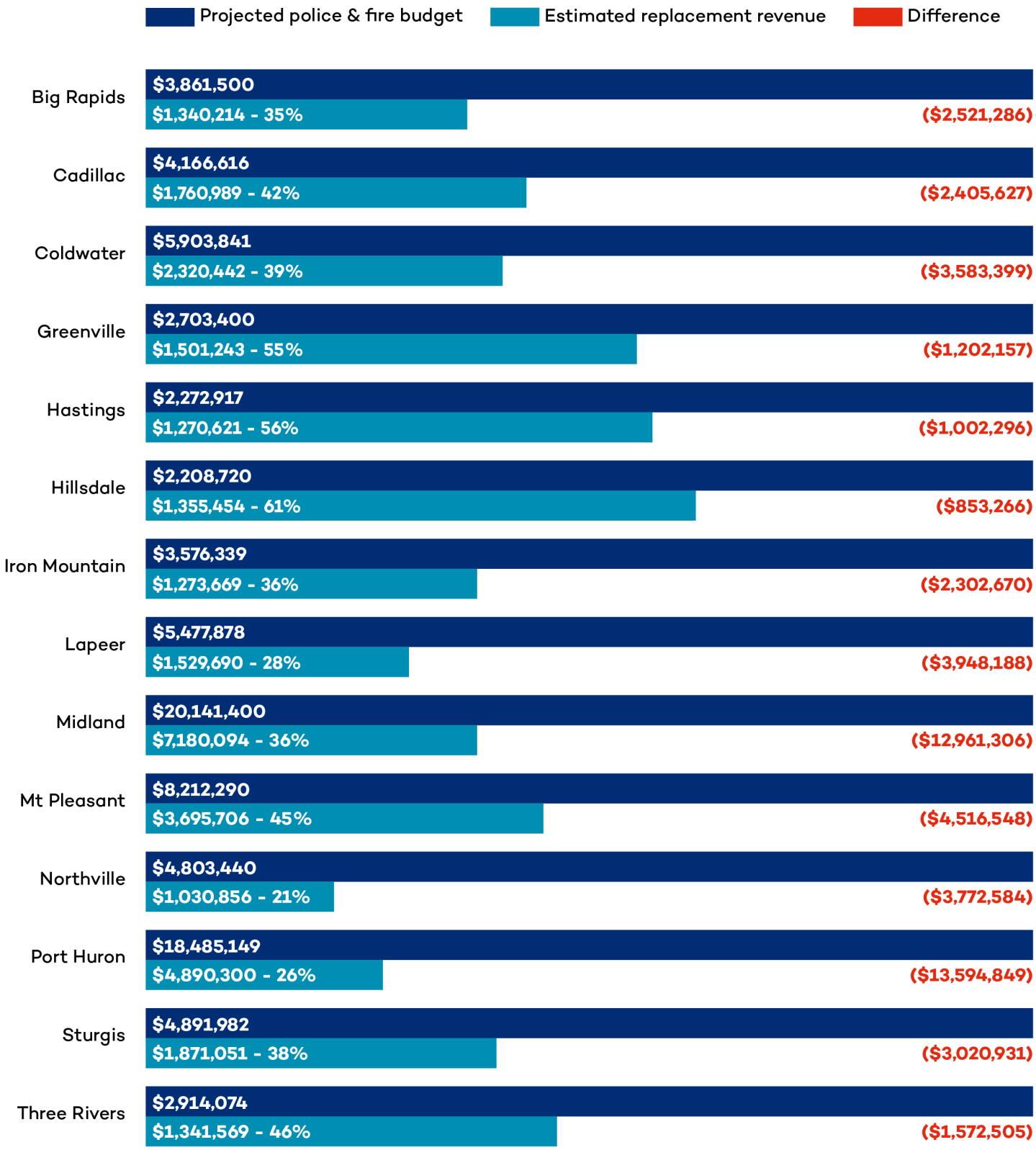


This proposal **will cut over $17 billion in funding for schools, roads, recreation, and public safety.** At the same time, it provides fractional and restricted replacement funding to cities, villages, townships, and counties with no replacement revenue to schools or other authorities.

As you know, communities are filled with spaces, activities, and **core services we need and utilize daily, such as public safety, senior services, roads and water infrastructure, trash collection, education opportunities, libraries, and more.** To fund these services, our communities rely on property taxes. These property taxes are vital to providing real human and economic benefits.

Local Public Safety Impacts

A sample of the consequences of this ballot proposal on public safety budgets.



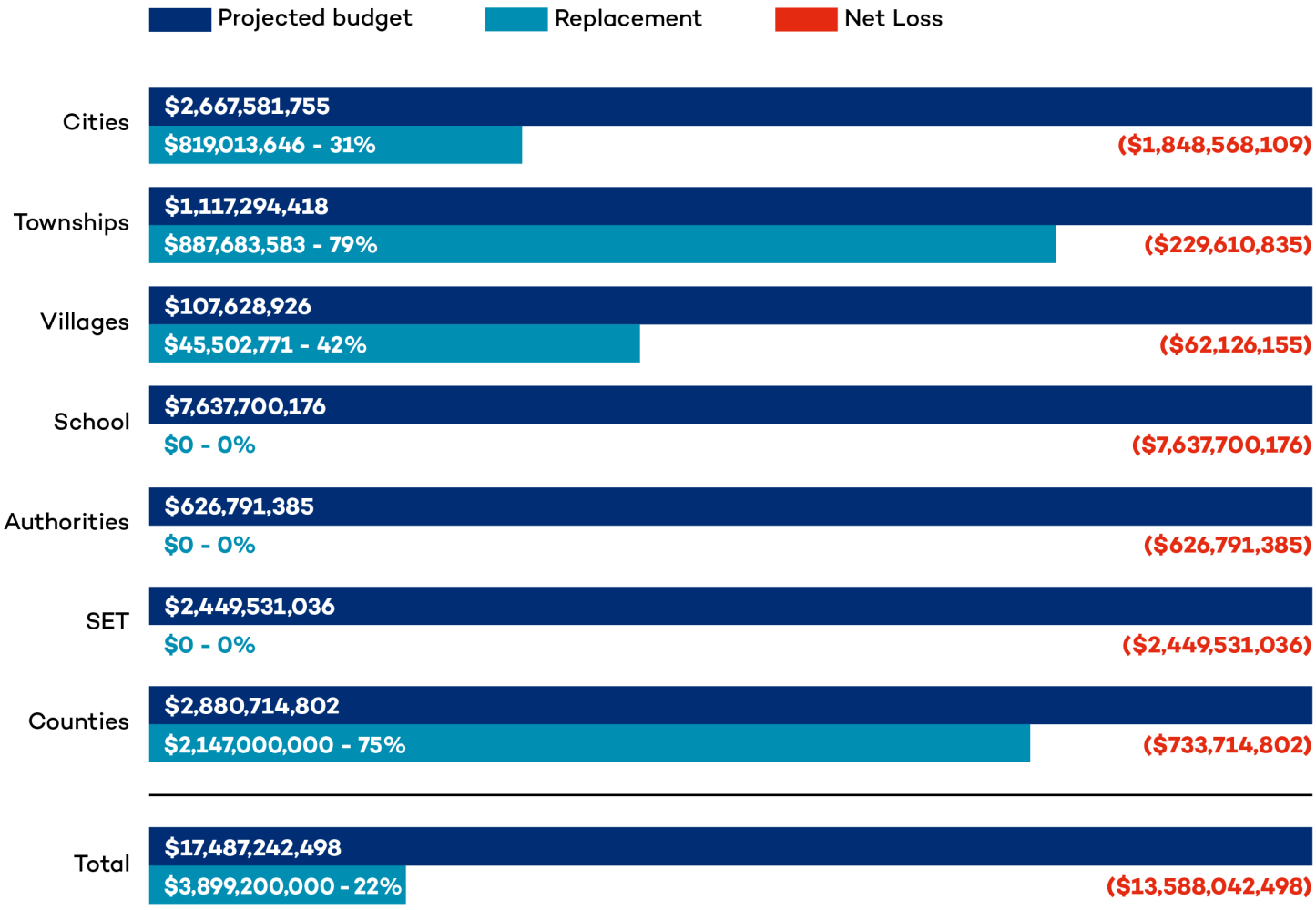
The proposal language includes the following

- Eliminating all current and future state, county, and municipal personal property taxes.
- Redistributing state tax revenue from sales, income, marijuana, alcohol, and tobacco to cities villages, townships, and counties.
- Redistributed tax revenue can only be expended on essential services and infrastructure, which are narrowly defined as public safety, courts, roads, and water infrastructure.
- Requiring 60% of voters to approve local taxes and 2/3 vote of the Legislature to increase any state tax by more than .01% over five years.

While reducing taxes may seem appealing, **this proposal will negatively impact in a profound way the very people and services it claims to protect.** The elimination of these resources will make it impossible for state and local governments to deliver core services, invest in our infrastructure, and spur economic growth.

Statewide Aggregate Impacts

A chart demonstrating the financial impact statewide.



INCREASED UNEMPLOYMENT

ELIMINATES SCHOOL FUNDING

ELIMINATES CAPITAL IMPROVEMENTS TO BUILDINGS

NO CLEAR FUNDING FOR VOTING OR JAILS

CUTS FUNDING FOR POLICE AND FIRE

REDUCES LOCAL BUSINESS VALUE

Here are some of the outcomes

- Eliminates all millages 45 days after the passage of the proposal, including **local schools, libraries, parks authorities, garbage pick-up, road millages, public safety authorities, transit, senior services,** etc.
- Provides no clear funding mechanisms to **hold elections or operate jails.**
- Jeopardizes untold **skilled public sector jobs,** leading to increased unemployment and straining the Michigan economy.
- Reduces the ability of **Michigan-based businesses** to attract and retain workers in a state that has devalued the public services, educational opportunities, and amenities their employees seek.
- Effectively eliminates capital improvements to our **school buildings** by cutting nearly $10 billion in funding with zero replacement revenue.
- Eliminates roughly 45% of Intermediate School District (ISD) funding, which supports **special education services.**
- Cuts roughly 1/3 of the funding for **community colleges,** which provide local, cost-effective access to higher education.
- Eliminates ad valorem special assessments that fund public safety, like **police and fire operations**.

This ballot initiative would have a catastrophic economic and social impact on every community whose services provide value to residents and businesses. Property taxes serve a clear purpose. In their absence, we lose far more than the ability to provide services; **we lose the ability for people to choose and contribute to the community where they live.**

THE CITY OF Eaton Rapids MICHIGAN

Pamela Colestock – *Mayor*
Willliam Steele – *Mayor Pro Tem*
Deb Malewski – *Council Member*
Stacee Robison – *Council Member*
Ken Nicholas – *Council Member*

Yvonne Ridge – City Manager
Larry Joe Weeks – *Police Chief*
Roger McNutt – *Fire Chief*
LeRoy Hummel – *Building Official*
Rob Pierce – *Public Works/Utilities Director*
Genny Allen – *Treasurer/Finance Director*
Robin Webb – *City Clerk*
Corey Cagle – *Director of Parks, Recreation and Events*
Randy Jewell – *City Assessor*
Cullen Harkness – *City Attorney*

MEETING DATE: JUNE 10, 2024 — TREASURER/FINANCE DIRECTOR

To: Mayor and City Council ☒Work Session

From: Genny Allen ☐Regular Meeting

Submitted: 6/10/2024

Subject: Budget Amendment for Fiscal Year End 2023-2024

SUMMARY

Budget amendments are used periodically to adjust accounts to the appropriate levels as no fund may have a budget deficit or exceed amended appropriations at fiscal year-end. Any budget amendments must be made prior to the end of the fiscal year.

Any changes to budget numbers require approval from the City Council.

The Budget Amendment and Resolution will be emailed to Council from the Treasurer in a separate communication.

STAFF RECOMMENDATION/MOTION

Motion to approve the Resolution for Budget Amendments for Fiscal Year 2023-2024.

LIST OF SUPPORTING DOCUMENTS

The Budget Amendment Resolution will be delivered in a separate email from the Treasurer. The email will contain an updated memo, the resolution, and the recommended budget amendment(s).

200 S. Main St. Eaton Rapids, MI 48827

RESOLUTION NO. 2024-17
A RESOLUTION TO OPT-OUT OF THE LOW-INCOME ENERGY ASSISTANCE FUND (LIEAF) FOR 2024/2025

WHEREAS, each year the City of Eaton Rapids is provided the option to OPT-IN or OPT-OUT of the Low-Income Energy Assistance Fund (LIEAF); and,

WHEREAS, the City of Eaton Rapids in past years has OPTED-OUT of LIEAF; and,

WHEREAS, the City of Eaton Rapids must notify the Michigan Municipal Electric Association by Wednesday, June 26 of its desire to OPT-IN or OPT-OUT of LIEAF; and,

WHEREAS, the City of Eaton Rapids Council desires to OPT-OUT of LIEAF; and,

THEREFORE, BE IT RESOLVED that the City Council authorizes the City Manager, Yvonne Ridge to notify the Michigan Municipal Electric Association of the decision to OPT-OUT of LIEAF for 2024/2025.

The Foregoing resolution offered by Council Member _____ and supported by Council Member _____.

Upon roll call vote, the following voted:

Aye:
Nay:
Absent:

This resolution is adopted by the City of Eaton Rapids and approved by the Mayor this 10th day of June 2024.

_____
Pamela Colestock, Mayor

I hereby certify the foregoing is a true and complete copy of a resolution offered and adopted by the Eaton Rapids City Council at a Regular meeting held on June 10, 2024.

_____
Robin Webb, City Clerk

THE CITY OF Eaton Rapids MICHIGAN

MEETING DATE: 6/10/2024

CITY MANAGER

To: Mayor and City Council

From: Yvonne Ridge, City Manager

Submitted: 5/31/2024

Subject: Low-Income Energy Assistance Fund (LIEAF)/PA 95

☒Work Session

☒Regular Meeting

SUMMARY

The Low-Income Energy Assistance Fund (LIEAF) provides critical energy assistance and self-sufficiency services to Michigan households that meet income qualifications. Under the law, ***non-participating utilities are not allowed to shut off service to any residential customer from Nov. 1 to April 15 for nonpayment of a delinquent account***. In addition, state law requires that funds need to be returned to the regions of the state from which they were collected, to the extent possible.

The LIEAF program raises a maximum of $50 million each year, through a monthly per-meter charge assessed on retail electric billing meters in all rate classes that cannot exceed $1. The surcharge last year was set at 88 cents. Funds raised through LIEAF are distributed through nonprofit service agencies across the state through the Michigan Energy Assistance Program (MEAP). The MPSC administers MEAP in partnership with the Michigan Department of Health and Human Services by approving grants to nonprofit organizations that provide direct assistance to qualifying customers.

In March 2024 discussion began at the State regarding mandating municipalities to OPT-IN to the LIEAF Program. Michigan Municipal Electric Association (MMEA) is working on securing an opt-out option for municipalities. As of today, we have a choice to opt-in or opt-out of the program.

The deadline is Wednesday, June 26 for opting IN or OUT of the program.

STAFF RECOMMENDATION/MOTION

Discussion and Adopt Resolution 2024-17 to OPT-OUT of LIEAF for 2024/2025

LIST OF SUPPORTING DOCUMENTS

Letter Ruling 2013-5 and OPT-IN/OPT-OUT Utilities

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

LETTER RULING 2013-5

LR 2013-5. Taxation of the Low-Income Energy Assistance Fund (LIEAF) Surcharge

You ask whether the Low-Income Energy Assistance Fund (LIEAF) surcharge itemized on the monthly bills of utility customers under MCL 460.9t is subject to tax under the General Sales Tax Act.

The LIEAF surcharge is not subject to sales tax. The LIEAF surcharge is a tax legally imposed directly on the consumer and is separately stated on the utility bill; therefore, it is excluded from "sales price" under MCL 205.51(1)(d)(ix) upon which sales tax is imposed. MCL 205.52(1).

Low-Income Energy Assistance Fund and the Michigan Energy Assistance Act. LIEAF is a fund created by 2013 PA 95. Under PA 95, the Public Service Commission sets a low-income energy assistance funding factor for electric utility companies. The factor is a "nonbypassable surcharge" on retail billing meters and is payable monthly by every electric utility customer. The maximum monthly surcharge is $1. While electric utility customers must pay the itemized surcharge if it is on their bill, the surcharge will not be billed if an electric utility company opts out of LIEAF. If an electric utility company opts out, it is prohibited from shutting off service from November 1st through April 15th to any residential customer who has a delinquent account.

The surcharge is collected by the electric utility companies and remitted to the Michigan Department of Treasury where it is deposited into a dedicated fund (LIEAF). The legislature then appropriates money from LIEAF to be spent by the Department of Human Services as provided by the Michigan Energy Assistance Act (2012 PA 615).

Relevant sales tax statutes. Tax is imposed under the General Sales Tax Act on "gross proceeds" (MCL 205.52(1)), which is defined as "sales price." MCL 205.51(1)(d). "Sales price" means "the total amount of consideration … for which tangible personal property or services are sold …." "Sales price" includes "charges by the seller for any services necessary to complete the sale" (MCL 205.51(1)(d)(iii)) but excludes "any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser." MCL 205.51(1)(d)(ix).

The LIEAF surcharge is not for a service necessary to complete the sale. If the electric utility company does not opt out of LIEAF, the "nonbypassable" surcharge must be paid by its customers to complete the sale. Although all customers are billed the surcharge, customers do not receive additional services from the electric utility company. Customers with delinquent accounts may receive assistance from the State through a LIEAF contractor but customers do not pay the surcharge in exchange for a service necessary to complete a sale.

The LIEAF surcharge is excluded from the "sales price" because it is a separately-itemized tax. The LIEAF surcharge is a tax legally imposed directly on the consumer that is separately stated on

the utility bill. In *Bolt v City of Lansing*, 459 Mich 152 (1998), the Michigan Supreme Court established three criteria for distinguishing between a fee and a tax.

1) *A fee must serve a regulatory purpose rather than a revenue-raising purpose.*
The purpose of the LIEAF surcharge is to raise money to help low income customers pay delinquent utility bills. There does not appear to be a regulatory purpose.

2) *A fee must be proportionate to the necessary costs of the service.*
Customers pay a flat LIEAF surcharge per meter that is unrelated to the amount of energy used or services consumed. Further, customers see no increase or decrease in services as a result of the surcharge.

3) *A user fee must be voluntary.*
Customers have no choice if the electric utility company does not "opt out," since the LIEAF surcharge is "nonbypassable" and "payable monthly by every customer."

The LIEAF surcharge is not paid in exchange for a service necessary for the completion of the sale because customers receive no service from their electric utility company in exchange for the payment. However, the LIEAF surcharge is a tax imposed directly on the consumer and is paid to the State. Because the LIEAF surcharge is a tax legally imposed directly on the consumer that is separately stated on the electric utility bill, it is excluded from "sales price" and is not subject to tax under the General Sales Tax Act.

September 23, 2013
LR 2013-5

Michael A. Eschelbach
Director, Bureau of Tax Policy

2024 LIEAF Estimated Surcharge Remittances from Electric Service Providers

OPT-IN Electric Providers	Estimated Remittence
Alger Delta Coop Elec	$108,676.13
Alpena Power	$174,472.67
City of Bay City	$213,722.69
Village of Baraga	$8,335.35
Consumers Energy	$19,808,430.36
Croswell Light & Power Dept.	$11,184.15
City of Crystal Falls	$16,807.87
City of Dowagiac	$28,593.43
DTE Energy	$23,766,277.94
City of Gladstone	$30,661.44
Great Lakes Energy Coop	$1,291,336.23
City of Hart	$11,331.86
Hillsdale Board of Public Utilities	$63,823.49
Homeworks Tri-County Elec Coop	$283,824.07
Indiana Michigan	$1,384,038.03
Lansing Board of Water & Light	$1,042,742.22
Marshall Electric Department	$48,007.42
Midwest Energy Coop	$351,899.65
Neguanee Dept. of Public Works	$21,059.96
Newberry Water & Light Board	$15,668.36
Niles Utilities Dept.	$66,471.81
NSP-Wisc (Xcel)	$94,052.33
City of Norway	$22,220.58
City of Petoskey	$51,848.01
Presque Isle Elec & Coop	$358,525.73
City of St. Louis	$20,806.73
Thumb Electric Coop	$125,863.84
Union City Electric Department	$16,280.32
Upper Peninsula Power	$563,037.33

OPT-OUT Electric Providers
Bayfield Elec Coop
City of Charlevoix
Chelsesa Dept. of Electric & Water
Cherryland Elec Coop
Village of Clinton
Cloverland Electric Coop
Coldwater Board of Public Utilities
Daggett Electric Department
City of Eaton Rapids
City of Escanaba
Grand Haven Board of Light & Power
City of Harbor Springs
Holland Board of Public Works
Village of L'anse
Lowell Light & Power
Marquette Board of Light & Power
Ontonagon Co Rural Elen
Village of Paw Paw
City of Portland
City of Sebewaing
City of South Haven
City of Stevenson
City of Sturgis
Traverse City Light & Power
UMERC
City of Wakefield
Wyandotte Dept of Municipal Service
Zeeland Board of Public Works

200 S. Main St. Eaton Rapids, MI 48827

RESOLUTION NO. 2024-18
A RESOLUTION TO APPROVE THE PUCHASE OF MOWER

WHEREAS, the John Deere Mower at the Department of Public Works is in need of replacement and approved in the FY 2023/2024 Budget; and,

WHEREAS, staff obtained two proposals for the Mower that ranged from $12,085.32 to $16,663.64 including delivery; and,

WHEREAS, Hutson presented the lowest cost for the Mower; and,

WHEREAS, cost for the Mower has been budged for and will charged to the Department of Public Works; and,

THEREFORE, BE IT RESOLVED that the City Council authorizes the purchase of a new John Deere Mower in the amount of $12,085.32 from Hutson.

The Foregoing resolution offered by Council Member _____ and supported by Council Member _____.

Upon roll call vote, the following voted:

Aye:
Nay:
Absent:

This resolution is adopted by the City of Eaton Rapids and approved by the Mayor this 10th day of June 2024.

_____
Pamela Colestock, Mayor

I hereby certify the foregoing is a true and complete copy of a resolution offered and adopted by the Eaton Rapids City Council at a Regular meeting held on June 10, 2024.

_____
Robin Webb, City Clerk