

Southgate City Council Agenda

Council Chambers

Wednesday April 4, 2018

6:30pm **Work Study Session**

1. Officials Reports
2. Discussions regarding agenda items.

7:00 pm **Regular Meeting**

Pledge of Allegiance

Roll Call: Colovos, Denman, Farrah, George, Graziani, Rauch, Zamecki.

Minutes:

1. Work Study Session Minutes dated March 21, 2018.
2. Regular City Council Meeting Minutes dated March 21, 2018.

Scheduled Persons in the Audience:

Consideration of Bids:

Scheduled Hearings:

Communications "A" –

1. Memo from Administrator; Re: Resolution to Approve the Purchase Agreement between the City of Southgate and DTE Energy to convert street lights Page 2
2. Letter from Mayor; Re: Appointment to Library Commission Page 10
3. Letter from Mayor; Re: Appointments to Library Commission Page 11

Communications "B" – (Receive and File)

1. Letter from Mayor; Re: Appointments to Parks & Recreation Commission Page 12
2. Letter from Mayor; Re: Appointments to Public Safety Commission Page 13
3. Letter from Mayor; Re: Appointments to Water Board Page 14

Ordinances:

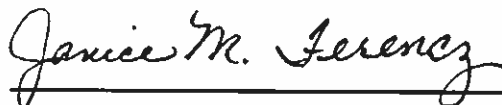
Old Business:

New Business:

Unscheduled Persons in the Audience:

Claims & Accounts: Warrant #1350

Adjournment:



Janice M. Ferencz, City Clerk

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate
Celebrating 60 Years!

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

SHERYL DENMAN

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

Memorandum

To: Honorable City Council Members

From: Dustin Lent, City Administrator *DL*

Date: March 27, 2018

Re: Resolution to Approve the Purchase Agreement between the City of Southgate and DTE Energy to convert certain street lights

Over a period of time the City of Southgate has converted street light lamps to LED (light-emitting diode) luminaires, which deliver the same amount of illumination as older lamps with much less electricity consumption and a longer lasting bulb life.

For the City Council's consideration is the conversion of existing street lights throughout the City. DTE will replace 211 lights at a cost to the City of \$85,159.00. In addition, DTE will rebate \$3,308.00 to the City once the project is complete.

The City will save approximately \$12,000.00 per year in streetlight energy costs, and realize a payback in Southgate's investment in approximately 7 years at the current power rates.

The Administration recommends the City Council's favorable consideration of the Purchase Agreement between DTE Energy and the City of Southgate, in the amount of \$85,159.00, and authorization for the Mayor and City Clerk to execute all necessary documents.

I look forward to your questions and comments.

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate
Celebrating 60 Years!

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

SHERYL DENMAN

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: David Angileri, Assistant City Administrator/Finance Director

DATE: March 27, 2018

RE: Recommendation DTE Street Lighting Conversion Project

I have reviewed the above and concur to enter into the Master Agreement for Municipal Street Lighting. The cost of the agreement is \$85,159.00, with a payback of about 6.8 years. Due to the annual savings along with the rebate from DTE, coupled with the short payback time I would recommend the City Council enter into the above project. This is year six of LED Conversion Project for the City of Southgate.

Adequate funds are available in the Act 51 Major and Local Street Funds to cover this amount. If you have any questions, please do not hesitate to call me.

Detroit Edison



A DTE Energy Company

March 26, 2018

City of Southgate
Attn: Dustin Lent
144001 Dix- Toledo
Southgate, MI 48195

Re: Proposed 2018 Street Lighting Conversion Project

We have completed our review of your request for proposed lighting and have prepared a cost estimate for the conversion of 211 streetlights to LED. City of Southgate, Wayne County

The costs are based on the Edison Option I rate, where Detroit Edison installs, owns, and maintains the lighting system. The rate requires a portion of the construction cost be paid by the customer, which is determined by the following formula.

2018 LED Conversion Project

Cost to construct	\$85,159.00
Minus 3yrs revenue	\$0.00
Contribution from (City of Southgate)	\$85,159.00
Annual operating cost	\$24,128.00

The price quoted herein shall be in effect for period of six months from the date hereof. After installation the total cost for additional modification, relocation or removal will be the responsibility of requesting party. The sum of \$85,159.00 will be made prior to the actual start of construction.

Please request an agreement for Municipal Street Lighting if you would like us to proceed with the installation and call me on 734-397-4027 should you have any questions.

Sincerely,

Debra J. Cain

Debra J. Cain
Account Manager
Community Lighting

Exhibit A to Master Agreement

Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of March 26, 2018] between The Detroit Edison Company ("Company") and [City of Southgate] ("Customer").

This Agreement is a "Purchase Agreement" as referenced in the Master Agreement for Municipal Street Lighting dated [February 24, 2014] (the "Master Agreement") between Company and Customer. All of the terms of the Master Agreement are incorporated herein by reference. In the event of an inconsistency between this Agreement and the Master Agreement, the terms of this Agreement shall control.

Customer requests the Company to furnish, install, operate and maintain street lighting equipment as set forth below:

1. DTE Work Order Number:	[TBD]	
	If this is a conversion or replacement, indicate the Work Order Number for current installed equipment: [##### or N/A]	
2. Location where Equipment will be installed:	[Remaining HPS streetlights excluding Northline, Prechter and Reeck], as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	[211]	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	[10-175MV to 65w, 1-400MV to 135w, 67-100HPS to 65w, 21-250HPS to 135, 1-175MV to 72w, 104-100HPS to 72w and 7-150w HPS to 60w	
5. Estimated Total Annual Lamp Charges	\$24,128.00	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$85,159.00
	Credit for 3 years of lamp charges:	\$0.00
	CIAC Amount (cost minus revenue)	\$85,159.00
7. Payment of CIAC Amount:	Due promptly upon execution of this Agreement	
8. Term of Agreement	5 years. Upon expiration of the initial term, this Agreement shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) days prior written notice to the other party.	
9. Does the requested Customer lighting design meet IESNA recommended practices?	(Check One) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices _____	
10. Customer Address for Notices:	[14400 Dix- Toldeo] [Southgate, MI 48195] [Dustin Lent]	

11. Special Order Material Terms:

All or a portion of the Equipment consists of special order material: (check one) YES NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. Customer acknowledges that all or a portion of the Equipment is special order materials ("SOM") and not Company's standard stock. Customer will purchase and stock replacement SOM and spare parts. When replacement equipment or spare parts are installed from Customer's inventory, the Company will credit Customer in the amount of the then current material cost of Company standard street lighting equipment.

B. Customer will maintain an initial inventory of at least 0 posts and 0 luminaires and any other materials agreed to by Company and Customer, and will replenish the stock as the same are drawn from inventory. Costs of initial inventory are included in this Agreement. The Customer agrees to work with the Company to adjust inventory levels from time to time to correspond to actual replacement material needs. If Customer fails to maintain the required inventory, Company, after 30 days' notice to Customer, may (but is not required to) order replacement SOM and Customer will reimburse Company for such costs. Customer's acknowledges that failure to maintain required inventory could result in extended outages due to SOM lead times.

C. The inventory will be stored at _____. Access to the Customers inventory site must be provided between the hours of 9:00 am to 4:00 pm, Monday through Friday with the exceptions of federal Holidays. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to the Company:

Name: _____ Title: _____

Phone Number: _____ Email: _____

The Customer will notify the Company of any changes in the Authorized Customer Representative. The Customer must comply with SOM manufacturer's recommended inventory storage guidelines and practices. Damaged SOM will not be installed by the Company.

D. In the event that SOM is damaged by a third party, the Company may (but is not required to) pursue a damage claim against such third party for collection of all labor and stock replacement value associated with the damage claim. Company will promptly notify Customer as to whether Company will pursue such claim.

E. In the event that SOM becomes obsolete or no longer manufactured, the Customer will be allowed to select new alternate SOM that is compatible with the Company's existing infrastructure.

F. Should the Customer experience excessive LED equipment failures, not supported by LED manufacturer warrantees, the Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at the Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of the Customer.

12. Experimental Emerging Lighting Technology ("EELT") Terms:

All or a portion of the Equipment consists of EELT: (check one) YES NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. The annual billing lamp charges for the EELT equipment has been calculated by the Company are based upon the estimated energy and maintenance cost expected with the Customer's specific pilot project EELT equipment. .

B. Upon the approval of any future MPSC Option I tariff for EELT street lighting equipment, the approved rate schedules will automatically apply for service continuation to the Customer under Option 1 Municipal Street Lighting Rate, as approved by the MPSC. The terms of this paragraph B replace in its entirety Section 7 of the Master Agreement with respect to any EELT equipment purchased under this Agreement.

Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:

Customer:

The Detroit Edison Company

[City of Southgate]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Attachment 1 to Purchase Agreement

Map of Location

[To be attached]

City of Southgate
Conversion using stock fixtures

Current Invoiced Rate				Future Invoiced Rate								
Current Watt	Type	Quantity OH	Annual Rate OH lum	Annual Rate UG per lum	Totals	New Watt	Type	Quantity OH	Annual Rate OH per lum	Quantity US	Annual Rate US per lum	Future Invoiced Total
100	MV		\$173.67	\$376.71	\$0.00	65	LED		\$146.52		\$302.04	\$0.00
175	MV		\$224.90	\$432.98	\$4,329.80	65	LED	10	\$146.52		\$302.04	\$3,020.40
250	MV		\$253.21	\$477.36	\$0.00	135	LED		\$166.85		\$321.77	\$0.00
400	MV		\$337.08	\$568.32	\$337.08	135	LED	1	\$166.85		\$321.77	\$166.85
1000	MV		\$601.08	\$798.24	\$0.00	280	LED		\$210.47		\$364.08	\$0.00
70	HPS		\$189.76	\$343.12	\$0.00	65	LED		\$146.52		\$302.04	\$0.00
100	HPS		\$199.61	\$352.68	\$20,874.30	65	LED	18	\$146.52		\$302.04	\$17,437.32
150	HPS		\$218.21	\$384.65	\$0.00	135	LED		\$166.85		\$321.77	\$0.00
250	HPS		\$254.58	\$449.34	\$5,346.18	135	LED		\$166.85		\$321.77	\$3,503.85
400	HPS		\$332.02	\$548.04	\$0.00	280	LED		\$210.47		\$364.08	\$0.00
1000	HPS		\$614.64	\$712.32	\$0.00	280	LED		\$210.47		\$364.08	\$0.00
400	MV		\$337.08	\$568.32	\$0.00	280	LED		\$210.47		\$364.08	\$0.00
400	MH		\$332.02	\$753.17	\$0.00	135	LED		\$166.85		\$321.77	\$0.00
150	HPS		\$218.21	\$384.65	\$0.00	65	LED		\$146.52		\$302.04	\$0.00

Convert 1-175MV to 7Z Colonial Fixture

Fixture Cost	\$ 441.00	\$441.00
Labor	\$ 65.00	\$65.00
Cost to Convert		\$506.00
Annual Savings		\$128.00
		Rebate \$ 10.00

Currently	Proposed Conversion
Total Current Lumens	99
Total Invoice with Current Rates	\$30,887.36
Total Future Lumens	99
Total Future Invoice with Current Rates	\$24,128.42
Annual Savings	\$6,758.94
Cost to Convert (CIC)	\$28,231.00
OTE Labor contribution	\$682.00
EO Rebate (EO)	\$2,076.00
CIC less EO less OTE Contribution	\$25,473.00
Payback to CAG Amount less EO rebate (yrs) divide by Annual Savings	3.77

Note: EO Rebate will be issued directly to customer. DTE will assist the customer with the EO application process.

Convert 104-100HPS to 7Zw Colonial Fixture

Fixture Cost	\$441	\$ 45,864.00
Labor	\$65	\$ 6,760.00
Cost to Convert		\$ 52,624.00
Annual Savings		\$ 4,980.00
		Rebate \$1,040.00

Total Conversion Project Cost for 2018	\$65,841.00
Combined Project Cost	(682.00)
DTE Labor Contribution	\$5,159.00
EO Rebate*	(3,305.00)
Annual Savings	\$ 21,445.00
Project Payback	6.8

Convert 7-150w HPS to 60w Aeon Fixture

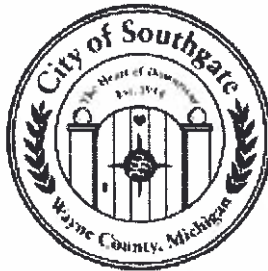
Fixture Cost	\$575	\$ 4,025.00
Labor	\$65	\$ 455.00
Cost to Convert		\$4,480.00
Annual Savings		\$579.00
		Rebate \$182.00

Total Conversion Project Cost for 2018	\$4,480.00
Combined Project Cost	(182.00)
DTE Labor Contribution	\$3,298.00
EO Rebate*	(1,000.00)
Annual Savings	\$579.00
Project Payback	7.8

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate
NORMA J. WURLINGER
MUNICIPAL BUILDING

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

SHERYL DENMAN

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

March 26, 2018

To The Honorable
Southgate City Council
Southgate, Michigan 48195

Re: Appointments to Boards/Commissions

Ladies and Gentlemen:

Please be advised I have made the following appointment:

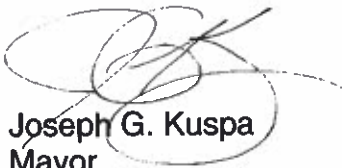
Library Commission – for a term expiring April 2019

Christian Grassa 17300 Jessica Drive

This appointment will fill the vacancy created by Danny McCoy's resignation from the commission.

Your concurrence on these appointments is greatly appreciated.

Sincerely,



Joseph G. Kuspa
Mayor

Cc: Janice Ferencz, City Clerk

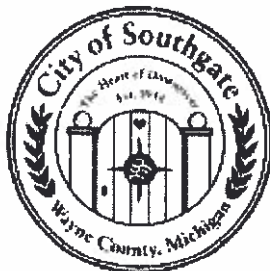
JGK/law

page 10

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate
NORMA J. WURLINGER
MUNICIPAL BUILDING

- CITY COUNCIL -

JOHN GRAZIANI
Council President
MARK FARRAH
SHERYL DENMAN
KAREN E. GEORGE
BILL COLOVOS
DALE W. ZAMECKI
PHILLIP J. RAUCH

March 26, 2018

To The Honorable
Southgate City Council
Southgate, Michigan 48195

Re: Appointments to Boards/Commissions

Ladies and Gentlemen:

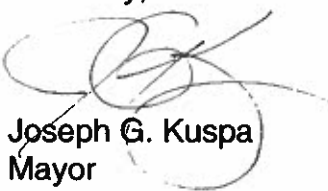
Please be advised I have made the following appointments:

Library Commission – for a 3 year term expiring April 2021

Jill Pastor	13127 Balsam
Kim Guentner	12122 Churchill
David Grubbs	12895 Edison

Your concurrence on these appointments is greatly appreciated.

Sincerely,


Joseph G. Kuspa
Mayor

Cc: Janice Ferencz, City Clerk

JGK/law

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate
Celebrating 60 Years!

- CITY COUNCIL -

JOHN GRAZIANI
Council President

MARK FARRAH

SHERYL DENMAN

KAREN E. GEORGE

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

April 5, 2018

To The Honorable
Southgate City Council
Southgate, Michigan 48195

Re: Appointments to Boards/Commissions

Ladies and Gentlemen:

Please be advised I have made the following appointments:

Parks & Recreation Commission – for a term expiring April 2020:

Carol Gordos	12539 Fordline
Cheryl Tank	15435 Cameron
Lenny Dombrowsky	15558 Applewood
Melissa Holzheuter	13761 Windemere
Rob Proudlock	16736 Aspen Way
Roy Birmingham	17105 Timothy
Dave Pinkowski	15475 Leroy
Darlene Pomponio	12324 Bedford
Scott Labadie	16637 Traynor

Sincerely,


Joseph G. Kuspa
Mayor

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate
Celebrating 60 Years!

- CITY COUNCIL -

JOHN GRAZIANI
Council President
MARK FARRAH
SHERYL DENMAN
KAREN E. GEORGE
BILL COLOVOS
DALE W. ZAMECKI
PHILLIP J. RAUCH

April 5, 2018

To The Honorable
Southgate City Council
Southgate, Michigan 48195

Re: Appointments to Boards/Commissions

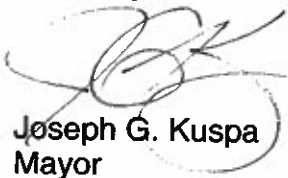
Ladies and Gentlemen:

Please be advised I have made the following appointments:

Public Safety Commission – for a term expiring April 2020:

Paul	Knott	12940 Devoe
Robert	Hines	12055 Fordline
Norman	Loveday	15265 Pheasant Run
Jim	Austin	14966 Irene
Theresa	Grzechowski	16213 Helen
David	Smith	13301 Mark
Paul	Kolokowski	13214 Catalpa

Sincerely,



Joseph G. Kuspa
Mayor

JGK/law

JOSEPH G. KUSPA
Mayor

JANICE M. FERENCZ
City Clerk

JAMES E. DALLOS
Treasurer



City of Southgate
Celebrating 60 Years!

- CITY COUNCIL -

JOHN GRAZIANI
Council President
MARK FARRAH
SHERYL DENMAN
KAREN E. GEORGE
BILL COLOVOS
DALE W. ZAMECKI
PHILLIP J. RAUCH

March 27, 2018

To The Honorable
Southgate City Council
Southgate, Michigan 48195

Re: Appointments to Boards/Commissions


Ladies and Gentlemen:

Please be advised I have made the following appointments:

Water Board— for a term expiring April 2020:

Jerry Dusick 17305 Cedarlawn
Dan Brooks 14450 Stoutwood Ct
Brian Wolff 12328 Manor
Don Slankster 13056 Castle
Robert Tank 15435 Cameron

Sincerely,


Joseph G. Kuspa
Mayor

JGK/law

page 14