



AGENDA
CITY COMMISSION MEETING
MONDAY, NOVEMBER 23, 2020
ELECTRONIC

Members of the public can attend online at:

<https://us02web.zoom.us/j/86170749153>

OR by calling in to 1-312-626-6799 and using the Webinar ID: 861 7074 9153

Members of the public can also view the meeting online at:

<https://youtu.be/WRj-SBKGZgc>

REGULAR MEETING 6:00 P.M.

1. CALL TO ORDER BY MAYOR
2. PLEDGE OF ALLEGIANCE
3. INVOCATION – Pastor Doug Carr, His House Foursquare Church
4. ROLL CALL
5. PROCLAMATIONS / PRESENTATIONS
 - A. Small Business Saturday Proclamation – Mayor Robert Hile
6. VISITORS – (Public comments for items not listed as agenda items)
7. APPROVAL OF AGENDA
8. APPROVAL OF CONSENT AGENDA (agenda on next page)
9. UNFINISHED BUSINESS
10. NEW BUSINESS
 - A. Zoning Ordinance Amendments for Accessory Structures, Retail in Manufacturing, and Duplexes in R-3 – First Readings – William Prichard
 - B. St. Joseph County Designated Assessor Interlocal Agreement – Michael Hughes
 - C. Grande Point Power Corporation Power Purchase Agreement – John Griffith
11. COMMISSIONER / STAFF COMMENTS
12. CLOSED SESSION – Purchase of Property
13. ADJOURN

CONSENT AGENDA

8A. Action of Minutes of Previous Meetings

APPROVE the minutes from the November 11, 2020 regular meeting as presented.

8B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,785,662.53 as presented.

8C. Kristkindlmarkt Event Requests

AUTHORIZE City Staff to approve necessary requests for use of public property including road closures in the downtown area for the Kristkindlmarkt event.

8D. Library Board Resignation

ACCEPT the letter of resignation of Carol Wallman from the Sturgis District Library Board of Trustees and SEND a letter of recognition for her service.

Manager's Report

NOVEMBER 23, 2020



CITY OF
Sturgis
MICHIGAN

Submitted by:

A handwritten signature in dark ink, appearing to read "Michael L. Hughes".

Michael L. Hughes
City Manager

5. Proclamation

A. Small Business Saturday Proclamation

Staff: Mayor Robert Hile

Included in your packet is a proclamation proclaiming Saturday, November 28, 2020 as Small Business Saturday in the City of Sturgis and encourages support for our small businesses.

8. Consent Agenda

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the Consent Agenda for November 23, 2020 as presented.

Staff Recommendation:

APPROVE

8A. Action of Minutes of Previous Meetings

Consent Agenda Motion:

APPROVE the minutes from the November 11, 2020 regular meeting as presented.

8B. Pay Bills

Consent Agenda Motion:

AUTHORIZE the payment of the City bills in the amount of \$1,785,662.53 as presented.

8C. Kristkindlmarkt Event Requests

Plans for the City's typical Christmas activities in downtown have been thrown into flux by the recent gathering restrictions put in place by the Michigan Department of Health and Human Services (DHHS). Events were scheduled to take place in downtown December 3, 4, and 5 but have since been cancelled.

The DDA is keeping open the possibility of holding the Kristkindlmarkt (Christmas market) and Sip and Stroll on December 10, 11, and 12 when the gathering restrictions are set to expire. If the events are possible, one or both will need to use public spaces including road closures of at least areas of Pleasant Ave. and North St.

Staff is requesting Commission authorization to review and approve necessary requests for use of public property including road closures in the downtown area for this event.

If an event is possible, the flexible authorization will allow staff to work with the DDA to set it up in a way that meets any MDHHS restrictions in a timely manner.

Consent Agenda Motion:

AUTHORIZE City Staff to approve necessary requests for use of public property including road closures in the downtown area for the Kristkindlmarkt event.

8D. Library Board Resignation

Included in your packet is a letter of resignation from Carol Wallman regarding her position on the Sturgis District Library Board of Trustees.

Consent Agenda Motion:

ACCEPT the letter of resignation of Carol Wallman from the Sturgis District Library Board of Trustees and SEND a letter of recognition for her service.

Information Included in Packet:

1. Wallman Letter of Resignation

10. New Business

A. Zoning Ordinance Amendments for Accessory Structures, Retail in Manufacturing, and Duplexes in R-3 – First Readings

Staff: William Prichard

Accessory Buildings, Structures and Uses

Over the past several months the Planning Commission has been discussing changes to Section 1.1105 Accessory buildings, structures and uses. These changes would provide greater flexibility in permitting these structures within the City. The following changes were recommended to the City Commission by the Planning Commission following their public hearing on November 17th. A full redlined copy of the ordinance is included in your packet.

Proposed changes include:

- (A)(3) Permitting accessory buildings to be closer than 10 feet to another building on the same lot if certain requirements are met.
- (A)(4) Changing the setback from a lot line for accessory buildings or accessory structures greater than 200 square feet to be no closer than 10 feet to any lot line.
- (B)(1) Changing the maximum allowable height for certain types of accessory structures such as satellite systems, antenna systems, solar panels, wind generators or similar structures when installed atop a building or structure to the maximum height as allowed in its zoning district. NOTE: The maximum height in R-1, R-2, R-3 and R-5 is 30 feet and the maximum height in the R-4 district it is 40 feet.
- (B)(2) Changing language referencing renting or leasing a private garage to someone not residing in the dwelling.
- (B)(3) Changing the calculation for the permitted square footage of all accessory buildings to be based on the square footage of the ground or first floor of the principal building (including an attached garage with a foundation and roof).

- (B)(5) Adding language that accessory buildings exceeding 200 square feet shall be built with architecture and materials to compliment the dwelling.
- (B)(9) Adding language that allows owners with lots that exceed the minimum lot size by 125% a means to request consideration from the Planning Commission for additional accessory structure square footage with certain conditions.

Proposed Motion:

Move that the Sturgis City Commission CONSIDER/NOT CONSIDER this the first reading of an amendment to the City of Sturgis Zoning Ordinance Section 1.1105, Accessory Buildings, Structures and Uses as presented.

Retail and Retail Services in the Manufacturing District

Recently City staff was approached by a business owner regarding the ability to locate retail services in vacant commercial buildings in the Manufacturing (M) zoning district. Staff referred the question to the Planning Commission for discussion of this use type.

Included in your packet are two draft ordinance amendments recommended by the Planning Commission following a public hearing at their November 17th meeting. One adds a special land use for “Stores for retail and retail services” to the M zoning district, while the other amendment provides for specific requirements for the special land use.

The specific requirements were drafted based on Planning Commission discussion and include a minimum square footage requirement for the use, a requirement for co-location with another use permitted in the M district, a maximum percentage occupancy of the use, parking requirements, and signage requirements.

Proposed Motion:

Move that the Sturgis City Commission CONSIDER/NOT CONSIDER this the first reading of amendments to the City of Sturgis Zoning Ordinance Sections 1.0410 – Manufacturing and 1.0603 – Special Land Use Designated pertaining to stores for retail and retail services in the Manufacturing district as presented.

Two-Family Dwellings in R-3

Two-family dwellings (duplexes) were a special land use in the R-3 residential zoning district until 2015. The use was removed due to an overwhelming response from citizens regarding the conversion of existing single-family homes into two-family dwellings. Currently two-family dwellings are a permitted use in the R-4 residential zone and a special land use in the R-5 residential zoning district.

In 2015 the Planning Commission was in favor of considering permitting two-family dwellings as a special land use in other zones sometime in the future. This was also discussed by the Planning Commission as part of the most recent the Master Plan update.

The City was recently approached by a developer who wanted to alter an existing commercial building into a two-family dwelling in the R-3 zoning district. Per the 2015 change, this use is not permitted. City staff took the issue to the Planning Commission, recommending that they consider permitting two-family dwellings in the R-3 district as a special land use.

Following discussion and a public hearing at their November 17th meeting, the Planning Commission has recommended two amendments to the City Commission regarding two-family dwellings. The first creates the special land use in the R-3 zoning district. The second amendment involves changes to the current special land use requirements for a two-family dwelling, including:

- Requiring that the entire driveway and parking area be solid surface.
- Allowing the reuse of a non-residential building to be able to apply for this special land use.

Proposed Motion:

Move that the Sturgis City Commission CONSIDER/NOT CONSIDER this the first reading of amendments to the City of Sturgis Zoning Ordinance Sections 1.0403 – R-3 Residential and 1.0603 – Special Land Use Designated pertaining to two-family dwellings as presented.

Staff Recommendations:

CONSIDER, CONSIDER, and CONSIDER

Included in your packet:

1. Section 1.1105 – Accessory Buildings, Structures, and Uses REDLINE
2. Retail in Manufacturing Zoning Ordinance Language
3. Two-Family Dwellings Zoning Ordinance Language

New Business

B. St. Joseph County Designated Assessor Interlocal Agreement

Staff: Michael Hughes

Public Act 660 of 2018 was signed into law on December 28, 2018. It requires that all counties have a Designated Assessor (DA). The DA is part of the process to ensure that local units of government are in compliance with the statutory provisions of the General Property Tax Act and therefore are meeting minimum assessing requirements. A DA is to be selected and agreed to by the County Board of Commissioners and a majority of the assessing districts within that county, subject to final approval of the State Tax Commission. The DA serves as the assessor of record and assumes all duties and responsibilities as the assessor of record for an assessing district that is determined to be non-compliant with an audit.

PA 660 requires that each county notify the State Tax Commission no later than December 31, 2020, of the individual that will serve as the county's DA. In addition, each county must provide the State Tax Commission with an interlocal agreement executed by the County Board of Commissioners, a majority of the assessing districts within that county, and the proposed DA for the county.

Included in your packet is the proposed Designated Assessor Interlocal Agreement between St. Joseph County, the City of Sturgis, and the other taxing districts in the County. It names Joshua D. Simmons as the DA for St. Joseph County. The City Attorney has reviewed the proposed contract and has no changes or additions.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the Saint Joseph County Interlocal Agreement for Designated Assessor as presented.

Staff Recommendation:

APPROVE

Included in your packet:

1. St. Joseph County Designated Assessor Interlocal Agreement
2. Overview of Designated Assessors and Audit Process
3. Designated Assessor Contract Checklist

New Business

C. Grande Point Power Corporation Power Purchase Agreement

Staff: John Griffith

The City of Sturgis has been purchasing energy from Grande Pointe Power Corporation (GPPC) and its predecessors since 1982. Historically, the price paid for energy was based on the City's wholesale power supply cost. Over the past four years this has averaged \$62.40 per megawatt-hour (MWh).

Included in your packet is a new draft Purchase Power Agreement (PPA) with GPPC. The proposed agreement includes a \$50.00 per MWh price for power over a ten-year term. The Michigan Public Power Agency reviewed the price and term of the contract and has recommended it. The City Attorney has also reviewed the agreement. As part of the agreement Sturgis will also receive transmission, Capacity, and Renewable Energy credits for the power from GPPC.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the Purchase Power Agreement with Grande Pointe Power Corporation as presented and AUTHORIZE City Manager Michael Hughes to sign all necessary documents.

Staff Recommendation:

APPROVE and AUTHORIZE

Included in your packet:

1. Power Purchase Agreement

Noteworthy Meetings / Events

- MML Monday Morning Live | November 9th
- Annual City Commission Organizational Meeting | November 9th
- COVID-19 Updates & Resources for Local Government Webinar | November 10th
- Sturgis Urban Tree Canopy Webinar Presentation | November 10th
- Styrofoam Recycling | November 14th
- DDA Special Meeting | November 16th
- Retirement Board Meeting | November 17th
- Planning Commission Meeting | November 17th
- Drinking Water Asset Management Grant Webinar | November 18th
- MME Board Meeting | November 19th
- St. Joseph County Brownfield Authority Meeting | November 19th
- Sturges-Young Center for the Arts Advisory Board Meeting | November 19th

Upcoming Events

- City Offices Closed for Thanksgiving | November 26th-27th

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 5A



PROCLAMATION OF THE CITY OF STURGIS

WHEREAS, the small business sector contributes significantly to the Sturgis economy and employs many city residents; and

WHEREAS, the owners and operators of small businesses foster economic growth through the creation of jobs and the production and sale of goods and services for people; and

WHEREAS, the COVID-19 pandemic has greatly impacted our economy, particularly small businesses, causing stress for these entrepreneurs as they struggle to keep their businesses and the jobs they support alive; and

WHEREAS, the City of Sturgis recognizes these businesses, especially during these economically-challenging times, as a critical component of restoring, rebuilding, and maintaining a healthy economy in our community now and in the future; and

WHEREAS, the Holiday shopping season is one of the busiest times of the year for retailers and Saturday, November 28, 2020 is being observed across the country as "Small Business Saturday," celebrating the entrepreneurial spirit of small business owners and highlighting the resourcefulness, ingenuity, hard work, and commitment of these individuals.

NOW, THEREFORE BE IT RESOLVED, that the City of Sturgis joins in the Small Business Saturday initiative and supports small business owners, recognizing their valuable role and contributions to our economy; and

BE IT FURTHER RESOLVED, as Mayor of the City of Sturgis I do hereby proclaim November 28, 2020, as SMALL BUSINESS SATURDAY and encourage continued support of our small businesses.

Robert C. Hile, Mayor

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 8A

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, NOVEMBER 11, 2020
STURGES-YOUNG CENTER FOR THE ARTS

Mayor Hile called the meeting to order at 6:00 p.m.

The Pledge of Allegiance was said by all present.

The Invocation was given by Pastor George Cleverley, Church of Christ

Commissioners present: Klinger, Wickey via Zoom, Smith, Littman, Good, Vice-Mayor Mullins, Mayor Hile

Commissioners absent: Bir, Malone

Also present: Assistant to the City Attorney, City Manager, Assistant City Manager, Public Safety Director, Deputy Public Safety Director, Wastewater Superintendent, City Engineer, City Controller, City Clerk

City Clerk/Treasurer Kenneth Rhodes administered the Oath of Office to Andrew Strudwick, Deputy Director of Public Safety and Ryan Banaszak, Director of Public Safety.

Moved by Comm. Littman and seconded by Comm. Good to approve the agenda as presented.

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Klinger to approve the Consent Agenda of November 11, 2020 as presented.

8A. Action of Minutes of Previous Meetings

APPROVE the minutes from the October 28, 2020 regular meeting as presented.

8B. Pay Bills

AUTHORIZE the payment of the City bills in the amount of \$1,095,620.60 as presented.

8C. Set Public Hearing for Pleasant Ave Sidewalk Special Assessments

SET a Public Hearing of Assessment for the Pleasant Avenue Sidewalk Repair Assessment District #2020-01 for the December 21, 2020 City Commission meeting.

8D. Fawn River Township PA 425 Agreement #4 Transfers

ADOPT the Resolution for Transfer of Property from Fawn River Township (Agreement #4) for 68609 Lakeview Road as presented.

ADOPT the Resolution for Transfer of Properties from Fawn River Township (Agreement #4) for vacant parcels on Arthur Street as presented.

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

Mayor Hile opened the Public Hearing on Special Assessment Roll #2019-01.

City Engineer Barry Cox provided details on the sidewalk improvements. Discussion followed with the City Commission.

There were no comments from the public.

Mayor Hile closed the Public Hearing.

Moved by Comm. Good and seconded by Comm. Klinger to approve Special Assessment Roll #2019-01 as presented.

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

Moved by Comm. Good and seconded by Comm. Littman to approve the spread of Special Assessment Roll #2019-01 by the City Clerk and set the interest rate of sidewalk assessments at five percent over a five-year period.

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

Mayor Hile opened the Public Hearing on Special Assessment Roll #2019-02.

City Engineer Barry Cox provided details on the sidewalk improvements. Discussion followed with the City Commission.

There were no comments from the public.

Mayor Hile closed the Public Hearing.

Moved by Comm. Klinger and seconded by Comm. Good to approve Special Assessment Roll #2019-02 as presented.

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

Moved by Comm. Klinger and seconded by Comm. Good to approve the spread of Special Assessment Roll #2019-02 by the City Clerk and set the interest rate of sidewalk assessments at five percent over a five-year period.

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

City Manager Michael Hughes provided details on a proposed Traffic Control Order (TCO) for placement of additional signs for the City's North/South M-66 alternative truck route. He explained that years ago, the City designated an alternate truck route for M-66 to reroute trucks around the downtown and that he has been working with MDOT to place signage on M-66 and City streets. He provided details on the signage. Discussion followed.

Moved by Comm. Klinger and seconded by Comm. Good to approve Traffic Control Order 20-04 related to alternative truck route signage and endorse the plan for alternative truck route signage on M-66 to the Michigan Department of Transportation as presented.

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

Wastewater Superintendent Tom Sikorski provided information on the purchase of a new truck for the department. Discussion followed.

Moved by Comm. Klinger and seconded by Comm. Mullins to approve the purchase of a 2021 Dodge Ram 2500 Tradesman from LaFontaine CDJR-Lansing for thirty-one thousand, three hundred and twenty-five dollars (\$31,325.00).

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

Moved by Comm. Klinger and seconded by Comm. Good to approve the disposal of Unit 2023-05, a 2005 GMC Pickup Truck via public auction.

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

City Engineer Barry Cox provided details on the task order for design of half of the length of West Congress. He explained that due to new State regulations, design of the other half of the street segment may take longer and may not allow the completion of the entire project next year. The City Commission had discussion on the matter and had consensus to direct City Staff to pursue directing the engineers to prepare a task order for the other segment of West Congress.

Moved by Comm. Mullins and seconded by Comm. Klinger to approve Task Order #94 with Fleis and VandenBrink Engineering, Inc. for preliminary design, final design, and bidding services for Phase 1 of the W. Congress Street Utilities & Street Project in the amount of forty-three thousand, two hundred dollars (\$43,200.00).

Voting yea: Seven Voting nay: None Absent: Bir, Malone MOTION CARRIED

The City Commission had consensus to allow the DDA to utilize a parking spot on US12 for a food truck for an upcoming event.

The meeting was adjourned at 7:40 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 8B

Date	Check#	Vendor	Vendor Name	Amount
Manual Checks				
11-09-2020	238498M	00041	ANDREW SPITTAL	405.80
11-13-2020	PR0543M	00061	CITY OF STURGIS PAYROLL	269,576.30
11-30-2020	T13227M	04389	FRONTIER COMMUNICATIONS A	44.10
11-25-2020	T13228M	04389	FRONTIER COMMUNICATIONS A	50.65
11-25-2020	T13229M	04389	FRONTIER COMMUNICATIONS A	50.65
11-25-2020	T13230M	04389	FRONTIER COMMUNICATIONS A	203.99
11-13-2020	T13231M	05875	ALERUS FINANCIAL/MERS-STIPEND	300.00
11-16-2020	T13232M	04524	ALERUS FINANCIAL	23,015.00
11-16-2020	T13233M	04197	MI PUBLIC POWER AGENCY	214,508.02
11-01-2020	T13234M	03286	THE BANK OF NY MELLON TRUST CO	355,345.00
11-11-2020	T13235M	04088	BLUE CROSS BLUE SHIELD OF MI	37,539.76
11-12-2020	T13236M	00449	CENTURY BANK & TRUST	3,161.00
11-09-2020	T13237M	04197	MI PUBLIC POWER AGENCY	177,030.75
10-28-2020	T13238M	04088	BLUE CROSS BLUE SHIELD OF MI	31,197.95
11-10-2020	T13239M	04197	MI PUBLIC POWER AGENCY	10,727.54
11-09-2020	T13240M	00181	GORDON FOOD SERVICE	3,927.38
11-13-2020	T13241M	00062	CITY OF STURGIS-EMPLOYEE INS	51,184.80
11-13-2020	T13242M	00063	CITY OF STURGIS TAX TRANSFER	15,226.84
11-13-2020	T13243M	04294	CITY OF STURGIS-BASIC/SBT	146.30
11-13-2020	T13244M	05588	ALERUS FINANCIAL/MERS TRANSFER	2,239.39
11-13-2020	T13245M	00064	INTL CITY MGMT ASSOC RETR CORP	5,978.08
11-13-2020	T13246M	00065	DOYLE MEMBERSHIP TRANSFER	2,851.95
11-13-2020	T13247M	05123	COMERICA BANK-INST TRUST SERV	26,775.14
11-13-2020	T13248M	04609	FIFTH THIRD/HSA TXFR	250.00
11-13-2020	T13249M	03229	CITY OF STURGIS-WORKERS COMP	2,321.52
Automatic Checks				
11-25-2020	238499	00066	ACTION QUICK PRINT PLUS	15.00
11-25-2020	238500	04674	AMERICAN LEGION POST 073	253.89
11-25-2020	238501	00130	BANDHOLTZ PAINT MFG CO	177.25
11-25-2020	238502	03286	THE BANK OF NY MELLON TRUST CO	1,100.00
11-25-2020	238503	04292	BASIC	326.00
11-25-2020	238504	00296	BOBBI JO PFERRER	5.64
11-25-2020	238505	05080	BOBILYA CHRYSLER DODGE JEEP	75.00
11-25-2020	238506	00005	BOGEN CONCRETE INC	1,940.30
11-25-2020	238507	00006	BOLAND TIRE INC	401.00
11-25-2020	238508	00608	BRITTANY MCNALLY	825.00
11-25-2020	238509	02960	BRUSSEE/BRADY INC	54,244.00
11-25-2020	238510	01283	BYCE & ASSOCIATES INC	2,493.75
11-25-2020	238511	00296	CAITLYN M METZ	67.76
11-25-2020	238512	05929	FACTUAL DATA	50.00
11-25-2020	238513	02804	CENTER FOR EDUCATION	159.00
11-25-2020	238514	04859	COFESSCO FIRE PROTECTION LLC	710.00
11-25-2020	238515	06065	COOPER'S TRENCHING INC	5,130.00
11-25-2020	238516	05108	CORRIGAN OIL CO	2,238.79
11-25-2020	238517	05863	COTTIN'S HARDWARE	438.33
11-25-2020	238518	05925	CREATIVE DINING SERVICES	7,001.41
11-25-2020	238519	06019	CRONKHITE CEMETERY SERVICES	6,000.00
11-25-2020	238520	00152	CULLIGAN WATER CONDITIONING	93.00
11-25-2020	238521	00296	DAVID R AND KAREN S SLAWINSKI	71.63
11-25-2020	238522	01119	DAVID W LUDDERS	49.40
11-25-2020	238523	03095	MARY DRESSER	30.00

Date	Check#	Vendor	Vendor Name	Amount
11-25-2020	238524	04638	DRIESEN & ASSOCIATES INC	5,789.45
11-25-2020	238525	00089	ENTENMANN-ROVIN COMPANY	565.50
11-25-2020	238526	04955	ENVIRO-CLEAN	6,808.58
11-25-2020	238527	00574	ETNA SUPPLY COMPANY	2,407.45
11-25-2020	238528	00169	FASTENAL COMPANY	47.10
11-25-2020	238529	05151	FAWN RIVER MECHANICAL LLC	1,257.58
11-25-2020	238530	00091	FEDERAL EXPRESS	26.30
11-25-2020	238531	05490	FERGUSON WATERWORKS #3386	3,915.45
11-25-2020	238532	02145	FIRE SUPPRESSION PRODUCTS	390.00
11-25-2020	238533	05634	GARY & JANELL DUNLAP	25.00
11-25-2020	238534	02082	GECKO SECURITY LLC	270.00
11-25-2020	238535	00183	W W GRAINGER INC	437.24
11-25-2020	238536	03806	GREAT LAKES PEST CONTROL	365.00
11-25-2020	238537	04243	GRP ENGINEERING INC	2,210.00
11-25-2020	238538	04348	HAGADORN MECHANICAL SERVICES	540.30
11-25-2020	238539	01298	HAGEN CEMENT PRODUCTS INC	109.60
11-25-2020	238540	03566	HAMMERSMITH EQUIPMENT CO	275.00
11-25-2020	238541	04588	HI-TECH ELECTRIC COMPANY	3,676.56
11-25-2020	238542	05891	HYDRO CONSULT & MAINT SERV	10,150.33
11-25-2020	238543	03515	HYDROCORP	1,732.00
11-25-2020	238544	00296	KAYLYNN R LOVELESS	88.87
11-25-2020	238545	00020	KENDRICK STATIONERS INC	385.51
11-25-2020	238546	02685	KERR PUMP AND SUPPLY	583.51
11-25-2020	238547	04071	KS AUTO SERVICE INC	469.96
11-25-2020	238548	05460	LAFONTAINE CHRYSLER DODGE	29,554.00
11-25-2020	238549	00216	LAWSON PRODUCTS INC	203.79
11-25-2020	238550	00220	LITHO PRINTERS INC	735.55
11-25-2020	238551	00666	LOCKPORT TOWNSHIP TREASURER	23.27
11-25-2020	238552	06087	MALLORY SAFETY AND SUPPLY, LLC	3,026.40
11-25-2020	238553	00296	MELYNDA A FRYE	64.12
11-25-2020	238554	00503	R W MERCER CO	936.79
11-25-2020	238555	00587	STATE OF MICHIGAN	243.25
11-25-2020	238556	01437	STATE OF MICHIGAN	75.00
11-25-2020	238557	05121	MICKEY'S LINEN	115.54
11-25-2020	238558	06026	MID-CITY SUPPLY CO INC	1,039.09
11-25-2020	238559	04014	MILLERS SALES & SERVICE	11,898.00
11-25-2020	238560	05051	MILSOFT UTILITY SOLUTIONS	504.78
11-25-2020	238561	00407	MISS DIG SYSTEM INC	4,128.57
11-25-2020	238562	00245	MOSTROM & ASSOC INC	1,275.00
11-25-2020	238563	06069	NAPA AUTO PARTS	304.58
11-25-2020	238564	05723	NATIONAL BUSINESS	234.00
11-25-2020	238565	00255	NIBLOCK EXCAVATING INC	1,058.27
11-25-2020	238566	04770	PARRISH EXCAVATING INC	172,177.98
11-25-2020	238567	02365	G PERSING INC	835.90
11-25-2020	238568	04894	CRAIG PIERCE	20.00
11-25-2020	238569	05130	PKM CONSULTING LLC	2,700.00
11-25-2020	238570	05042	PLANT GROWTH MANAGEMENT SYSTEM	9,073.75
11-25-2020	238571	00033	POSTNET POSTAL & BUSINESS	73.59
11-25-2020	238572	00485	POWER LINE SUPPLY	1,602.57
11-25-2020	238573	00031	POWER SYSTEM ENGINEERING INC.	29,474.25
11-25-2020	238574	04695	PRAETORIAN GROUP INC	760.00
11-25-2020	238575	05364	PSYBUS PC	585.00
11-25-2020	238576	05700	RED CEDAR CONSULTING LLC	600.00

Date	Check#	Vendor	Vendor Name	Amount
11-25-2020	238577	02953	REGULATORY SOFTWARE SERVICES	948.00
11-25-2020	238578	04909	REHMANN ROBSON LLC	275.00
11-25-2020	238579	00035	RESCO	567.61
11-25-2020	238580	03542	RICKETT'S LAWN CARE	2,462.50
11-25-2020	238581	05518	SNAP-ON INDUSTRIAL	27.22
11-25-2020	238582	02179	SPRINT	1,348.49
11-25-2020	238583	00488	STATE SYSTEMS RADIO INC	195.00
11-25-2020	238584	05855	STURGIS TROPHY HOUSE	248.00
11-25-2020	238585	05709	TARTAN BUILDING LLC	1,859.22
11-25-2020	238586	05682	ROBERT TAYLOR	290.00
11-25-2020	238587	01791	TITANIUM SOLUTIONS INC	550.00
11-25-2020	238588	04361	TPC TECHNOLOGIES	15,850.00
11-25-2020	238589	05686	TRI-STATE SECURITY LKSMITH LLC	95.00
11-25-2020	238590	04326	USA BLUEBOOK ACCT #665206	115.05
11-25-2020	238591	03331	UTILITIES INSTRUMENTATION SERV	20,185.49
11-25-2020	238592	06029	VAN DOORN ROOFING INC	93,506.16
11-25-2020	238593	04503	VANCE OUTDOORS INC	3,427.20
11-25-2020	238594	06030	VERIZON CONNECT NWF INC	113.33
11-25-2020	238595	04453	VERIZON WIRELESS	2,247.38
11-25-2020	238596	05659	WARNER OIL COMPANY	663.85
11-25-2020	238597	03511	WASTE MANAGEMENT	2,201.92
11-25-2020	238598	05634	WILLIAM & MARY SMITH	68.00
11-25-2020	D01590	00002	ALL-PHASE ELECTRIC SUPPLY	506.49
11-25-2020	D01591	00077	CARQUEST AUTO PARTS	34.27
11-25-2020	D01592	02983	CINTAS LOCATION #351	1,417.72
11-25-2020	D01593	00157	JACK DOHENY COMPANIES INC	683.22
11-25-2020	D01594	00019	KENDALL ELECTRIC INC	21.04
11-25-2020	D01595	03922	MARANA GROUP	1,766.98
11-25-2020	D01596	01080	NYE UNIFORM CO	185.00
Manual Total				\$1,234,057.91
Automatic Total				\$551,604.62
Grand Total				\$1,785,662.53

PAYROLL DISBURSEMENT
FOR PAYROLL ENDING November 8, 2020
PR0543M - Paid November 13, 2020

GENERAL	\$146,141.84
MAJOR STREET	2,849.40
LOCAL STREET	2,701.56
CEMETERY	6,214.71
DDA	767.25
AIRPORT	189.00
BUILDING	2,630.05
STURGES-YOUNG CENTER FOR THE ARTS	4,588.74
RECREATION	2,295.97
DOYLE RECREATION CENTER	5,582.29
ELECTRIC	64,056.86
SEWER	16,724.54
WATER	12,713.30
MOTOR VEHICLE	2,120.79
Payroll Sub-Total	\$269,576.30

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 8D

September 28, 2020

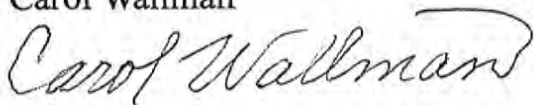
Sturgis District Library Board of Trustees,

I wish to notify you that as of Sept. 30, 2020 I will be retiring from the SDL Board of Trustees. It has been a privilege to serve with you, and to be part of the growth of the Library from Sturgis City Library to Sturgis District Library. It has been a gratifying experience to witness the creative ideas implemented by the Board under Director Todd Reed's conscientious leadership.

My thoughts are with you as you continue to volunteer your time and expertise for an "essential" cause in our community.

Best Wishes,

Carol Wallman

A handwritten signature in cursive script that reads "Carol Wallman". The signature is written in dark ink and is positioned below the printed name.

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10A

Article XI.-General Provisions

1.1105.— Accessory buildings, structures and uses.

(A) (A) Accessory building or accessory structures in any district.

- (1) No accessory building or accessory structure may be permitted on a lot which does not contain a principal use or principal building.
- (2) No accessory building or accessory structure shall be placed in any required front or side yard.
- (3) Accessory buildings and swimming pools shall be no closer than ten ~~(10)~~ feet to any other building on the same lot ~~except~~unless:
 - i. A one hour fire separation is provided as listed below or as specified elsewhere in the zoning ordinance or city code Michigan Building Code between the accessory building and other buildings.
 - (3)ii. It is one of ordinances- the following:
 - i.a. Dog houses.
 - ii.b. Pergolas.
 - iii.c. _____ Play houses.
 - iv.d. _____ Pump houses.
 - v.e. Accessory buildings similar to the above.
 - iii. It is an accessory building 200 square feet or less; in this case it shall be a minimum of three feet from any other building on the same lot.
 - iv. As specified elsewhere in the zoning ordinance or city code of ordinances.
- (4) An accessory building or accessory structure 200 square feet or less located in a rear yard shall not be closer than three feet to any lot line; unless specified elsewhere in the zoning ordinance or city code of ordinances-; accessory buildings or accessory structures greater than 200 square feet located in a rear yard shall be no closer than ten feet to any lot line unless specified elsewhere in the zoning ordinance or city code of ordinances.
- (5) Residential kennels shall be no closer than six ~~(6)~~ feet to the ~~principle~~principal building on the same lot and no closer than six ~~(6)~~ feet to the lot line.

(B) Accessory building or accessory structures in a residential district.- In addition to the requirements of subsection (A) of this section, the following restrictions shall apply to accessory buildings or accessory structures in residential districts.

- (1) Accessory buildings or accessory structures shall not exceed 14 feet in height with the exception of satellite systems, antenna systems, solar panels, wind generators or similar structures. -If these structures are installed as a stand-alone structure, they shall not exceed 20 feet in height. -If these structures are installed atop ~~an accessory~~ building, or ~~another accessory~~ structure, ~~their combined height they~~ shall not exceed ~~20 feet~~ the maximum height as per table 1.0501.- Table- Schedule of Regulations.
- (2) A private garage or a portion thereof may be rented or leased for not more than two motor vehicles, of the noncommercial type ~~only~~, to persons not ~~a resident of~~ residing in the dwelling on the lot.
- (3) The total square footage of all accessory buildings shall not exceed the square footage of the ground or first floor ~~of a multi-story residence, or 50 percent~~ area of the square footage of a single-story principal building- including an attached garage with a foundation and roof.
- (4) When an accessory building in any residential district is intended for other uses than the storage of private motor vehicles, the uses proposed for the accessory building must be compatible with the uses permitted within the subject district.
- (5) Accessory buildings exceeding 200 square feet must be provided with exterior finish materials similar to the principal building on the lot. -Examples include roofing and siding materials. -These items shall be of the same or similar, compatible colors to the principal building. - An alternate roofing or siding material may be substituted if the color(s) is compatible with the principal building. They shall be built with architecture and materials that reasonably compliment the architecture and materials of the dwelling.
- (6) Canopy and tarp like structures are not permitted unless used as outdoor furniture.- These items may be used from the months of April through October if maintained in good condition and used in the manner they were designed.
- (7) Dog houses shall not exceed six ~~(6)~~ feet in height and ~~twenty (20)~~ square feet in area.
- (8) There shall be no more than two ~~(2)~~ accessory buildings on any one parcel excluding play houses, dog houses, or buildings of similar uses.
- (9) If a lot area exceeds 125% of the minimum lot size required in the district, a property owner may request consideration from the Planning Commission for additional accessory building square footage greater than what this Zoning Ordinance allows, subject to the following conditions:
 - i. The request and review by the Planning Commission shall follow the requirements of section 1.0602 of this Zoning Ordinance.

ii. The maximum lot coverage for accessory structures shall not exceed 10% of the total lot area.

iii. All other standards pertaining to accessory structures, as outlined in this section, shall apply unless approved by the Planning Commission.

(C) Repair of vehicles in residential districts.

- (1) A resident may repair vehicles of the resident on the property of the resident's dwelling unit; however, in no instance shall a resident repair the vehicles of other than a resident of the dwelling unit on said property and such repair shall be conducted in not to exceed seven consecutive days in any 30-day period.

1.0410. – M Manufacturing.

(C) Special Land Uses

(19) Stores for retail and retail services.

1.0603. – Special Land Use Designated.

(TT) Stores for retail and retail services.

- (1) The retail use must be a minimum of 5,000 square feet.
 - (2) The retail use must be co-located with another permitted or special land use on the site. This can be a portion of one building on the property or a separate building on the property.
 - (3) The retail use shall only occupy a maximum of 30% of the total floor area of the building in which the use will be located if the uses are grouped in the same building, or 30% of the total floor area of all buildings on the property, if located in a separate building.
 - (4) Off-street parking shall be provided in accord with article IX [of this zoning ordinance] and shall be provided in designated off-street parking areas within 300 feet of the portion of the building in which they serve.
 - (5) The retail use shall comply with signage requirements for the B-H 2 zoning district as specified in 1.1008
-

Appendix A, Section 1.0403. – R-3 Residential.

(C) Special Land Uses

(6) Two Family Dwelling

1.0603 Special land use designated.

(B) Two-family dwelling. [Two-family dwelling] may be permitted as a special use under the following provisions and conditions.

(1) A lot area of not less than 10,000 square feet for each two-family dwelling shall be provided.

(2) A lot width of not less than 100 feet for each two-family dwelling shall be provided.

(3) Building setbacks and height requirements shall comply with the requirements for single-family dwellings as required for the R-3 district.

(4) ~~Two paved~~All driveways and parking ~~spaces~~ shall be ~~provided for each~~solid surface with either 3" asphalt or 4" concrete. Each dwelling unit shall have two dedicated parking spaces and shall further comply with article IX [of this zoning ordinance] as applicable.

(5) Buildings shall be of substantially similar appearance as other residential buildings on adjacent properties and in the neighborhood ~~or an adaptive reuse of a non-residential building.~~

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10B

SAINT JOSEPH COUNTY INTERLOCAL AGREEMENT FOR COUNTY DESIGNATED ASSESSOR

This Interlocal Agreement, by and between the COUNTY OF SAINT JOSEPH, a political subdivision of the State of Michigan (hereinafter referred to as the “County”), and BURR OAK TOWNSHIP, COLON TOWNSHIP, CONSTANTINE TOWNSHIP, FABIUS TOWNSHIP, FAWN RIVER TOWNSHIP, FLORENCE TOWNSHIP, FLOWERFIELD TOWNSHIP, LEONIDAS TOWNSHIP, LOCKPORT TOWNSHIP, MENDON TOWNSHIP, MOTTVILLE TOWNSHIP, NOTTAWA TOWNSHIP, PARK TOWNSHIP, SHERMAN TOWNSHIP, STURGIS TOWNSHIP, WHITE PIGEON TOWNSHIP, THREE RIVERS CITY, STURGIS CITY, each a political subdivision of the State of Michigan (each hereinafter referred to as an “Assessing District,” and collectively referred to as the “Assessing Districts”), is entered into pursuant to the Urban Cooperation Act of 1967, Public Act 7 of 1967 (Ex. Sess.), as amended, MCL 124.501 *et seq.*, and the General Property Tax Act, Public Act 206 of 1893, as amended by Public Act 660 of 2018, MCL 211.10g, for the purpose of designating an individual to serve as the County’s Designated Assessor.

WHEREAS, pursuant to MCL 211.10g(4), every County shall have a Designated Assessor on file with the State Tax Commission as of December 31, 2020; and

WHEREAS, the County Designated Assessor is designated by an Interlocal Agreement executed between the County Board of Commissioners and a majority of the Assessing Districts in the County; and

WHEREAS, the individual designated as the County’s Designated Assessor must be approved by the State Tax Commission.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

BACKGROUND INFORMATION

1a. Designation of County Designated Assessor. The County and a majority of the Assessing Districts in the County designate Joshua D Simmons, who is an individual qualified and certified by the State Tax Commission as an Advanced Assessing Officer (Certification # R-9244), to be the County Designated Assessor for Saint Joseph County.

1b. Assessing Districts covered under this interlocal agreement are as follows. BURR OAK TOWNSHIP, COLON TOWNSHIP, CONSTANTINE TOWNSHIP, FABIUS TOWNSHIP, FAWN RIVER TOWNSHIP, FLORENCE TOWNSHIP, FLOWERFIELD TOWNSHIP, LEONIDAS TOWNSHIP, LOCKPORT TOWNSHIP, MENDON TOWNSHIP, MOTTVILLE TOWNSHIP, NOTTAWA TOWNSHIP, PARK TOWNSHIP, SHERMAN TOWNSHIP, STURGIS TOWNSHIP, WHITE PIGEON TOWNSHIP, THREE RIVERS CITY and STURGIS CITY.

1c. SEV totals by class (including special act values) for Saint Joseph County as of 2020 are as follows.

Agricultural	777,357,491	Timber-Cutover	0
Commercial	202,181,600	Developmental	0
Industrial	145,771,300	Total Real Property	2,834,121,320
Residential	1,708,810,929	Personal Property	287,027,848
		Total Real and Personal Property	3,121,149,168

1d. Total number of parcels by classification (including special act parcels) as of 2020 by unit are as follows.

	Agricultural	Commercial	Industrial
Burr Oak Township	272	36	27
Colon Township	291	66	14
Constantine Township	217	100	46
Fabius Township	140	59	32
Fawn River Township	160	13	0
Florence Township	286	0	6
Flowerfield Township	198	7	1
Leonidas Township	385	24	0
Lockport Township	181	62	16
Mendon Township	288	64	28
Mottville Township	147	28	39
Nottawa Township	322	90	12
Park Township	252	43	25
Sherman Township	169	22	1
Sturgis Township	155	94	11
White Pigeon Township	219	160	51
Three Rivers City	0	315	79
Sturgis City	14	332	133

	Residential	Timber- Cutover	Developmental
Burr Oak Township	1,258	0	0
Colon Township	2,203	0	0
Constantine Township	1,638	0	0
Fabius Township	2,657	0	0
Fawn River Township	728	0	0

Florence Township	518	0	0
Flowerfield Township	870	0	0
Leonidas Township	558	0	0
Lockport Township	1,992	0	0
Mendon Township	1,421	0	0
Mottville Township	737	0	0
Nottawa Township	1,944	0	0
Park Township	1,420	0	0
Sherman Township	1,978	0	0
Sturgis Township	682	0	0
White Pigeon Township	2,365	0	0
Three Rivers City	2,494	0	0
Sturgis City	3,342	0	0

	Total Real	Personal	Total Real and Personal
Burr Oak Township	1,593	44	1,637
Colon Township	2,574	121	2,695
Constantine Township	2,001	95	2,096
Fabius Township	2,888	63	2,951
Fawn River Township	901	23	924
Florence Township	810	26	836
Flowerfield Township	1,076	29	1,105
Leonidas Township	967	26	993
Lockport Township	2,251	65	2,316
Mendon Township	1,801	87	1,888
Mottville Township	951	50	1,001
Nottawa Township	2,368	137	2,505
Park Township	1,740	79	1,819
Sherman Township	2,170	46	2,216
Sturgis Township	942	86	1,028
White Pigeon Township	2,795	98	2,893
Three Rivers City	2,888	399	3,287
Sturgis City	3,821	479	4,300

1e. List of any unique, complex, or high value properties within the County. There are no known properties throughout the County that are considered unique, complex, or high value.

1f. Term of agreement. This Agreement shall be for an indefinite term, unless the Designated Assessor's designation is revoked by the State Tax Commission, or unless terminated after five (5) years by the County, Designated Assessor, or a majority of the Assessing Districts. Any such termination shall be made by a written notice to all parties no less than ninety (90) days before the effective date of the termination.

1g. Agreement Effective Date. The effective date of this agreement shall commence on December 31st, 2020 or at such time the State Tax Commission approves the designation of the Designated Assessor. Whichever comes last.

1h. Place of Performance of Duties. The duties performed by the Designated Assessor shall be carried out at the principal office of the Designated Assessor located at 161 Grandview St., Galesburg, Michigan 49053. Office hours at an Assessing District's Township or City Hall will be negotiated at such a time an Assessing District chooses to or is ordered to have the Designated Assessor act as their assessor of record.

QUALIFICATIONS OF DESIGNATED ASSESSOR

2a. Current assessor certification level and number. Joshua D. Simmons is currently certified as a Michigan Advanced Assessing Officer (MAAO). Certification number is R-9244.

2b. Current employment status of the Designated Assessor. Joshua D. Simmons is the current Equalization Director for Saint Joseph County.

2c. Prior local unit assessing experience. Joshua was the assessor of record for Valley and Martin Townships in Allegan County and Ingham Township in Ingham County.

2d. Conflict of interest disclosures. There are no known conflicts of interest between the Designated Assessor and Saint Joseph County or any assessing districts within the County.

SCOPE OF SERVICES PROVIDED BY DESIGNATED ASSESSOR

3a. Preparation of assessment rolls. The Designated Assessor shall annually meet the guidelines of the State Tax Commissions document "Supervising Preparation of the Assessment Roll" for any Assessing District under contract with the Designated Assessor.

3b. Plan to correct deficiencies found in an AMAR audit. The Designated Assessor shall file a Corrective Action Plan with the State Tax Commission within 30 days of assuming jurisdiction of an Assessing District who was found to have deficiencies on their latest AMAR audit. With the exception of a complete reappraisal, all identified AMAR deficiencies will be corrected within one year of assumption of the Assessing District, unless otherwise agreed upon by the Designated Assessor, Assessing District and the State Tax Commission.

3c. Attendance at Boards of Review Meetings. After assuming jurisdiction of an Assessing District, the Designated Assessor or his designee shall be present at all Boards of Review.

3d. Duties and responsibilities related to property tax appeals. The Assessing District shall retain ultimate control of all litigation and settlement negotiations and the Designated Assessor shall operate under

the direction of the Assessing District in any litigation regarding a tax appeal, including appeals to the Small Claims Division.

Any appeal to the Tax Tribunal may result in the Assessing District obtaining competent legal counsel at its expense. If counsel shall desire the assistance of the Designated Assessor in the defense of such appeals, additional fees for preparing necessary appraisals and/or consultation shall be reviewed in advance by the Assessing District and agreed upon on a case-by-case basis. The Assessing District may choose to retain the Designated Assessor to prepare this report or may employ another firm to prepare a supportable and defensible report for an additional fee.

The Designated Assessor shall defend all appeals to the Small Claims Division of the Michigan Tax Tribunal. This shall include, but not be limited to, filing necessary petitions, preparing and submitting such material, statistics and other information as is necessary to properly defend any such appeal, and appearing at all hearings and meetings as are required for the purpose of defending said appeal. All the foregoing regarding appeals to the Small Claims Division is deemed to be included the services compensated pursuant to the terms and provisions of this Agreement.

In all other potential appeals to the Michigan Tax Tribunal or State Tax Commission, the Designated Assessor shall provide as part of the services included under the terms and provisions of this Agreement such time and effort as is necessary to properly provide documents, analysis and advice as may be required in the determination of the Designated Assessor or the Assessing District to forestall the formal filing of an appeal or to settle a disputed case up to the date of the filing of a petition appealing a decision of the Assessing District or any of its agencies or boards to the Michigan Tax Tribunal or State Tax Commission. After the filing of said petition, the Designated Assessor shall be available to the Assessing District for such further assistance as is required by the Assessing District in the defense of such appeal. The Designated Assessor shall be available as an expert witness on behalf of the Assessing District in any proceedings. Mileage expenses for travel required for appearance at Tax Tribunal hearings or State Tax Commission hearings shall be reimbursed at the rate per mile recognized by the Internal Revenue Service's allowance for business use of an automobile and the hourly rate as identified in section 5a of this agreement.

3e. Reporting requirement and responsibility to meet with local unit officials. On or before December 31st of each year, at the Assessing District's request, the Designated Assessor shall prepare written recommendations and conclusions regarding the current state of the Assessing District's assessment rolls, by class, together with specific recommendations concerning actions which, in the opinion of the Designated Assessor, should be taken in order to achieve maximum equity in the assessment rolls and compliance with all State Tax Commission rules, regulations and guidelines.

3f. Any and all obligations of local unit assessing staff members. If an Assessing District employs any assessing staff other than the Assessor of Record, those staff members shall remain employees of the Assessing District. Those staff members will continue to conduct their duties as they understand them under the supervision of the Designated Assessor. If changes in duties are identified as necessary by the Designated Assessor, those changes will be discussed with the employee and Assessing District prior to implementation. No existing staff member will be terminated by the Designated Assessor without prior approval of the Assessing District.

3g. Responsibilities of Designated Assessor while not acting as an assessor of record for an assessing district under this agreement. The Designated Assessor will have no official duties of record until such time he is appointed the assessor of record of an Assessing District. Upon their request, The Designated Assessor will meet with the Assessing District to discuss potential solutions of any deficiencies identified by an AMAR audit to avoid any formal action by the State Tax Commission.

3h. Requirement to remain certified and in good-standing. The Designated Assessor shall maintain his Michigan Advanced Assessing Officer Certification (MAAO) and remain in good standing with the State Tax Commission.

3i. Non-exclusivity of assessing services. Nothing in this Agreement prevents or limits the Designated Assessor from serving as the Designated Assessor, Assessor of Record or Equalization Director for this or any other County in Michigan.

DUTIES AND RESPONSIBILITIES FOR LOCAL ASSESSING DISTRICTS CONTRACTING WITH THE DESIGNATED ASSESSOR

4a. Access to required documents and information. While under contract with the Designated Assessor, the Assessing District shall provide reasonable access to all assessing records, documents, databases, and information. This shall include remote access to the Assessing District's computer and network system if available.

4b. Policies and procedures of Assessing District. While under contract with the Designated Assessor, the Assessing District shall make the Designated Assessor aware of any applicable local policies and procedures including technology, equipment, facilities, personnel, etc. that may apply to him as a contractor.

COST AND COMPENSATION FOR DESIGNATED ASSESSOR

5a. Payment terms and Fee Structure. All assessing maintenance contracts will be based on a per parcel basis with the following fee schedule.

Agricultural Real -	\$16.00 per parcel
Commercial Real -	\$18.00 per parcel
Industrial Real -	\$18.00 per parcel
Residential Real -	\$16.00 per parcel
Other Real -	\$16.00 per parcel
Personal Property -	\$15.00 per parcel
Special Act Parcels -	\$20.00 per parcel

The above stated fees shall include an annual on-site review of at least 20% of the total ad-valorem real property count.

All re-appraisal contracts will be based on a per parcel basis with the following fee schedule.

Agricultural Real -	\$65.00 per parcel
Commercial Real -	\$65.00 per parcel
Industrial Real -	\$65.00 per parcel
Residential Real -	\$65.00 per parcel
Other Real -	\$65.00 per parcel

Hourly fee schedule of personnel are as follows

MMAO Assessor-	\$100.00 per hour
MAAO Assessor -	\$80.00 per hour
MCAO Assessor -	\$60.00 per hour
Support Staff -	\$45.00 per hour

Office hours if required by the Assessing District will be billed at \$50.00 per hour.

The above stated fees are all subject to an annual rate of inflation equivalent to the Consumer Price Index as published by the State Tax Commission.

5b. Payment responsibility. All fees associated with serving as the Designated Assessor shall be paid directly by the Assessing District under contract within 30 days of invoicing.

5c. Retainer fee. There will be no retainer fee associated with this Interlocal Agreement.

5d. Payment in the event of death or disability of the Designated Assessor. In the event of the disability of the Designated Assessor all payments for only work completed shall be made to the Designated Assessor.

In the event of the death of the Designated Assessor all payments for only work completed shall be made to the Estate of Joshua D. Simmons.

5e. Cost reimbursement for when the Designated Assessor is acting as assessor of record. Any cost incurred by the Designated Assessor outside of what is covered under the maintenance or reappraisal contract while acting as the assessor of record shall be reimbursed by the Assessing District within 30 days of invoicing.

5f. Identification of certain costs. The following items will be considered additional cost items and will be billed at their actual cost of supplies and materials plus the hourly fee of the personnel who completed the work as stated in section 5a of this Agreement.

- Setting up Tax database for tax collection
- Printing and or mailing of tax bills
- Appraisal work for an entire MTT tribunal
- Expert witness testimony for an entire MTT tribunal
- GIS maintenance if needed

Unless otherwise agree upon, the Designated Assessor will be responsible for the cost of employing additional assessing staff to bring the assessing unit into AMAR compliance.

Miscellaneous

6a. Petition to State Tax Commission. Upon the execution and filing of this Interlocal Agreement, the County shall petition the State Tax Commission to approve the individual named in Section 1a of this Interlocal Agreement to serve as the County Designated Assessor. The individual shall serve as the County Designated Assessor upon approval of the State Tax Commission. If the State Tax Commission rejects the County's petition, then the parties agree to enter into additional Interlocal Agreements under MCL 211.10g(4)(a) until a suitable Assessor has been presented.

6b. Nondiscrimination. The Parties shall adhere to all Federal, State, and local laws, ordinances and regulations prohibiting discrimination in the performance of this Interlocal Agreement. The Parties shall not discriminate against a person to be served or an employee or applicant for employment because of race, color, religion, national origin, age, sex, disability that is unrelated to an individual's ability to perform the duties of a particular job or position, height, weight, or marital status. Breach of this section shall be regarded as a material breach of this Interlocal Agreement.

CERTIFICATION

COUNTY OF SAINT JOSEPH

Chairperson
County Board of Commissioners

Date

BURR OAK TOWNSHIP

Supervisor

Date

COLON TOWNSHIP

Supervisor

Date

CONSTANTINE TOWNSHIP

Supervisor

Date

FABIUS TOWNSHIP

Supervisor

Date

FAWN RIVER TOWNSHIP

Supervisor

Date

FLORENCE TOWNSHIP

Supervisor

Date

FLOWERFIELD TOWNSHIP

Supervisor

Date

LEONIDAS TOWNSHIP

Supervisor

Date

LOCKPORT TOWNSHIP

Supervisor

Date

MENDON TOWNSHIP

Supervisor

Date

MOTTVILLE TOWNSHIP

Supervisor

Date

NOTTAWA TOWNSHIP

Supervisor

Date

PARK TOWNSHIP

Supervisor

Date

SHERMAN TOWNSHIP

Supervisor

Date

STURGIS TOWNSHIP

Supervisor

Date

WHITE PIGEON TOWNSHIP

Supervisor

Date

THREE RIVERS CITY

City Manager

Date

STURGIS CITY

City Manager

Date

DESIGNATED COUNTY ASSESSOR

Joshua D. Simmons

Date



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

Bulletin 8 of 2020
June 9, 2020
Audit Process and Designated Assessor

TO: Assessors and Equalization Directors

FROM: State Tax Commission

SUBJECT: Overview of Audit Process and Designated Assessor under Public Act 660 of 2018

Public Act 660 of 2018 was approved by Governor Snyder on December 28, 2018 and amended the General Property Tax Act to provide a statutory framework to ensure proper assessing in order to guarantee the highest quality assessments for taxpayers as well as local units. The Act defines the requirements for substantial compliance with the General Property Tax Act, provides timelines for audits and follow-up audits, and details a process for bringing a local unit into compliance if they remain non-compliant after a follow-up review. The Designated Assessor is an integral part of that process.

Audit Process Overview

The Commission will conduct an audit of assessment practices according to a published schedule. If the assessing district (City, Township or Joint Assessing Authority) is determined to be in substantial compliance, the audit process for that five-year cycle is complete and the assessing district is not required to take any additional action.

If the State Tax Commission determines that an assessing district is not in substantial compliance with the General Property Tax Act, the Commission will provide the assessing district with a notice of noncompliance, including the reasons the assessing district is not in substantial compliance.

The assessing district must either appeal the audit determination by filing a written petition to be developed by the State Tax Commission or they must submit a corrective action plan to be approved by the State Tax Commission. "Corrective action plan" is defined in P.A. 660 of 2018 as "a plan developed by an assessing district that specifically indicates *how* the assessing district will achieve substantial compliance . . . and *when* substantial compliance will be achieved." (Emphasis added). Additional information related to the corrective action plan and petition to challenge the audit results will be provided by the State Tax Commission in separate guidance.

In the event the Commission conducts a follow-up review and the assessing district is not in substantial compliance after the follow-up review, the assessing district has three options:

1. The assessing district may hire a new Michigan Advanced Assessing Officer (MAAO) or Michigan Master Assessor Officer (MMAO),

2. The State Tax Commission assumes jurisdiction over the assessment roll in order to bring the roll into substantial compliance, or,
3. The local unit may move directly to the designated assessor.

Regardless of which option is selected, the Commission will conduct a second follow-up review to determine if the assessment roll is in substantial compliance. If, after the second follow-up review the assessing district continues to be in noncompliance, the local unit will move directly to the Designated Assessor process.

As defined in statute **substantial compliance** “means that any identified deficiencies do not pose a significant risk that the assessing district is unable to perform the assessment function in conformity with the state constitution and state statute.”

As defined in statute **noncompliance** “means that the identified deficiencies, taken together, pose a significant risk that the assessing district is unable to perform the assessing function in conformity with the state constitution and state statute.”

At the December 17, 2019 State Tax Commission meeting, the Commission determined “substantial compliance” to mean that the local unit 1) has properly calculated and appropriately documented Economic Condition Factors; 2) has properly calculated and appropriately documented land value determinations; and 3) less than 1% of the record cards are on override and less than 1% of the record cards reflect flat land values. If any of the requirements associated with those items are not met, the local unit will be considered noncompliant and the notice of noncompliance will be issued.

Once the audit is complete, if an assessing district is notified that it has fallen out of substantial compliance prior to the next audit, the State Tax Commission may require the assessing district to contract with the Designated Assessor to serve as their assessor of record. If the assessing district is notified that it has fallen out of substantial compliance more than four years after the initial finding of substantial compliance, then the regular audit process will be followed.

What is the Designated Assessor?

The Designated Assessor is part of a process to ensure that local units are in compliance with the statutory provisions of the General Property Tax Act, meaning that local units are meeting minimum assessing requirements.

The Designated Assessor is the individual selected and agreed to by the County Board of Commissioners and a majority of the assessing districts within that county, subject to final approval of the State Tax Commission.

The Designated Assessor serves as the assessor of record and assumes all duties and responsibilities as the assessor of record for an assessing district that is determined to be non-compliant with an audit.

The Designated Assessor is not an automatic requirement for Countywide assessing or for the County Equalization Director to take over as the assessor for local units. While the County can be named the Designated Assessor, it is not an automatic designation as the Designated Assessor as this is determined by the approved interlocal agreement.

Who may be the Designated Assessor?

Each Assessing District within each County is required to have an assessor of record with a certification level that meets the valuation requirements set forth by the State Tax Commission. Township and City certification levels are adjusted annually and approved by the STC. The individual who will serve as the county's Designated Assessor must be in good standing and be certified, at least, at the highest level required within the County. If the County contains an Assessing District that requires a Michigan Master Assessing Officer (MMAO), the Designated Assessor must then also be certified at the MMAO level. If the County only contains Assessing Districts that require a Michigan Advanced Assessing Officer (MAAO) certification, or a lower certification, the Designated Assessor may be certified at the level of MAAO. A Michigan Certified Assessing Officer (MCAO) may not serve as the Designated Assessor. As part of the annual certification level process, the Commission will review all MAAO Designated Assessors to ensure compliance with certification level requirements. Additionally, the STC will examine and determine a specific process, on a case by case basis, any specific instance of a MAAO that has been assigned multiple units that may place them beyond the certification requirements of a MAAO.

Notification of Selected Designated Assessor

P.A. 660 of 2018 requires that each county notify the State Tax Commission, no later than December 31, 2020, of the individual that will serve as the county's Designated Assessor. In addition, the county must provide the State Tax Commission with the interlocal agreement executed by the County Board of Commissioners, a majority of the assessing districts within that county, and the proposed Designated Assessor for the county. The interlocal agreement must provide enough detail regarding the assessment responsibilities for the designated assessor. The Commission expects the interlocal agreement will include, but not be limited to, the following:

- Information related to the scope of services being provided by the Designated Assessor, including preparation of assessment rolls, timeline for delivery of documents and execution of forms, attendance at Boards of Review meetings, duties and responsibilities related to property tax appeals, both Small Claims and Entire Tribunal, filed with the Michigan Tax Tribunal, responsibility to meet with local unit officials, and obligations of local unit assessing staff members.
- Duties and responsibilities for each local unit within the County, including providing the Designated Assessor with reasonable access to records, documents and information.
- Details relating to cost and compensation for overseeing and administering the annual assessment and operating the assessing office, including payment terms and cost reimbursement.

Failure to timely notify the State Tax Commission of the county's Designated Assessor will result in the State Tax Commission selecting a Designated Assessor for the county.

If the State Tax Commission determines that an individual named as the Designated Assessor is capable of ensuring that the assessing districts within the county will achieve and maintain substantial

compliance, the Commission shall approve that individual as the County's Designated Assessor. Once approved, the designation will not be revoked for at least five years from the approval date.

If the State Tax Commission is unable to approve the individual identified as the county's Designated Assessor because the Commission determines that the proposed Designated Assessor is not capable of ensuring that the assessing districts will achieve and maintain substantial compliance, the county must submit a new Designated Assessor candidate and accompanying interlocal agreement within sixty days of the Commission's determination. The county will be required to repeat the process until a satisfactory Designated Assessor can be approved. The State Tax Commission will appoint an individual to serve as the county's temporary Designated Assessor during this period.

The State Tax Commission will develop a form to be utilized by the County Equalization Departments to notify the Commission of the proposed Designated Assessor. The Designated Assessor form will be available by August 18, 2020. The form must be submitted to the Commission no later than December 31, 2020.

Designated Assessor Term

Once an assessing district is under contract with a Designated Assessor, the Designated Assessor will remain in place for a minimum of five years. Statute does provide for a local unit to petition the Commission to end the contract after the Designated Assessor has been in place for 3 years.

The Commission shall approve termination of a contract if it is determined that the assessing district can *achieve and maintain* substantial compliance with the General Property Tax Act using a different assessor of record other than the Designated Assessor.

The State Tax Commission may revoke the Designated Assessor and provide for an interim designated assessor if:

1. The Designated Assessor dies or becomes incapacitated
2. The Designated Assessor's employment status materially changes or
3. The Designated Assessor is not capable of ensuring that the assessing district is able to achieve and maintain substantial compliance with MCL 211.10g.

The interim Designated Assessor will remain in place until a new Designated Assessor can be selected following the interlocal agreement process.

If the Designated Assessor is serving as an assessor of record for an assessing district that is found to be in noncompliance, the State Tax Commission will appoint an individual to serve as the county's temporary Designated Assessor. The county will utilize the normal process to select and notify the Commission of the new Designated Assessor.

Designated Assessor Costs

The Designated Assessor is permitted to charge an assessing district for the reasonable costs incurred in serving as the assessing district's assessor of record, including, but not limited to, the costs of overseeing and administering the annual assessment, preparing and defending the assessment roll, and operating the assessing office. The assessing district is required to pay these costs in accordance with

the interlocal agreement. The costs and fees agreed to by the county, assessing districts and the Designated Assessor is a local issue and will vary statewide.

The Commission will develop guidelines as required by statute for any local unit to protest charges by the Designated Assessor.

Audit Preparation

While the audit process outlined in P.A. 660 of 2018 will not commence until 2022, assessing districts can prepare for these audits by meeting the requirements of the current Audit of Minimum Assessing Requirements (AMAR) and the “Supervising Preparation of the Assessment Roll”, as those requirements existed on October 1, 2018. Additionally, assessing districts should employ an assessor certified by the State Tax Commission at the proper certification level based on the valuation requirements, adjusted annually, set forth by the State Tax Commission. Additional information about the AMAR, including the AMAR Review Sheet, and certification levels, are available on the State Tax Commission website (www.michigan.gov/statetaxcommission).

Interlocal Agreement and Designated Assessor Contract Checklist

This Interlocal Agreement and Designated Assessor Contract Checklist is provided to serve as a guide to assist counties in complying with the requirements found in the General Property Tax Act of 1893, as amended by Public Act 660 of 2018, and State Tax Commission guidance. The items below are illustrative of the information the State Commission will review and consider in approving a Designated Assessor. These items should not be considered an exhaustive list.

Background Information

- ☐ Name of the county and proposed Designated Assessor
- ☐ Identification of all the assessing districts within the county
- ☐ Current SEV County totals by class, including special act values
- ☐ Total number of parcels, by classification, including special act rolls, within each local unit
- ☐ List of any unique, complex or high value properties within the County
- ☐ Length of the agreement
- ☐ Agreement effective date
- ☐ Place of performance of duties
- ☐ Signature of the Designated Assessor, the majority of County Board of Commissioners, and a majority of Township Supervisor or City Manager within the county

Qualifications of Proposed Designated Assessor

- ☐ Current assessor certification level and number
- ☐ Identification of current employment status and specific assessing or equalization responsibilities
- ☐ Description of prior local unit assessing experience of the proposed Designated Assessor
- ☐ Conflict of interest disclosures

Scope of Services Provided by Designated Assessor

- ☐ Preparation of assessment rolls – satisfaction of Supervising Preparation of Assessment Roll
- ☐ Plan to correct deficiencies found in audit - timeline for delivery of documents and execution of forms
- ☐ Attendance at Boards of Review meetings
- ☐ Duties and responsibilities related to property tax appeals, both Small Claims and Entire Tribunal, appeals filed with the Michigan Tax Tribunal
- ☐ Reporting requirements and responsibility to meet with local unit officials
- ☐ Any and all obligations of local unit assessing staff members
- ☐ Responsibilities of Designated Assessor during the period in which they are not acting as an assessor of record for an assessing district within the county
- ☐ Requirement to remain certified and in good-standing
- ☐ Non-exclusivity of assessing services, if applicable

Duties and Responsibilities for Local Unit Contracting with Designated Assessor

- ☐ Providing the Designated Assessor with reasonable access to records, documents, databases and information
- ☐ Advise Designated Assessor of any applicable policies and procedures including technology, equipment, facility, etc.

Cost and Compensation for Designated Assessor

- ☐ Payment terms and fee structure (i.e., payor, timeline for payment or payments, reimbursement terms if the county pays the retainer upfront, hourly rate, dollar/parcel, amount/assessed value)
- ☐ Payment responsibility (i.e., county or assessing district) for when Designated Assessor acting as assessor of record
- ☐ Retainer or base rate information, if applicable
- ☐ Payment in the event of death or disability of the proposed Designated Assessor
- ☐ Cost reimbursement for when the Designated Assessor is acting as assessor of record
- ☐ Identification of payment of certain costs including appraisal, expert witness or attorney fees related to MTT appeals, and employing additional assessing staff to bring assessing unit into compliance

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10C

POWER PURCHASE AGREEMENT

Between

THE CITY OF STURGIS, MICHIGAN

and GRANDE POINTE POWER CORPORATION

THIS AGREEMENT is made and entered into as of the ____ day of _____, 2020, by and between The City of Sturgis Michigan, a Michigan Municipal Corporation ("Buyer"), and Grande Pointe Power Corporation, a Michigan Corporation ("Seller");

WITNESSETH:

WHEREAS, Buyer operates a municipal power system; and

WHEREAS, Seller owns and operates the Three Rivers hydroelectric generating plant (the "Plant") in the vicinity of Buyer, and currently supplies electricity to Buyer; and

WHEREAS, the Parties wish to extend and restate the agreement between them for Buyer to purchase electricity generated by Seller's Plant pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual undertakings contained herein, it is agreed by and between the Parties as follows:

1. Delivery of Energy. Seller shall deliver electrical energy (the "Energy") to Buyer, and Buyer shall purchase the Energy delivered pursuant to the terms and conditions of this Agreement. Seller shall furnish Energy at the appropriate voltage, 60 cycles, three phase.

2. Metering. Buyer shall maintain the metering equipment used under the Parties' existing power purchase agreement. Seller may inspect the meter upon request. The meter shall be recalibrated at the third anniversary date of the Initial Delivery Date (herein defined), and charges or credits shall be issued to Buyer for adjustments determined as a result of recalibration. The cost of recalibration and otherwise maintaining the meter shall be paid by Buyer. Either Buyer or Seller shall, at any time, have the right to test and inspect all metering equipment. All metering shall be done at the existing voltage.

3. Point Of Delivery. The existing Point Of Delivery for the Energy shall be maintained. The delivery of Energy to Buyer will begin on the first day following the end of the current billing period under the Parties' power purchase agreement that this Agreement replaces (the "Initial Delivery Date").

4. Characteristics of Energy Delivery. Energy deliveries shall be made by Seller on a best efforts, non-firm basis to the Point Of Delivery. The amount of Energy delivered shall be the net Energy produced by the Seller's Plant and delivered to the Point Of Delivery. Both Parties recognize and acknowledge that Seller's facility and/or equipment at Seller's facility may consume part of the Energy production, and that the net Energy delivered will be the gross production of

Energy by the hydro-generator less the amount of energy consumed by Seller's facility and/or equipment.

5. Pricing. Buyer shall pay Seller \$50.00 per MWh for the Energy supplied, as measured at the revenue meter. The sale to Buyer hereunder covers the Energy delivered and all other commercial attributes of such Energy, including but not limited to Capacity and Renewable Energy Credits.

6. Billing and Payment. Seller shall prepare and send invoices to Buyer monthly via email based on meter readings that Buyer shall provide on the first of each month. The invoice each month shall be sent to Buyer as soon as the meter data through the end of the prior month has been obtained by the Seller. The amount of Energy on each invoice shall be the amount measured and delivered since the previous invoice was issued. Seller's invoices shall be payable upon receipt. All payments shall be remitted electronically to arrive in Seller's designated account.

7. Scheduled Outages. In accordance with the industry standard of Prudent Utility Practice, maintenance and upkeep of the Plant requires that outages take place from time to time. Seller will give Buyer reasonable advance notice of such outages, and shall use its best efforts to avoid unnecessary interruptions in the delivery of Energy from the Plant.

8. Indemnification. Each Party shall indemnify and hold the other harmless from and against any and all claims, suits, losses, damages, costs or liabilities of whatsoever kind or nature, caused by the willful or negligent acts or omissions of the indemnifier or its respective agents, employees or representatives, or arising out of or in any way related to the indemnifier's breach of any representation, warranty or covenant in this Agreement. As to damages caused by the concurrent negligence of Parties hereto (or their respective agents, employees or representatives), the Parties agree that each shall be liable to the extent of the negligence of it or its respective agents, employees or representatives, and shall indemnify the other against the resulting damages.

9. Maintenance of Equipment. Each Party shall use all reasonable effort to maintain in good operating condition its own equipment necessary to perform its obligations hereunder, and shall promptly repair or replace if damaged, all such equipment.

10. Force Majeure.

(a) "Force Majeure" shall mean any event that is beyond the reasonable control of, and not due to the negligence of, a Party, and which wholly or partly prevents or delays the performance by such Party of any of its obligations arising under this Agreement, including the following: (i) flood, freeze, hurricane, windstorm, unusually severe weather, lightning, earthquake or other acts of God, fire, explosion, civil disturbance, act of terrorism, act of the public enemy, strike, lockout or labor dispute directly affecting the ability of Seller to produce or Buyer to receive Energy from the Plant, and (ii) failure of transmission facilities or a constraint on the transmission system that is not caused by such Party and that precludes transmission of Energy to or from the Point of Delivery; provided, however that the following acts, events or causes shall not constitute an event of Force Majeure under any circumstance: (i) strike, lockout or labor dispute involving employees of a contractor providing services directly to such Party; or (ii) failure of Seller to timely

obtain any permits, licenses or other authorization required for its operations; or (iii) any lack of profitability to a Party or other financial consideration of a Party.

(b) If either Party is rendered wholly or partly unable to perform its obligations under this Agreement, or its performance is delayed, because of Force Majeure, that Party shall be excused from whatever performance it is unable to perform or delayed in performing due to the Force Majeure to the extent so affected, provided that:

(i) The Party affected by such Force Majeure, as soon as reasonably practical after the commencement of such affect, gives the other Party oral notice of the occurrence, followed by a written notice within forty-eight (48) hours after such oral notice, fully describing the particulars of the occurrence;

(ii) Such Force Majeure event, despite the exercise of reasonable diligence, cannot be or be caused to be prevented, avoided or removed by the affected Party;

(iii) The affected Party has taken all reasonable precautions and measures in order to avoid the effect of such Force Majeure event on such Party's ability to perform its obligations under this Agreement and to mitigate the consequences thereof;

(iv) The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

(v) The Party whose performance is affected by such Force Majeure uses commercially reasonable efforts to overcome its inability to perform as soon as possible; and

(vi) The Force Majeure event must not have been the result of, or caused by or contributed to by, any negligent act, error or omission or willful misconduct of the affected Party or any of its employees, agents or representatives, and must not be the result of, or caused by or contributed to by, any failure to comply with any law by the affected Party, or any breach or default of this Agreement by the affected Party.

(c) Whenever either Party is required to commence or complete any action within a specified period, such period shall be extended by an amount equal to the duration of any event of Force Majeure occurring or continuing during such period that has an effect on such action, except as otherwise specifically provided in this Agreement; provided, however, that in no event shall a Force Majeure extend this Agreement's Term (herein defined).

(d) At any time after a Force Majeure preventing delivery of Energy from the Plant continues for longer than twelve (12) months, the Party whose performance is not affected by the Force Majeure may terminate this Agreement by written notice to the other Party. In the event of a termination under this Section, neither Party shall have any further liability to the other except as to the accounting upon termination provided in Section 12 of this Agreement.

11. Term of Agreement. This Agreement shall remain in effect for twenty (20) years from the Initial Delivery Date (the "Term"). If either Party wishes to extend this Agreement, they shall communicate this intent to the other Party two months prior to the expiration of the Term. Any such extension shall require that the Party requesting the extension not be in default of any of

its obligations under this Agreement, and that the Parties reach agreement on all material terms to apply during the extended Term.

12. Default. The following shall be “Events of Default” under this Agreement.

(a) Failure by a Party to make any payment to the other Party required under this Agreement within 15 days after the date on which such payment becomes due; or

(b) The authorization or filing by or against either Party of a petition in bankruptcy or commencement with respect to either Party of proceedings relating to reorganization, readjustment of debts, insolvency, dissolution, liquidation, or other similar law of any jurisdiction, or the indication by such Party in any such proceedings of its approval thereof, consent thereto or acquiescence therein; or

(c) An order, judgement, or decree entered by any court of competent jurisdiction partitioning all or any portion of the assets of a Party; or

(d) A breach of this Agreement other than as described above, which results in damage to the non-breaching Party, and continues for a period of 30 days after written notice from the non-breaching Party.

13. Remedies for Default. Upon the occurrence of an “Event of Default” the remedies available to the Party not in default shall include:

(a) Terminate this Agreement immediately upon written notice to the other Party, or

(b) Commence an action for equitable relief, including injunction, declaratory judgement or specific performance; or

(c) Commence an action for money damages.

The pursuit by either Party of any specific remedy shall not be deemed to be an election of that remedy to the exclusion of any other or others, whether provided hereunder or at law, in equity, by statute, or otherwise. In any legal proceeding between Parties arising under or relating to this Agreement, the prevailing Party shall recover its costs and reasonable attorney’s fees of the proceeding.

Upon termination of this Agreement by either Party, an accounting shall occur, and any payment thereby determined to be due to Buyer or Seller, shall be made within 30 days after the date of termination.

14. Limitation of Liability. SELLER AND BUYER SHALL NOT BE LIABLE TO THE OTHER PARTY HEREUNDER FOR INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND—INCLUDING LOST REVENUES, PROFITS, OR LOSS OF BUSINESS (EXCEPT FOR REVENUE AND THE PROFIT THEREON PAYABLE TO SELLER FOR THE PURCHASE OF ENERGY)—ARISING OUT OF THIS AGREEMENT (INCLUDING WITHOUT LIMITATION AS A

RESULT OF ANY BREACH OF ANY WARRANTY OR OTHER TERM OF THIS AGREEMENT), REGARDLESS OF WHETHER A PARTY WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL HAVE NO LIABILITY UNDER ANY CIRCUMSTANCES FOR DAMAGE TO BUYER IN EXCESS OF AN AMOUNT EQUAL TO THE PRICE PAID FOR ENERGY UNDER THIS AGREEMENT DURING THE SIX MONTHS PRIOR TO THE DATE OF THE EVENT THAT ALLEGEDLY CAUSED THE DAMAGE.

15. Waiver of Trial by Jury. THE PARTIES IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY PROVISION HEREOF OR THE BREACH, PERFORMANCE, ENFORCEMENT, VALIDITY OR INVALIDITY HEREOF.

16. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to conflict of law principles.

(b) Successors and Assigns. This Agreement and the provisions hereof shall inure to the benefit of, and be binding upon, the heirs, executors, administrators, personal representatives, successors and assigns of the Parties hereto.

(c) Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the Parties with respect to the transactions herein contemplated and shall supersede all prior understandings, agreements, summaries of terms or letters of intent relating thereto, all of which are hereby declared to be null and void and of no further force and effect. Any modification or amendment to this Agreement shall be effective only if in writing and executed by both Seller and Buyer.

(d) Prior Agreement(s). In consideration of their mutual undertakings, the Parties agree that any existing power purchase agreement(s) shall terminate on the Initial Delivery Date hereunder, and the Parties hereby mutually release and shall hold each other harmless for any past, present or future claims, liabilities or damages, of any kind, relating to or arising from such power purchase agreement(s), except for Buyer's obligation to pay for Energy delivered pursuant to any such agreement.

(e) Payment of Expenses. Except as otherwise set forth in this Agreement, each Party will pay all other fees and expenses incurred by it in connection with the transactions contemplated hereunder. Without limiting the generality of the foregoing, Seller shall be solely responsible for all costs associated with transmission of the Energy to the Point of Delivery, and Buyer shall be responsible for all costs of transmission of the Energy beyond the Point of Delivery.

(f) Notices. All notices, requests, claims, demands and other communications required or permitted to be given under this Agreement shall be in writing and will be delivered by hand, e-mailed (with delivery acknowledgement) or sent, postage prepaid, by registered,

certified or express mail or reputable overnight courier service, and will be deemed given when so delivered by hand, when e-mail confirmation is received if delivered by email, or three business days after being so mailed (one business day in the case of express mail or overnight courier service). All such notices, requests, claims, demands and other communications will be addressed as set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice in accordance with this Paragraph:

If to Seller:

Grande Pointe Power Corporation
1001 Stephenson Street
Norway, MI 49870
Cell Phone: 906.396.3000
Attention: Thomas A. Berutti, CEO
E-mail: tom@rwehydro.com

with a copy (which shall not constitute notice) to:

Fraser Trebilcock Davis & Dunlap, P.C.
One Woodward Avenue, Suite 1550
Detroit, MI 48226
Attention: Jonathan T. Walton, Jr.
Phone: (313) 237-7300
E-mail: jwalton@fraserlawfirm.com

If to Buyer:

City of Sturgis, Michigan
Electric Department
130 N. Nottaw St.
Sturgis, MI 49091
Attention: John J. Griffith, Electrical Dept. Superintendent
Phone: (269) 651-2321
E-mail: _____

with a copy (which shall not constitute notice) to:

[Name]
[Address 1]
[Address 2]
Phone: _____
E-mail: _____

(g) Headings. The headings of the Sections and paragraphs of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

(h) Effective Date of this Agreement. This Agreement shall become effective on the date shown at the beginning of this document.

(i) Benefit. The covenants, agreements and undertakings of each of the Parties hereto are made solely for the benefit of, and may be relied on only by, the other Party hereto, their transferees and assigns, and are not made for the benefit of, nor may they be relied upon, by any other person whatsoever.

(j) No Waiver. The waiver of any breach or default under the provisions of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach or default.

(k) Construction. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that the Agreement may have been prepared primarily by counsel for Buyer or Seller, it being recognized that all of the Parties and their counsel have contributed substantially and materially to the preparation of this Agreement.

(l) Signatures. This Agreement may be signed in counterparts, each of which shall constitute an original, and all of which, taken together, shall constitute one instrument. Signatures transmitted electronically shall be valid to the same extent as original signatures.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE CITY OF STURGIS, MICHIGAN

GRANDE POINTE POWER CORPORATION

By: _____

By: _____
Thomas A. Berutti

Title: _____

Title: CEO