



**BOYNE CITY
CITY COMMISSION REGULAR MEETING
Boyne City Hall
364 North Lake Street
Tuesday, June 14, 2016 at 7:00 p.m.**

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. CONSENT AGENDA
The purpose of the consent agenda is to expedite business by grouping non-controversial items together to be dealt with by one Commission motion without discussion. Any member of the Commission, staff, or the public may ask that any item(s) on the consent agenda be removed and placed as the last item under new business to receive full discussion. Such requests will be automatically respected.
 - A. Approval of the May 24, 2016 City Commission regular meeting minutes as presented
 - B. Approval of the June 2, 2016 City Commission special meeting minutes as presented
 - C. Approval of a contract with MDOT's Aeronautics Division for pavement marking services at the Boyne City Airport at an estimated cost of \$3,000 and authorize the City Manager to execute the documents
4. HEARING CITIZENS COMMENTS (on non-agenda items; 5 minute limit)
5. CORRESPONDENCE
 - A. Correspondence from State of Michigan Liquor Control Commission regarding Round Lake Group LLC transfer ownership of 2016 Resort Class C and SDM License for 220-222 S. Lake Street, Boyne City
 - B. Correspondence from the MDEQ regarding an upcoming public information meeting and public hearing to be held on July 11, 2016 at 6:00 p.m. at the Boyne District Library for Kirtland Products on their request to increase emissions
 - C. Correspondence from The US Department of the Interior confirming the City's status in the Certified Local Government program
 - D. Correspondence from the Michigan Township Participating Plan Member regarding a dividend reimbursement received by the City in the amount of \$4,573.91
6. CITY MANAGER'S REPORT
7. REPORTS OF OFFICERS, BOARDS AND STANDING COMMITTEES
 - A. Draft Minutes of the May 3, 2016, Zoning Board of Appeals Meeting
 - B. Draft Minutes of the May 5, 2016 Parks & Recreation Board Meeting
 - C. Draft Minutes of the May 12, 2016 Main Street Meeting
 - D. Draft Minutes of the May 16, 2016 Planning Commission Meeting
 - E. Draft Minutes of the May 19, 2016 Historic District Meeting

F. Draft Minutes of the May 24, 2016 Historical Commission Meeting

8. OLD BUSINESS

- A. Second Reading Sidewalk Café Alcohol Service Ordinance
Consideration of a second reading and approval of the proposed amendment to Sec 54-170 (a), the Outdoor Sidewalk Café Ordinance to allow alcohol service and to Sec 54-171 adding item (1) which has a requirement for review of the barrier used to delineate the service area
- B. Safe Routes to School Contract
Consideration to approve the construction of the Safe Routes to School project and authorize the City Manager to sign and submit the MDOT grant agreement
- C. MParks Improvement Recommendation
Consideration to Review the listed projects and the Parks & Rec. board recommendation, determine which projects/items should be priorities and authorize staff to research and move forward with one or more of them.

9. NEW BUSINESS

- A. City Commission Work Session Follow Up
- B. Little Free Library
Consideration to authorize staff to work with Pat O'Brien & Associates to install one or more "Little Free Library(s).
- C. Request of the City Manager to go into closed session to consider the purchase of real property as provided in MCL 15.268 (d) of the Michigan Open Meetings Act (PA 267 of 1976)

10. GOOD OF THE ORDER

11. ANNOUNCEMENTS

- The next regular City Commission meeting is scheduled for Tuesday, June 25, 2016 at Noon

12. ADJOURNMENT

Individuals with disabilities requiring auxiliary aids or services in order to participate in municipal meetings may contact Boyne City Hall for assistance: Cindy Grice, City Clerk/Treasurer, 319 North Lake Street, Boyne City, MI 49712; phone (231) 582-0334



Scan QR code or go to
www.cityofboyne.com
click on Boards & Commissions for complete
agenda packets & minutes for each board

**MAY 24, 2016
REGULAR MEETING**

RECORD OF THE PROCEEDINGS OF THE REGULAR BOYNE CITY COMMISSION MEETING DULY CALLED AND HELD AT BOYNE CITY HALL, 364 NORTH LAKE STREET, ON TUESDAY MAY 24, 2016

CALL TO ORDER

Mayor Neidhamer called the meeting to order at noon followed by the Pledge of Allegiance.

Present: Mayor Tom Neidhamer, Mayor Pro-Tem Gene Towne, Commissioners Ron Grunch, Laura Sansom and Hugh Conklin

Absent: None

Staff: Cindy Grice, Michael Cain, Andy Kovolski, John Lamont, Mark Fowler, Jeff Gaither, Scott McPherson, Craig Remsberg, Patrick Kilkenney, Syrina Dawson, Don Sproul and Barb Brooks.

Others: There were 11 citizens in attendance including representatives from the Charlevoix County News and Petoskey News Review

**Moment of Silence for
Jeff Gettel**

City Manager Cain announced the passing of our former Assistant Police Chief Jeff Gettel this past weekend at his home in Georgia. Jeff began his employment with the City as a police officer in 1985 and was promoted to Police Chief in 1991. He retired four years ago. Jeff was a pleasure to work with and provided dedicated service to the citizens of Boyne City. He will be greatly missed.

Former Charlevoix County Sherriff George Lasater spoke about Jeff, stating that Jeff worked for the County Sheriff's Department prior to working for the City. He was very professional, a good people person and also received a Medal of Valor while working for the County. We lost him too early.

Office Craig Remsberg stated that he has known Jeff since 1980 starting when they worked together on Mackinaw Island, then working for the City of Boyne City together. Jeff was a good guy who is gone too soon.

Police Chief Jeff Gaither said he is very sorry to hear the news and for Jeff's family. Jeff was well respected in our community and with the Police Department.

Mayor Neidhamer called for a moment of silence in memory of Officer Jeff Gettel.

**CONSENT AGENDA
MOTION**

2016-05-065
Moved by Conklin
Second by Grunch

2016-05-065A
Approval of the May 10, 2016 City Commission regular meeting minutes as presented

2016-05-065B
Approval to reappoint Aaron Place to the Planning Commission for a three year term expiring on May 31, 2019

2016-05-065C
Approval to reappoint Joe St. Dennis to the Planning Commission for a three year term expiring on May 31, 2019

2016-05-065D

Approval to reappoint Ken Allen to the Planning Commission for a three year term expiring on May 31, 2019

2016-05-065E

Approval to reject the offer from the Charlevoix County Treasurer to purchase tax foreclosed properties

2016-05-065F

Approval of a grant application to the Grand Traverse Band of Ottawa & Chippewa Indians in the amount of \$36,315 for the purpose of purchasing three Lucas automatic CPR machines and authorize the City Manager to execute the documents

Ayes: 5

Nays: 0

Absent: 0

Motion carried

CITIZENS COMMENTS

Barb Brooks, Leadership Charlevoix County Class of 2016, thanked the City Commission for coming to the Ribbon Cutting for the Born Learning Trail. She also thanked the City for their support and sending her to LCC. It was a great experience and she learned a lot.

John Clements inquired about the status of sidewalks from the development behind the Shell station to the schools. City Manager Cain said as part of the Safe Routes to Schools program, we are hoping this project to be under construction by the end of the summer.

Aaron Hagan from the Lake Charlevoix Brewing Co introduced himself. They will be opening the Boyne City Taproom in June.

CORRESPONDENCE

A thank you card from Bill & Clare Brady thanking the water department for taking care of a recent water issue in a safe and professional manner was received and filed.

CITY MANAGERS REPORT

City Manager Cain reported:

- The old City Hall is now gone, dewatering is currently taking place.
- A recent meeting was held with Bill Kuhn regarding the water issues on Division Street, planning to get more water to drain quicker
- Congratulations to Barb Brooks for graduating from the Leadership Charlevoix County program

REPORTS OF OFFICERS, BOARDS AND STANDING COMMITTEES

None

Goal Setting / Community Input

Consideration to direct City Staff to review the information and prepare a recommendation of top goals and issues to address and bring it back to the City Commission at its June 14, 2016 meeting; or schedule a City Commission Work Session for June 7, 2016 at 1:30 p.m. to review all of the information, prioritize and adopt a set of goals

City Manager Cain discussed the options regarding setting goals. In February, a summary was provided to the Commission capturing the issues that arose from a combination of the meeting and online survey for the review. A link to the survey site was also provided for the review of all comments and suggestions that were provided from the survey. Reviewing

this information, prioritizing the subjects and adopting a set of goals will assist City Staff in where they should focus their attention and resources and provide guidance to boards and commissions as they review requests and concerns of citizens, groups and businesses within our community.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners would like to schedule a formal meeting to prioritize and adopt a set of goals. The City Manager will provide available dates and times as soon as possible and the meeting will be posted.

**Public Hearing for
Munson Healthcare
Charlevoix Hospital**

Consideration of a request from Munson Healthcare Charlevoix Hospital, financing through Charlevoix Township Hospital Finance Authority to hold a Public Hearing for utilizing tax exempt bond proceeds for the purpose of purchasing and installing medical equipment at the Boyne Area Medical facility located in Boyne City

Mayor Neidhamer opened the Public Hearing at 12:36 p.m.

City Manager Cain discussed the request the City received to schedule a public hearing regarding Munson Healthcare Charlevoix Hospital's desire to be able to bond for improvements including those at the hospital and others at the Boyne Area Health Center in Boyne City. At that time, the City Commission scheduled today's public hearing on the matter. These bonds, while needing a resolution of support from the City Commission will not create any sort of financial obligation for us. We are looking to consider adopting this proposed resolution. Given that a portion of this funding will be used to improve health care in our community and that there is no responsibility on the City's part to pay for this funding, he sees no reason to not support this request.

Mike Jarema, representing Munson Healthcare Charlevoix Hospital said the plan is for additional equipment at the hospital and the Boyne Area Health Center in Boyne City

There was no further public comment.

Mayor Neidhamer closed the Public Hearing at 12:40 p.m.

Board Discussion: Commissioner Sansom inquired how much would be spent in the Boyne Area Health Center and was informed around \$300,000. All Commissioners are in support of the proposed resolution.

MOTION

2016-05-065
Moved by Conklin
Second by Sansom

To approve of the request from Munson Healthcare Charlevoix Hospital, financing through Charlevoix Township Hospital Finance Authority to hold a Public Hearing for utilizing tax exempt bond proceeds for the purpose of purchasing and installing medical equipment at the Boyne Area Medical facility located in Boyne City and to approve of the resolution as presented

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Street Vacation Request

Consideration to proceed with a request from Stephanie Moody for the vacation of the south portion of Willow Street and authorize staff to schedule and notice the required public hearing

Planning Director Scott McPherson discussed the application received for the vacation of a public way that was submitted by Stephanie Moody who owns 100 West Court Street. She is requesting the south portion of Willow Street, located in Caldwell's addition between lots 11 and 12, owned by Tom Lasater and Lot 2 owned by her to be vacated. This portion of the street is 66 feet wide and 132 feet in length and is the only remaining portion of the street that has not been vacated. While the street is undeveloped and does not have any utilities located on it, the house located at 100 W. Court Street does encroach significantly into the right of way. In 1991, an addition to the home was constructed. A plot plan and zoning permit for the addition was submitted and approved by the City. It was not discovered until relatively recently that the addition encroached into the platted street. While many years have passed since the initial encroachment, the property owner does not have legal nonconforming status or an adverse possession claim as these cannot be obtained for encroachments onto public property. The street vacation request was reviewed by all City departments and there were no objections to the request. It is being recommended that an easement be obtained for the maintenance of the water and wastewater mains that are installed on the east side of the house at 100 W Court Street. The Planning Commission reviewed the request and based on their findings, recommended the street as requested be vacated.

Staff Comments: None

Citizens Comments: Marty Moody was in attendance representing the property owner.

Board Discussion: Commissioner Conklin inquired if an easement now exists and was informed that none were found. All are in agreement with the recommendation.

MOTION

2016-05-066
 Moved by Towne
 Second by Sansom

To proceed with a request from Stephanie Moody for the vacation of the south portion of Willow Street and authorize staff to schedule and notice the required public hearing

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Clean Air Act Interpretation

Consideration of the recent re-interpretation of the federal Clean Air Act and its effect on local business and determine what, if any, role it wishes to take on the matter

City Manager Cain stated the he recently learned of a recent-re-interpretation of the Clean Air Act by the EPA, if allowed to go forward, could have serious negative implications for on of our Business Park businesses, Classic Instruments. This change could result in significant business losses and result in fewer jobs at this business and others across the nation.

According to Classic Instruments owner, John McLeod, this re-interpretation would have devastating implications for his business and others that support this industry. He also goes on to state that the modification of existing motor vehicles to those to be used solely for competition purposes is a long established and accepted practice across the country. He further states that one of the reasons for its acceptance is the minute amount of pollution that this industry creates. He compares it to less pollution that is created by a semi-truck driving across the country.

This matter was discussed yesterday at the Economic Development Commission meeting. They made a recommendation to oppose the re-interpretation of the Act.

Staff Comments: None

Citizens Comments: Jim Baumann asked the Commissioners to follow the lead of the EDC and send a letter of opposition to this re-interpretation of the Act.

Board Discussion: Commissioner Sansom said this makes absolutely no sense and would have horrible, negative impact. All Commissioners support the recommendation to oppose the re-interpretation of the ACT.

MOTION

2016-05-067
Moved by Grunch
Second by Sansom

To authorize the City Manager to proceed with a letter of opposition regarding the EPA's recent re-interpretation of the Clean Air Act.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Mosaic Mural

Consideration to approve of the construction and installation of a mosaic mural piece in the marina and authorize the City Manager and Main Street Director to execute any necessary contracts or documentation to move the project forward.

City Manager Cain discussed the request from Svetlana Ottley, a mosaic artist, who will be moving to Boyne City later this year, to Main Street Director Lori Meeder. Svetlana would like to donate a mosaic sculpture to our community. Main Street would pay for the materials and installation. The estimated cost was included in this year's budget. Under the oversight of the

Main Street design committee, Bruce Jannsen and Martha Sulfridge worked directly with Svetlana to come up with a design and potential location that is now being presented. The rough size of the free standing structure is 5' tall by 3' wide. The possibility of using some of the Onaway stone from the old City Hall was discussed as a potential material for the base/wall. A stone mason will need to be secured to construct the free standing wall, with the possibility of getting a bid from the brick contractors working on the new City Hall. At their May meeting, the Main Street Board approved the construction and placement of the mosaic structure.

Staff Comments: Harbormaster Barb Brooks said she looked at the spot, doesn't think it will be impacting, however since it is permanent, she needs to consider it further.

Citizens Comments: None

Board Discussion: Commissioner Conklin said that sometimes when something is new, we like a trial run. This is a permanent structure. Who will maintain it? Could Parks & Recreation look at it? Commissioner Grunch agrees. Commission Sansom said she totally supports the arts, but this mosaic didn't excite her the same way as other art does. Where do we draw the line? Do we have to say yes every time there is a request? Do we pick other spots? She also wants to check other projects this artist has done and see some finished pieces. Mayor Pro-Tem Towne agrees. Mayor Neidhamer said it is important that we stress the arts, but this needs to be looked at further.

2016-05-068
Moved by Neidhamer
Second by Grunch

To postpone this request to a future date bringing considerations of other locations and costs

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Good of the Order

None

Closed Session
MOTION

2016-05-069
Moved by Neidhamer
Second by Towne

To approve the request of the City Manager to go into closed session to consider strategy connected with the negotiation of a collective bargaining agreement as provided in MCL 15.268 (c) of the Michigan Open Meetings Act (PA 267 of 1976) at 1:17 p.m.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**Return to Open
Session
MOTION**

2016-05-070
Moved by Neidhamer
Second by Towne

To return to Open Session at 2:02 p.m.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

ADJOURNMENT

Motion by Mayor Neidhamer seconded by Commissioner Grunch to adjourn the regular City Commission meeting of Tuesday, May 24, 2016 at 2:02 p.m.

Tom Neidhamer
Mayor

Cindy Grice
Clerk / Treasurer

DRAFT

**JUNE 2, 2016
REGULAR MEETING**

RECORD OF THE PROCEEDINGS OF THE SPECIAL BOYNE CITY COMMISSION MEETING DULY CALLED AND HELD AT BOYNE CITY HALL, 364 NORTH LAKE STREET, ON THURSDAY JUNE 2, 2016

CALL TO ORDER

Mayor Neidhamer called the meeting to order at 3:15 p.m. followed by the Pledge of Allegiance.

Present: Mayor Tom Neidhamer, Mayor Pro-Tem Gene Towne, Commissioners Ron Grunch, Laura Sansom and Hugh Conklin

Absent: None

Staff: Cindy Grice, Michael Cain and Lori Meeder.

Others: There was 1 citizen in attendance (representative from the Petoskey News Review)

**Moment of Silence for
Ed Hennessey and
Linda Howard**

Mayor Neidhamer called for a moment of silence for Ed Hennessey who has served on the Airport board and many other community service boards for many years who passed away last weekend. Retired Police Chief Randy Howard's wife Linda passed away this week and a moment of silence was held in Linda's memory as well.

CITIZENS COMMENTS

City Manager Cain discussed Lori Meeder's memo to the Commission regarding tackling work force housing in the area. The Commissioners are all in agreement that this should be a major topic of discussion at their goal setting session to be held on June 13, 2016 beginning at 9:00 a.m. and should include involvement from other boards and organizations.

**Closed Session
MOTION**

2016-06-071
Moved by Neidhamer
Second by Grunch

To Request of the City Manager to go into closed session to consider strategy connected with the negotiation of a collective bargaining agreement as provided in MCL 15.268 (c) of the Michigan Open Meetings Act (PA 267 of 1976) at 3:49 p.m.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**Return to Open
Session
MOTION**

2016-06-072
Moved by Neidhamer
Second by Towne

To return to Open Session at 4:22 p.m.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

AFSCME Bargaining Agreement Approval

Consideration of approval of AFSCME Collective Bargaining agreement. City Manager Cain discussed the contract with the AFSCME bargaining unit that has recently been negotiated. Both parties reached a tentative agreement for a three year contract. Highlights include 2.5% pay increase for the first two years, a 3% increase the third year; a \$250 stipend per each union member; modifications to the uniform and work boot sections are among the changes presented.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement and support of the proposed contract.

2016-06-073
 Moved by Towne
 Second by Sansom

To ratify the AFSCME Collective Bargaining unit agreement as presented, authorizing City Manager Michael Cain to draft the document, including final approval from City Labor Attorney

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

City Manager Compensation / Evaluation

City Manager Cain and the Commissioners discussed the process for the City Manager's evaluation to take place later this year. There will be further discussion at an future meeting regarding compensation.

Good of the Order

None

ADJOURNMENT

Motion by Mayor Neidhamer seconded by Commissioner Grunch to adjourn the Special City Commission meeting of Thursday, June 2, 2016 at 4:55 p.m.

 Tom Neidhamer
 Mayor

 Cindy Grice
 Clerk / Treasurer



City of Boyne City

MEMO

Date: June 10, 2016

To: Mayor Neidhamer and the Boyne City City Commission

From: Michael Cain, City Manager/Airport Manager *Mc*

Subject: Airport Pavement Marking Contract

The pavement marking on the runway and taxiway at the airport are in need of repainting. It has been several years since it was last done and is a very high priority with Airport Board.

We have obtained pricing from the City's low bidder for road pavement marking and MDOT's Aeronautics Division which has a program to help airports with such marking programs. The cost from our contractor, PK, was estimated to be \$11,025. The estimated cost to us using MDOT's program is \$3,000. Attached please find the associated MDOT paperwork. The total cost is estimated to be \$6,000 but MDOT will pick up half the cost. These figures are shown in Exhibit 1 just past page 8.

Sufficient funds have been budgeted for this project using MDOT's program. The work would be done this year but exact dates have not yet been established.

RECOMMENDATION: That the City Commission approve the contracts for Airport pavement markings at the City's estimated cost of \$3,000 and authorize the City Manager/Airport Manager to execute the necessary paperwork.

Options:

- a) Postpone this matter for further information or consideration.
- b) Decide not to pursue this matter at this time.
- c) Other options as determined by the City Commission.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

June 7, 2016

Michael Cain, Manager
Boyne City Municipal Airport
319 North Lake St
Boyne City, Michigan 49712

Dear Mr. Cain:

SUBJECT: Boyne City Municipal Airport
Boyne City, Michigan
Item No. AM0317
MDOT Contract No. 2016-0353

Enclosed are the original and one copy of the above-described contract between your organization and the Michigan Department of Transportation. Please take time to read and understand this contract. If this contract meets with your approval, please complete the following checklist:

- ___ **PLEASE DO NOT DATE THE CONTRACTS.** MDOT will date the contracts when they are executed. (A contract is not executed unless both parties have signed it.)
- ___ Secure the necessary signatures on both contracts.
- ___ **Include a certified resolution/authorization that specifically names the official(s) authorized to sign the contract.** One must be submitted for each contract even though you may have submitted one to us in the past.
- ___ If applicable, please provide any credit documentation to the project manager as soon as possible.
- ___ Return both copies of the contract to my attention at the address below for execution by MDOT. In order to meet the scheduled project start date and/or timely processing of project costs, *please return the signed sponsor contracts as soon as you have secured local approval.* One fully executed contract will be forwarded to you.

If you have any questions, please call me at (517)335-9960.

Sincerely,

Anu Taneja, Contract Administrator
Office of Aeronautics

Enclosures

cc: Neal Barncard
File

MICHIGAN DEPARTMENT OF TRANSPORTATION
BOYNE CITY
CONTRACT FOR A STATE/LOCAL
AIRPORT PROJECT

THIS CONTRACT is made and entered into this date of _____ by and between the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," and Boyne City, hereinafter referred to as the "SPONSOR," for the purpose of fixing the rights and obligations of the parties in agreeing to the following undertaking at Boyne City Municipal Airport, whose associated city is Boyne City, Michigan, hereinafter referred to as the "PROJECT," described in detail in Exhibit 1, dated June 7, 2016, attached hereto and made a part hereof.

PROJECT DESCRIPTION: Airfield paint marking.

WITNESSETH:

NOW, THEREFORE, the parties agree that:

1. The term "PROJECT COST," as used herein, is defined in Attachment(s) 10, attached hereto and made a part hereof. PROJECT COST will also include administrative costs incurred by the DEPARTMENT in connection with the PROJECT. Administrative costs incurred by the SPONSOR are not eligible PROJECT COSTS.

THE SPONSOR WILL:

2. Pledge sufficient funds to meet its obligations as outlined in this Contract.
3. With regard to audits and record-keeping,
 - a. The SPONSOR will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Contract, said records to be hereinafter referred to as the "RECORDS." Separate accounts will be established and maintained for all costs incurred under this Contract.

- b. The SPONSOR will comply with the provisions of 1951 PA 51; MCL 247.660h; MSA 9.1097 (10i).
 - c. The SPONSOR will maintain the RECORDS for at least three (3) years from the date of final payment made by the DEPARTMENT under this Contract. In the event of a dispute with regard to the allowable expenses or any other issue under this Contract, the SPONSOR will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.
 - d. The DEPARTMENT or its representative may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.
 - e. If any part of the work is subcontracted, the SPONSOR will assure compliance with subsections (a), (b), (c), and (d) above for all subcontracted work.
4. Provide and will require its subcontractors to provide access by the DEPARTMENT or its representatives to all technical data, reports, and documents pertaining to this Contract. Copies of technical data, reports, and other documents will be provided by the SPONSOR or its subcontractors to the DEPARTMENT upon request. The SPONSOR agrees to permit representatives of the DEPARTMENT to inspect the progress of all PROJECT work at any reasonable time. Such inspections are for the exclusive use of the DEPARTMENT and are not intended to relieve or negate any of the SPONSOR's obligations and duties contained in this Contract. All technical data, reports, and documents will be maintained for a period of three (3) years from the date of final payment.
 5. In the performance of the PROJECT, by itself, by a subcontractor, or by anyone acting on its behalf, the SPONSOR agrees that it will comply with any and all state, federal, and applicable local statutes, ordinances, and regulations. The SPONSOR further agrees to obtain all permits that are applicable to the entry into and the performance of this Contract.

THE DEPARTMENT WILL:

6. Make final accounting to the SPONSOR upon completion of the PROJECT, pay all PROJECT COSTS, and complete all necessary audits. Any excesses or deficiencies will be returned to or billed to the SPONSOR.

IT IS FURTHER AGREED:

7. The PROJECT COST participation is estimated to be as shown below and as in the attached Exhibit 1. The PROJECT COST participation given in Exhibit 1 is to be considered an estimate. The actual DEPARTMENT and SPONSOR shares of the PROJECT COST will be determined at the time of financial closure of the PROJECT.

	Dollar Amount
Maximum DEPARTMENT Share.....	\$3,000.00
SPONSOR Share	<u>\$3,000.00</u>
Estimated PROJECT COST	<u>\$6,000.00</u>

8. The PROJECT COST will be met in part by contributions from the DEPARTMENT. The DEPARTMENT funds will be applied to the PROJECT COST at a rate of 50% for those items eligible for state participation, in an amount not to exceed the maximum obligation shown in Section 7 or the revised maximum obligation set forth in a budget letter, as set forth in Section 10, as applicable. Any items of PROJECT COST not funded with DEPARTMENT funds will be the sole responsibility of the SPONSOR.

DEPARTMENT funds in this Contract made available through legislative appropriation are based on projected revenue estimates. The DEPARTMENT may reduce the amount of this contract if the revenue actually received is insufficient to support the appropriation under which this contract is made.

9. The SPONSOR agrees the costs reported to the DEPARTMENT for this Contract will represent only those items that are properly chargeable in accordance with this Contract. The SPONSOR also certifies that it has read the Contract terms and has made itself aware of the applicable laws, regulations, and terms of this Contract that apply to the reporting of costs incurred under the terms of this Contract.
10. The PROJECT COST shown in Section 7 includes the maximum obligation of DEPARTMENT funds under this Contract. The maximum obligation of DEPARTMENT funds may be adjusted to an amount less than the maximum amount shown in Section 7 through a budget letter issued by the DEPARTMENT. A budget letter will be used when updated cost estimates for the PROJECT reflect a change in the amount of funds needed to fund all PROJECT COSTS. The budget letter will be signed by the Administrator of the Airports Division of the Office of Aeronautics.

A budget letter may also be used to add or delete work items from the PROJECT description, provided that the costs do not exceed the maximum obligations set forth in Section 7. If the PROJECT COST exceeds the maximum obligations shown in Section 7, the PROJECT scope will have to be reduced or a written amendment to this Contract will have to be awarded by the parties to provide additional funds before the work is started.

11. In the event it is determined by the DEPARTMENT that there will be either insufficient funds or insufficient time to properly administer such funds for the entire PROJECT or

portions thereof, the DEPARTMENT, prior to advertising or authorizing work performance, may cancel the PROJECT or any portion thereof by giving written notice to the SPONSOR. In the event this occurs, this Contract will be void and of no effect with respect to the canceled portion of the PROJECT. Any SPONSOR deposits on the canceled portion less PROJECT COST incurred on the canceled portions will be refunded following receipt of a letter from the SPONSOR requesting excess funds be returned or at the time of financial closure, whichever comes first.

The DEPARTMENT will not participate in the PROJECT COST incurred on the canceled portions of the PROJECT, and Section 8 will not be construed to require the DEPARTMENT's participation in the canceled portion.

12. Payment of or reimbursement to the SPONSOR of any cost by the DEPARTMENT will not constitute a final determination by the DEPARTMENT of the allowability of such cost and will not constitute a waiver by the DEPARTMENT of any violation of the terms of this Contract committed by the SPONSOR. The DEPARTMENT will make final determination as to allowability only after final audit of the PROJECT.
13. All agreements and/or contracts or supply requisitions involving DEPARTMENT funds will comply with Title 49, CFR Part 18, incorporated herein by reference as if the same were repeated in full herein.
14. In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this Contract or questions the allowability of an item of expense, the DEPARTMENT will promptly submit to the SPONSOR a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the SPONSOR at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the SPONSOR will (a) respond in writing to the responsible Bureau of the Department indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE." The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the SPONSOR may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE will refer to and apply the language of the Contract. The SPONSOR agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of

Audit Results. If the DEPARTMENT determines that an overpayment has been made to the SPONSOR, the SPONSOR will repay that amount to the DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the SPONSOR fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the SPONSOR agrees that the DEPARTMENT will deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the SPONSOR under this Contract or any other agreement or payable to the SPONSOR under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The SPONSOR expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT's decision only as to any item of expense the disallowance of which was disputed by the SPONSOR in a timely filed RESPONSE.

15. This Contract will be in effect from the date of award through eighteen (18) months. Any change to the term of this Contract will be by award of a prior written amendment to this Contract by the parties.
16. Any approvals, reviews, and inspections of any nature by the DEPARTMENT will not be construed as a warranty or assumption of liability on the part of the DEPARTMENT. It is expressly understood and agreed that any such approvals are for the sole and exclusive purposes of the DEPARTMENT, which is acting in a governmental capacity under this Contract, and that such approvals are a governmental function incidental to the grant that is the subject of this Contract.

Any approvals, reviews, and inspections by the DEPARTMENT will not relieve the SPONSOR of its obligations hereunder, nor are such approvals, reviews, and inspections provided by the DEPARTMENT to be construed as a warranty as to the propriety of the SPONSOR's performance, but are undertaken for the sole use and information of the DEPARTMENT.

17. In connection with the performance of PROJECT work under this Contract, the parties (hereinafter in Appendix A referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts" as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Section 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the United States Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix B, attached hereto and made a part hereof, and

will require similar covenants on the part of any contractor or subcontractor employed in the performance of this Contract.

18. In accordance with 1980 PA 278; MCL 423.321 *et seq*; MSA 17.458(22), *et seq*, the SPONSOR, in the performance of this Contract, will not enter into a contract with a subcontractor, manufacturer, or supplier listed in the register maintained by the United States Department of Labor of employers who have been found in contempt of court by a federal court of appeals on not less than three (3) occasions involving different violations during the preceding seven (7) years for failure to correct an unfair labor practice, as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 USC 158. The DEPARTMENT may void this Contract if the name of the SPONSOR or the name of a subcontractor, manufacturer, or supplier utilized by the SPONSOR in the performance of this Contract subsequently appears in the register during the performance period of this Contract.
19. In any instance of dispute and/or litigation concerning the PROJECT, the resolution thereof will be the sole responsibility of the parties to the contract that is the subject of the controversy. It is understood and agreed that any legal representation of the SPONSOR in pursuing the resolution of any dispute and/or litigation will be the responsibility of the SPONSOR.
20. The DEPARTMENT and the FAA will not be subject to any obligations or liabilities by contractors of the SPONSOR or their subcontractors or any other person not a party to the contract without their specific consent and notwithstanding their concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.
21. Each party to this Contract will remain responsible for any claims arising out of that party's performance of this Contract as provided by this Contract or by law.

This Contract is not intended to increase or decrease either party's liability for or immunity from tort claims.

This Contract is not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or at law, for claims arising out of the performance of this Contract.

22. With regard to claims based on goods or services that were used to meet the SPONSOR's obligation to the DEPARTMENT under this Contract, the SPONSOR hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or the DEPARTMENT due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - .788, excluding Section 4a, to the State of Michigan or the DEPARTMENT.

The SPONSOR shall require any subcontractors to irrevocably assign their rights to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or the DEPARTMENT with regard to claims based on goods or services that

were used to meet the SPONSOR's obligation to the DEPARTMENT under this Contract due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - .788, excluding Section 4a, to the State of Michigan or the DEPARTMENT as a third-party beneficiary.

The SPONSOR shall notify the DEPARTMENT if it becomes aware that an antitrust violation with regard to claims based on goods or services that were used to meet the SPONSOR's obligation to the DEPARTMENT under this Contract may have occurred or is threatened to occur. The SPONSOR shall also notify the DEPARTMENT if it becomes aware of any person's intent to commence, or of commencement of, an antitrust action with regard to claims based on goods or services that were used to meet the SPONSOR's obligation to the DEPARTMENT under this Contract.

23. In case of any discrepancies between the body of this Contract and any exhibit(s) hereto, the body of the Contract will govern.

24. This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized representatives of the SPONSOR and the DEPARTMENT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective representative(s) of the SPONSOR, a certified copy of which resolution will be sent to the DEPARTMENT with this Contract, as applicable, and with the approval of the State Administrative Board.

IN WITNESS WHEREOF, the parties have caused this Contract to be awarded.

BOYNE CITY

BY: _____
Title:

MICHIGAN DEPARTMENT OF TRANSPORTATION

BY: _____
Title: Department Director

Exhibit 1

**Boyne City Municipal Airport
Boyne City, Michigan
M 84-00-C47
Job No. 126838
Item No. AM0317**

June 7, 2016

	State	Local	Total
Aero Admin. Costs	\$100	\$100	\$200
CONSTRUCTION			
Airport Paint Marking	\$2,900	\$2,900	\$5,800
TOTAL PROJECT BUDGET	\$3,000	\$3,000	\$6,000

ATTACHMENT 10

SUPPLEMENTAL PROVISIONS FOR STATE/LOCAL CONTRACTS INVOLVING CRACK SEALING AND PAVEMENT MARKING FOR WHICH THE DEPARTMENT OPENS BIDS AND AWARDS THE CONTRACTS

1. The "PROJECT COST" is defined as the cost of all work necessary to complete the item(s) identified in the body of this Contract as the PROJECT.
2. The DEPARTMENT is authorized to solicit bids, award, and execute the contract for the PROJECT in accordance with the DEPARTMENT's "Administrative Rules Governing the Prequalification of Bidders for Highway and Transportation Construction Work."
3. The SPONSOR will be billed by the DEPARTMENT following award of this Contract. The amount of the billing will be shown as the local share on the attached Exhibit 1.

The DEPARTMENT will bill the SPONSOR for the SPONSOR's share of additional estimated PROJECT COSTS for changes approved by the DEPARTMENT and the SPONSOR at the time of award of an amendment to this Contract. The SPONSOR will make payment to the DEPARTMENT within thirty (30) days of the billing date.

4. The DEPARTMENT is authorized by the SPONSOR and is responsible for coordinating with the contractor to perform the PROJECT work. The DEPARTMENT or the contractor will contact the SPONSOR a minimum of 48 hours in advance of performing PROJECT work. The DEPARTMENT and its contractor will be authorized to enter upon the airport premises to conduct the PROJECT work. The SPONSOR will issue a NOTAM (Notice to Airman) regarding the PROJECT activity at the airport. Payment of all PROJECT COSTS will be made by the DEPARTMENT.

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

Appendix B
(Aeronautics)

CIVIL RIGHTS ACT OF 1964, TITLE VI - 49 CFR PART 21
CONTRACTUAL REQUIREMENTS

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations.** The contractor will comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination.** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor will not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurement of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports.** The contractor will provide all information and reports required by the Regulations or directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor will so certify to the sponsor of the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance.** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
 - b. Cancellation, termination, or suspension of the contract, in whole or in part.
6. Incorporation of Provisions. The contractor will include the provisions of paragraphs 1 through 5 in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directive issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.



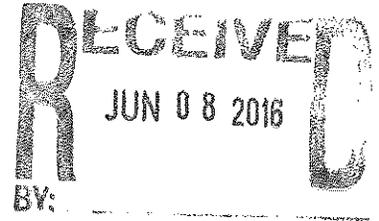
RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LIQUOR CONTROL COMMISSION
ANDREW J. DELONEY
CHAIRPERSON

SHELLY EDGERTON
DIRECTOR

June 8, 2016

City Clerk
Boyne City
cgrice@boynecity.com



The purpose of this letter is to notify this local legislative body that the Michigan Liquor Control Commission has received an application for a license, as follows:

Request ID#: 847218

Transfer ownership of 2016 Resort Class C and SDM License

Name of applicant(s): Round Lake Group LLC

Business address and phone: 220- 222 S Lake St, Boyne City 49712

Home address and phone number of partner(s)/subordinates:

1. Richard Bergmann: 12889 Dehman Ln, Charlevoix MI 49720 B-(231) 437-3466
2. Aaron Hagen: 304 Mason St, Charlevoix MI 49720 C-(231) 657-0518
3. Phil Parr: 212 Mason St, Charlevoix MI 49720 C-(231) 437-3466

Under administrative rule R 436.1105, the Commission shall consider the opinions of the local residents, local legislative body, or local law enforcement agency with regard to the proposed business when determining whether an applicant may be issued a license or permit. Since this request is a transfer under MCL 436.1529(1), approval of the local unit of government is not required.

Under administrative rule R 436.1003, the licensee shall comply with all state and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the state and local law enforcements officials who have jurisdiction over the licensee. The licensee must obtain all other required state and local licenses, permits, and approvals before using this license for the sale of alcoholic liquor.

Approval of this license by the Michigan Liquor Control Commission does not waive any of these requirements.

MICHIGAN LIQUOR CONTROL COMMISSION
Retail Licensing Division
(866) 813-0011



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



KEITH CREAGH
DIRECTOR

June 1, 2016

Mr. Thomas Monley, President
Kirtland Products
1 Altair Drive
Boyne City, Michigan 49712

Dear Mr. Monley:

This letter is in reference to your Permit to Install (PTI) application, identified as No. 47-11E, State Registration Number N2239. The application was received on November 19, 2015, for an increase in allowable particulate matter (PM) emissions from both the existing plant air system and the existing grinder/dryer located at 1 Altair Drive, Boyne City, Michigan.

Review of your application is complete. We have announced a public comment period as required by state and federal regulations, on the intent of the Michigan Department of Environmental Quality (MDEQ) to approve the draft permit. In addition, the public comment period will allow interested parties the opportunity to provide comment on the proposed draft Consent Order which is to resolve alleged violations of the existing PTI No. 47-11D. The public comment period will begin on June 1, 2016, and will end on July 11, 2016.

On July 11, 2016, an informational session and public hearing will be held at the Boyne District Library, 201 East Main Street, Boyne City, Michigan. The informational session will be held from 6:00 p.m. until 7:00 p.m. at which time staff will be available to answer questions concerning both the draft Consent Order and the draft PTI. The public hearing will follow at 7:00 p.m.

You may submit comments during the comment period and are encouraged to appear at the informational session and public hearing on behalf of your PTI application and the draft Consent Order.

After resolving any issues raised during the public comment period and/or the hearing, a final decision will be made on your permit application and the draft Consent Order.

By law, construction of the proposed process should not begin until you receive an approved PTI. *This letter is not an approved permit to install* and only references a proposed action on your application.

Mr. Monley
Page 2
June 1, 2016

Enclosed are copies of the "Notice of Air Pollution Comment Period and Public Hearing", the "Proposed Project Summary", the "Fact Sheet", the draft permit conditions regarding our analysis of your proposed project, and the draft Consent Order.

If you have any questions, please feel free to contact me.

Sincerely,



Catherine Asselin, Environmental Engineer
Thermal/Chemical Process Unit
Permit Section, Air Quality Division
517-284-6786
AsselinC@michigan.gov

Enclosures

cc/enc: Mr. Dexter McNamara, Tribal Chairman, Little Traverse Bay Band of Odawa Indians
Mr. Alvin Pedwaydon, Tribal Chairman, Grand Traverse Bay Band of Ottawa and Chippewa Indians
Mayor Tom Neidhamer, City of Boyne City
Ms. Cheryl Potter Browe, Charlevoix County Clerk
Ms. Genevieve Damico, United States Environmental Protection Agency, Region 5
Mr. Constantine Blathras, United States Environmental Protection Agency, Region 5
Ms. Sarah Rolfes, United States Environmental Protection Agency, Region 5
Ms. Melanie Brown, Communications Director, MDEQ
Ms. Janis Ransom, MDEQ
Mr. Tom Hess, MDEQ

STATE OF MICHIGAN

Rick Snyder, Governor



DEPARTMENT OF ENVIRONMENTAL QUALITY

AIR QUALITY DIVISION

CONSTITUTION HALL • 525 WEST ALLEGAN STREET • P.O. BOX 30260 • LANSING, MICHIGAN 48909-7760
www.michigan.gov/air

PUBLIC PARTICIPATION DOCUMENTS

For

Kirtland Products
Boyne City, Michigan

PERMIT APPLICATION NUMBER

47-11E

June 1, 2016

FACT SHEET

June 1, 2016

Purpose and Summary

Kirtland Products, located at 1 Altair Drive in Boyne City, is proposing an increase in allowable particulate matter (PM) emissions from both their existing plant air system (EUBAGHOUSE) and their existing grinder/dryer (FGGRINDER/DRYER). This project is addressed in Permit to Install (PTI) Application No. 47-11E.

The proposed project is subject to the permitting requirements of the Michigan Department of Environmental Quality's (DEQ) Rules for Air Pollution Control. The DEQ's Air Quality Division (AQD) has evaluated this proposal and made a preliminary determination that the project will not violate any of the DEQ's rules nor the health protective National Ambient Air Quality Standards (NAAQS) and the Prevention of Significant Deterioration (PSD) air quality increments. The PSD increments are intended to allow industrial growth in an area while ensuring that the area will continue to meet the NAAQS.

Additionally, the AQD is proposing entry of a Consent Order with Kirtland Products to resolve alleged air pollution violations of PTI No. 47-11D. Compliance testing conducted on April 21, 2015, documented that both EUBAGHOUSE and FGGRINDER/DRYER exceeded the emission limits for PM, as contained in PTI No. 47-11D. Also, the compliance testing for particulate matter equal to or less than 10 microns in diameter (PM10) and particulate matter equal to or less than 2.5 microns in diameter (PM2.5) conducted on the same date was not approved by the AQD; therefore, the results were not found to be acceptable. Both the draft Consent Order and draft PTI No. 47-11E require that the PM10 and PM2.5 testing be performed again.

Prior to acting on this application and Consent Order, the AQD is holding a public comment period and a public hearing to allow all interested parties the opportunity to comment on both. All relevant information received during the comment period and hearing will be considered by the decision maker prior to taking final action on the application and the Consent Order.

Background Information

Kirtland Products is a wood pellet fuel manufacturing plant located in an industrial park within Boyne City. The source is adjacent to an airport on the north, a commercial strip on the south and west, and an industrial park to the east. The Boyne City schools are located nearby to the west and there are nearby residential areas. The wood pellets are manufactured from a mixture of softwood and hardwood chips. The chips are ground, dried in a dry wood-fired rotary drum dryer, processed by additional grinding in a hammer mill, and are finally formed into pellets that are cooled and packaged.

The facility was originally permitted in June of 2011, under PTI No. 47-11. During September of 2012 an initial set of compliance testing was performed at the facility. This testing measured particulate emissions from five different emission units – EUGRINDER, EUPELLET, EUCOOLER, EUDRYER, and EUHAMMERMILL. The emissions from EUGRINDER, EUPELLET, and EUCOOLER were found to be in exceedance of their permit limits, whereas the emissions from EUDRYER and EUHAMMERMILL were found to be in compliance with their permit limits. As a result of that testing, Kirtland Products submitted PTI application No. 47-11B in April of 2013 to adjust PM, PM10, and PM2.5 on various different processes and to combine the emission limits for EUGRINDER and EUDRYER into FGGRINDER/DRYER. Permit No. 47-11B, which was issued on January 21, 2014,

required PM, PM10, and PM2.5 testing on EUBAGHOUSE and FGGRINDER/DRYER. The timing of this testing was extended twice under PTI Nos. 47-11C and 47-11D.

EUBAGHOUSE is the plant air system which captures exhaust gas streams from various material handling and transfer operations throughout the facility and routes them to a common baghouse dust collector prior to discharge to the ambient air. The baghouse dust collector reduces the amounts of PM, PM10, and PM2.5 being emitted. Testing of EUBAGHOUSE was required for PM, PM10, and PM2.5 emission rates. FGGRINDER/DRYER addresses both EUGRINDER and EUDRYER. EUGRINDER is the grinding system for processing the greenwood prior to drying. EUDRYER is a wood-fired rotary drum dryer that dries the green wood prior to further grinding in the hammer mill. EUGRINDER and EUDRYER are each controlled by a cyclone prior to their exhaust combining in a single shared exhaust stack. The two cyclones reduce the amounts of PM, PM10, and PM2.5 being emitted to the ambient air. Testing of FGGRINDER/DRYER was required for PM, PM10, and PM2.5 emission rates.

On April 21, 2015, testing was performed by Kirtland Products. The test report received on August 10, 2015, documented PM emission limit exceedances for EUBAGHOUSE and FGGRINDER/DRYER. The AQD did not find the PM10 and PM2.5 test method to be acceptable, and therefore, found the results to be inconclusive.

Compliance Issues

Kirtland Products exceeded the emission limits from FGGRINDER/DRYER and EUBAGHOUSE for PM as demonstrated by emissions testing conducted on April 21, 2015.

Compliance History

The manufacturing of wood pellet fuel is a relatively new industry and there is not a lot of emissions data. Testing has shown that the moisture content of the green wood used to begin the process can affect emissions. The moisture content of the wood greatly affects the temperature required in the dryer and how long the drying takes. Higher moisture contents require hotter and longer drying times. The moisture content also affects the volume of the exhaust gases. Each of these factors can affect emissions.

Kirtland Products first performed PM emissions testing in September of 2012. This testing was done using very dry green wood, which was not representative of their normal operation. When they tested again in April of 2015 they used green wood with a higher moisture content, which is more representative of their normal operation. This higher moisture content is believed to be one of the reasons why Kirtland Products failed their April 2015 stack testing.

Prior to application No. 47-11E, both Kirtland Products and DEQ assumed that the PM, PM10, and PM2.5 emissions were equal. The April 2015 emissions testing suggested that that assumption was not correct for all sources at the facility. More discussion related to PM, PM10, and PM2.5 is included later in this document.

Another item which may have added to the failed stack test is how Kirtland Products both operated and maintained their baghouse and two cyclones. In response to this, they had an independent engineering group evaluate EUBAGHOUSE. The engineering group made several suggestions to Kirtland Products concerning operational changes (such as how often the bags are cleaned) which should improve the effectiveness of EUBAGHOUSE. Some of these suggestions have been incorporated into the baghouse's existing malfunction abatement plan.

Compliance Program and Proposed Permit Changes

Under the agreed upon terms of the proposed Consent Order, Kirtland Products has applied for a PTI to modify their allowed PM emission limits. In PTI Application No. 47-11E, Kirtland Products has requested to increase the PM emission limit for EUBAGHOUSE from 0.002 lb PM per 1,000 lb exhaust gases, calculated on a dry gas basis, to 0.006 lb PM per 1,000 lb exhaust gases, calculated on a dry gas basis, and to increase the PM emission limit for FGGRINDER/DRYER from 0.06 lb PM per 1,000 lb exhaust gases, calculated on a dry gas basis, to 0.137 lb PM per 1,000 lb exhaust gases, calculated on a dry gas basis. While each of the proposed increases may seem high, each is well under the maximum values allowed by Michigan Air Pollution Control Rule R 336.1331 (Rule 331). More discussion related to Rule 331 is included later in this document.

No new equipment is proposed to be installed, nor is any existing equipment proposed to be physically modified. Also, no increase in hours of operation or green wood throughput is proposed. As such, no increase in other allowed regulated pollutants and toxic air contaminants will occur.

Additionally, the proposed Consent Order requires that a monetary settlement amount of \$5,000.00 be made to the State of Michigan general fund. The settlement amount was accepted because Kirtland Products supplied the required documentation to qualify for an inability to pay under the United States Environmental Protection Agency's Clean Air Act Stationary Sources Civil Penalty Policy. Failure to comply with the terms and conditions of the proposed Consent Order could result in a maximum stipulated penalty of \$3,000.00 per violation.

Present Air Quality

The facility is located in Charlevoix County, which is currently meeting all of the NAAQS set by the USEPA. These air quality standards are for PM₁₀, PM_{2.5}, ozone, carbon monoxide, sulfur dioxide, nitrogen dioxide and lead. These standards are set at levels designed to protect the public health.

Particulate (small particles of dust) is the primary pollutant of concern for this facility. While the AQD does not operate a particulate air monitoring station in Charlevoix County, we do operate one in Missaukee County near Houghton Lake. The Littler River Band of Ottawa Indians also operates a particulate monitoring station in Manistee County near Manistee. Both of these stations show that the air quality in the area currently meets the PM_{2.5} health based NAAQS.

Pollutant Emissions

PM is the only regulated air pollutant for which Kirtland Products is requesting an increase in allowed emissions. The allowed emissions of all other regulated air pollutants will remain unchanged from the limits in PTI No. 47-11D. The potential to emit from the facility for PM was about 34 tons per year (tpy), and with the proposed increases, it will go to about 76 tpy. As such, the facility will remain a

true minor or synthetic minor source for all regulated air pollutants with regard to the Prevention of Significant Deterioration (PSD) rules and regulations in Part 18 of the Michigan Air Pollution Control Rules and 40 CFR 52.21.

Key Permit Review Issues

Staff evaluated the proposed project to identify all state rules and federal regulations which are, or may be, applicable. The tables in Appendix 1 summarize these rules and regulations.

- **Rule 331 Particulate Emission Limit**

Michigan Air Pollution Control Rule 331 restricts the emissions of PM. Certain types of equipment are restricted in Table 31 of Rule 331(1)(a).

Both EUBAGHOUSE and EUGRINDER are covered by the "Exhaust systems serving material handling equipment not otherwise listed in table 31" (or Table 31 J) category. The maximum limit for that category is 0.10 lb PM/1,000 lbs exhaust gas calculated on a dry gas basis.

The EUBAGHOUSE proposed emission limit of 0.006 lb PM/1,000 lbs exhaust gas is 6 percent of the maximum Table 31 emission limit. The April 2015 stack testing has shown that Kirtland Products can comply with this value.

EUDRYER burns sawdust for fuel, so it fits in the Fuel burning equipment: Wood (or Table 31 A.5) category. The maximum limit for that category is 0.50 lb PM/1,000 lbs exhaust gas calculated on a dry gas basis.

FGGRINDER/DRYER is made up from both the grinder and the dryer. The two units are each controlled by individual cyclones which then exhaust via a common stack. The FGGRINDER/DRYER proposed emission limit of 0.137 lb PM/1,000 lbs exhaust gas is 27.4 percent of the Table 31 emission limit for the dryer only. The April 2015 stack testing has shown that Kirtland Products can comply with this value. As the maximum emission rate Rule 331 allows for the grinder alone is 0.10 lb PM/1,000 lbs exhaust gas calculated on a dry gas basis, a limit of that amount for EUGRINDER is also included in the draft permit. The April 2015 stack testing has shown that Kirtland Products can comply with this value.

- **PM and PM10 and PM2.5 Relationship**

Historically, it was often assumed that PM10 was a subset of PM and PM2.5 was a subset of PM10. Actual emissions testing has shown, however, that that relationship is not always true.

By definition, PM consists of only filterable particulate matter whereas PM10 and PM2.5 consist of both filterable and condensable particulate matter. Filterable matter is that which is captured upon a filter. Condensable matter is that which condenses into solid form when a heated gas stream is cooled. Therefore, depending upon the amount of filterable material and the temperature of the exhaust stream, PM emissions can be greater than, equal to, or less than PM10 and PM2.5 emissions.

At Kirtland Products, both EUBAGHOUSE and EUGRINDER operate at ambient temperature; however, EUDRYER operates at an elevated temperature. The previous permit review assumed that the PM, PM10, and PM2.5 emissions were equivalent for EUBAGHOUSE, EUGRINDER, and EUDRYER. Under draft PTI no. 47-11E, it is no longer assumed that the PM emissions are equal to the PM10 and PM2.5 emissions for EUBAGHOUSE and FGGRINDER/DRYER.

• **Test Methods**

Kirtland Products sent the filters from the April 2015 testing to a lab to determine what proportion of the PM qualified as the filterable portion of PM10 and PM2.5. The filter used for the test was not designed for size speciation and the method of particulate matter retrieval from the filter may have resulted in loss of particulate matter for the analysis. The AQD did not agree that such an analysis would produce accurate results and did not approve its use.

Kirtland Products attempted to use the results of the analysis to state that they did not exceed their PM10 and PM2.5 emission limits in PTI No. 47-11D. Since the AQD did not approve the test method, it was determined that the results were inconclusive and both the draft Consent Order and draft PTI No. 47-11E require that the PM10 and PM2.5 testing from EUBAGHOUSE and FGGRINDER/DRYER be redone.

• **Criteria Pollutants Modeling Analysis**

Computer dispersion modeling was performed in PTI No. 47-11B to predict the impacts of air emissions from PM10 and PM2.5. Emissions from the proposed facility were evaluated against both the NAAQS and the PSD increments. The NAAQS are intended to protect public health. The PSD increments are intended to allow industrial growth in an area, while ensuring that the area will continue to meet the NAAQS. At the time, the minor source baseline date for PSD increment for PM2.5 had not been triggered. The modeling demonstrated that the facility was in compliance with the PM10 and PM2.5 NAAQS and the PSD increments that were applicable at the time.

There is no NAAQS or PSD increment for PM and in PTI Application No. 47-11E, Kirtland Products is not requesting to change any emission limits from any piece of equipment for PM10 and PM2.5; therefore, updated modeling was not performed.

The results from the PTI No. 47-11B modeling is as follows:

Table A - PSD Increment for Kirtland Products

Pollutant	Averaging Time	PSD Increment (µg/m ³)	Predicted Impact (µg/m ³)	Percent of Increment (%)
PM10	Annual	17	2.75	16.19%
PM10	24-hr	30	24.77	82.58%

Note: A Minor Source Baseline Date for PM2.5 had not been set for the Air Quality Control Region (AQCR) where Kirtland Products is located, and therefore, PSD Increment for PM2.5 did not apply.

Table B - National Ambient Air Quality Standards (NAAQS)

Pollutant	Averaging Time	NAAQS (µg/m ³)	Predicted Impact (µg/m ³)	Percent of NAAQS (%)
PM10	24-hr	150	52.26	34.84%
PM2.5	Annual	15	8.57	71.40%
PM2.5	24-hr	35	34.07	97.34%

Key Aspects of Draft Permit Conditions

Below is a summary and clarification of the conditions listed in the draft permit where the particulate limits have been adjusted.

- **Emission Limits (By Pollutant)**

The draft permit increases the PM emission limit for EUBAGHOUSE to 0.006 lb PM per 1,000 lb exhaust gases, calculated on a dry gas basis.

The draft permit increases the PM emission limit for FGGRINDER/DRYER to 0.137 lb PM per 1,000 lb exhaust gases, calculated on a dry gas basis, and adds a separate PM emission limit for EUGRINDER of 0.10 lb PM per 1,000 lb exhaust gases, calculated on a dry gas basis. These emission limits are after control by cyclones.

- **Usage Limits**

The draft permit does not propose any usage limit changes.

- **Process/Operational Restrictions**

The draft permit does not propose any process/operational restriction changes.

- **Testing & Monitoring Requirements**

The draft permit requires testing of PM, PM10, and PM2.5 for EUBAGHOUSE, and testing of opacity, PM, PM10, and PM2.5 for the joint stack of FGGRINDER/DRYER.

The draft permit includes no changes to monitoring or recording keeping from how the facility currently operates.

Conclusion

Based on the analyses conducted to date, the AQD staff concludes that the proposed emission increases would comply with all applicable state and federal air quality requirements. The AQD staff also concludes that the emission increases, as proposed, would not violate the federal National Ambient Air Quality Standards or the state and federal PSD increments.

Based on these conclusions, the AQD staff has developed draft permit terms and conditions which would ensure that the proposed facility design and operation are enforceable and that sufficient monitoring, recordkeeping, and reporting would be performed by the applicant to determine compliance with these terms and conditions. If the permit application is deemed approvable, the delegated decision maker may determine a need for additional or revised conditions to address issues raised during the public participation process.

The AQD staff believes that the proposed Consent Order, as drafted, contains an appropriate compliance program for resolution of the federal and state air quality violations against Kirtland Products. The AQD staff recommends that the proposed Consent Order be entered, unless substantive adverse comments are received during the public comment period.

If you would like additional information about the proposed permit, please contact Ms. Catherine Asselin, AQD, at 517-284-6786. If you would like additional information about the proposed Consent Order, please contact Mr. Jason Wolf, AQD, at 517-284-6772.

Appendix 1
STATE AIR REGULATIONS

State Rule	Description of State Air Regulations
R 336.1201	Requires an Air Use Permit for new or modified equipment that emits, or could emit, an air pollutant or contaminant. However, there are other rules that allow smaller emission sources to be installed without a permit (see Rules 336.1279 through 336.1290 below). Rule 336.1201 also states that the Department can add conditions to a permit to assure the air laws are met.
R 336.1205	Outlines the permit conditions that are required by the federal Prevention of Significant Deterioration (PSD) Regulations and/or Section 112 of the Clean Air Act. Also, the same types of conditions are added to their permit when a plant is limiting their air emissions to legally avoid these federal requirements. (See the Federal Regulations table for more details on PSD.)
R 336.1224	New or modified equipment that emits toxic air contaminants must use the Best Available Control Technology for Toxics (T-BACT). The T-BACT review determines what control technology must be applied to the equipment. A T-BACT review considers energy needs, environmental and economic impacts, and other costs. T-BACT may include a change in the raw materials used, the design of the process, or add-on air pollution control equipment. This rule also includes a list of instances where other regulations apply and T-BACT is not required.
R 336.1225 to R 336.1232	The ambient air concentration of each toxic air contaminant emitted from the project must not exceed health-based screening levels. Initial Risk Screening Levels (IRSL) apply to cancer-causing effects of air contaminants and Initial Threshold Screening Levels (ITSL) apply to non-cancer effects of air contaminants. These screening levels, designed to protect public health and the environment, are developed by Air Quality Division toxicologists following methods in the rules and U.S. EPA risk assessment guidance.
R 336.1279 to R 336.1290	These rules list equipment to processes that have very low emissions and do not need to get an Air Use permit. However, these sources must meet all requirements identified in the specific rule and other rules that apply.
R 336.1301	Limits how air emissions are allowed to look at the end of a stack. The color and intensity of the color of the emissions is called opacity.
R 336.1331	The particulate emission limits for certain sources are listed. These limits apply to both new and existing equipment.
R 336.1370	Material collected by air pollution control equipment, such as dust, must be disposed of in a manner, which does not cause more air emissions.
R 336.1401 and R 336.1402	Limit the sulfur dioxide emissions from power plants and other fuel burning equipment.
R 336.1601 to R 336.1651	Volatile organic compounds (VOCs) are a group of chemicals found in such things as paint solvents, degreasing materials, and gasoline. VOCs contribute to the formation of smog. The rules set VOC limits or work practice standards for existing equipment. The limits are based upon Reasonably Available Control Technology (RACT). RACT is required for all equipment listed in Rules 336.1601 through 336.1651.
R 336.1702	New equipment that emits VOCs is required to install the Best Available Control Technology (BACT). The technology is reviewed on a case-by-case basis. The VOC limits and/or work practice standards set for a particular piece of new equipment cannot be less restrictive than the Reasonably Available Control Technology limits for existing equipment outlined in Rules 336.1601 through 336.1651.
R 336.1801	Nitrogen oxide emission limits for larger boilers and stationary internal combustion engines are listed.
R 336.1901	Prohibits the emission of an air contaminant in quantities that cause injurious effects to human health and welfare, or prevent the comfortable enjoyment of life and property. As an example, a violation may be cited if excessive amounts of odor emissions were found to be preventing residents from enjoying outdoor activities.
R 336.1910	Air pollution control equipment must be installed, maintained, and operated properly.

STATE AIR REGULATIONS

State Rule	Description of State Air Regulations
R 336.1911	When requested by the Department, a facility must develop and submit a malfunction abatement plan (MAP). This plan is to prevent, detect, and correct malfunctions and equipment failures.
R 336.1912	A facility is required to notify the Department if a condition arises which causes emissions that exceed the allowable emission rate in a rule and/or permit.
R 336.2001 to R 336.2060	Allow the Department to request that a facility test its emissions and to approve the protocol used for these tests.
<p>R 336.2801 to R 336.2804 Prevention of Significant Deterioration (PSD) Regulations</p> <p>Best Available Control Technology (BACT)</p>	<p>The PSD rules allow the installation and operation of large, new sources and the modification of existing large sources in areas that are meeting the National Ambient Air Quality Standards (NAAQS). The regulations define what is considered a large or significant source, or modification.</p> <p>In order to assure that the area will continue to meet the NAAQS, the permit applicant must demonstrate that it is installing the BACT. By law, BACT must consider the economic, environmental, and energy impacts of each installation on a case-by-case basis. As a result, BACT can be different for similar facilities.</p> <p>In its permit application, the applicant identifies all air pollution control options available, the feasibility of these options, the effectiveness of each option, and why the option proposed represents BACT. As part of its evaluation, the Air Quality Division verifies the applicant's determination and reviews BACT determinations made for similar facilities in Michigan and throughout the nation.</p>
R 336.2901 to R 336.2903 and R 336.2908	<p>Applies to new "major stationary sources" and "major modifications" as defined in R 336.2901. These rules contain the permitting requirements for sources located in nonattainment areas that have the potential to emit large amounts of air pollutants. To help the area meet the NAAQS, the applicant must install equipment that achieves the Lowest Achievable Emission Rate (LAER). LAER is the lowest emission rate required by a federal rule, state rule, or by a previously issued construction permit. The applicant must also provide emission offsets, which means the applicant must remove more pollutants from the air than the proposed equipment will emit. This can be done by reducing emissions at other existing facilities.</p> <p>As part of its evaluation, the AQD verifies that no other similar equipment throughout the nation is required to meet a lower emission rate and verifies that proposed emission offsets are permanent and enforceable.</p>

FEDERAL AIR REGULATIONS

Citation	Description of Federal Air Regulations or Requirements
Section 109 of the Clean Air Act – National Ambient Air Quality Standards (NAAQS)	The United States Environmental Protection Agency has set maximum permissible levels for seven pollutants. These NAAQS are designed to protect the public health of everyone, including the most susceptible individuals, children, the elderly, and those with chronic respiratory ailments. The seven pollutants, called the criteria pollutants, are carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter less than 10 microns (PM10), particulate matter less than 2.5 microns (PM2.5), and sulfur dioxide. A Portion of Wayne County is currently in non-attainment for sulfur dioxide and Belding is currently in non-attainment for lead. Further, in Michigan, State Rules 336.1225 to 336.1232 are used to ensure the public health is protected from other compounds.

FEDERAL AIR REGULATIONS

Citation	Description of Federal Air Regulations or Requirements
<p>40 CFR 52.21 – Prevention of Significant Deterioration (PSD) Regulations</p> <p>Best Available Control Technology (BACT)</p>	<p>The PSD regulations allow the installation and operation of large, new sources and the modification of existing large sources in areas that are meeting the NAAQS. The regulations define what is considered a large or significant source, or modification.</p> <p>In order to assure that the area will continue to meet the NAAQS, the permit applicant must demonstrate that it is installing BACT. By law, BACT must consider the economic, environmental, and energy impacts of each installation on a case-by-case basis. As a result, BACT can be different for similar facilities.</p> <p>In its permit application, the applicant identifies all air pollution control options available, the feasibility of these options, the effectiveness of each option, and why the option proposed represents BACT. As part of its evaluation, the Air Quality Division verifies the applicant's determination and reviews BACT determinations made for similar facilities in Michigan and throughout the nation.</p>
<p>40 CFR 60 – New Source Performance Standards (NSPS)</p>	<p>The United States Environmental Protection Agency has set national standards for specific sources of pollutants. These New Source Performance Standards (NSPS) apply to new or modified equipment in a particular industrial category. These NSPS set emission limits or work practice standards for over 60 categories of sources.</p>
<p>Section 112 of the Clean Air Act</p> <p>Maximum Achievable Control Technology (MACT)</p> <p>Section 112g</p>	<p>In the Clean Air Act, Congress listed 189 compounds as Hazardous Air Pollutants (HAPS). For facilities which emit, or could emit, HAPS above a certain level, one of the following two requirements must be met:</p> <ol style="list-style-type: none"> 1) The United States Environmental Protection Agency has established standards for specific types of sources. These Maximum Achievable Control Technology (MACT) standards are based upon the best-demonstrated control technology or practices found in similar sources. 2) For sources where a MACT standard has not been established, the level of control technology required is determined on a case-by-case basis.

Notes: An "Air Use Permit," sometimes called a "Permit to Install," provides permission to emit air contaminants up to certain specified levels. These levels are set by state and federal law, and are set to protect health and welfare. By staying within the levels set by the permit, a facility is operating lawfully, and public health and air quality are protected.

The Air Quality Division does not have the authority to regulate noise, local zoning, property values, off-site truck traffic, or lighting.

These tables list the most frequently applied state and federal regulations. Not all regulations listed may be applicable in each case. Please refer to the draft permit conditions provided to determine which regulations apply.

PERMIT TO INSTALL

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Common Abbreviations / Acronyms

Common Acronyms		Pollutant / Measurement Abbreviations	
AQD	Air Quality Division	acfm	Actual cubic feet per minute
BACT	Best Available Control Technology	BTU	British Thermal Unit
CAA	Clean Air Act	°C	Degrees Celsius
CAM	Compliance Assurance Monitoring	CO	Carbon Monoxide
CEM	Continuous Emission Monitoring	CO ₂ e	Carbon Dioxide Equivalent
CFR	Code of Federal Regulations	dscf	Dry standard cubic foot
COM	Continuous Opacity Monitoring	dscm	Dry standard cubic meter
Department/ department	Michigan Department of Environmental Quality	°F	Degrees Fahrenheit
EU	Emission Unit	gr	Grains
FG	Flexible Group	HAP	Hazardous Air Pollutant
GACS	Gallons of Applied Coating Solids	Hg	Mercury
GC	General Condition	hr	Hour
GHGs	Greenhouse Gases	HP	Horsepower
HVLP	High Volume Low Pressure*	H ₂ S	Hydrogen Sulfide
ID	Identification	kW	Kilowatt
IRSL	Initial Risk Screening Level	lb	Pound
ITSL	Initial Threshold Screening Level	m	Meter
LAER	Lowest Achievable Emission Rate	mg	Milligram
MACT	Maximum Achievable Control Technology	mm	Millimeter
MAERS	Michigan Air Emissions Reporting System	MM	Million
MAP	Malfunction Abatement Plan	MW	Megawatts
MDEQ	Michigan Department of Environmental Quality	NMOC	Non-methane Organic Compounds
MSDS	Material Safety Data Sheet	NO _x	Oxides of Nitrogen
NA	Not Applicable	ng	Nanogram
NAAQS	National Ambient Air Quality Standards	PM	Particulate Matter
NESHAP	National Emission Standard for Hazardous Air Pollutants	PM10	Particulate Matter equal to or less than 10 microns in diameter
NSPS	New Source Performance Standards	PM2.5	Particulate Matter equal to or less than 2.5 microns in diameter
NSR	New Source Review	pph	Pounds per hour
PS	Performance Specification	ppm	Parts per million
PSD	Prevention of Significant Deterioration	ppmv	Parts per million by volume
PTE	Permanent Total Enclosure	ppmw	Parts per million by weight
PTI	Permit to Install	psia	Pounds per square inch absolute
RACT	Reasonable Available Control Technology	psig	Pounds per square inch gauge
ROP	Renewable Operating Permit	scf	Standard cubic feet
SC	Special Condition	sec	Seconds
SCR	Selective Catalytic Reduction	SO ₂	Sulfur Dioxide
SNCR	Selective Non-Catalytic Reduction	TAC	Toxic Air Contaminant
SRN	State Registration Number	Temp	Temperature
TEQ	Toxicity Equivalence Quotient	THC	Total Hydrocarbons
USEPA/EPA	United States Environmental Protection Agency	tpy	Tons per year
VE	Visible Emissions	µg	Microgram
		µm	Micrometer or Micron
		VOC	Volatile Organic Compounds
		yr	Year

*For HVLP applicators, the pressure measured at the gun air cap shall not exceed 10 psig.

GENERAL CONDITIONS

1. The process or process equipment covered by this permit shall not be reconstructed, relocated, or modified, unless a Permit to Install authorizing such action is issued by the Department, except to the extent such action is exempt from the Permit to Install requirements by any applicable rule. **(R 336.1201(1))**
2. If the installation, construction, reconstruction, relocation, or modification of the equipment for which this permit has been approved has not commenced within 18 months, or has been interrupted for 18 months, this permit shall become void unless otherwise authorized by the Department. Furthermore, the permittee or the designated authorized agent shall notify the Department via the Supervisor, Permit Section, Air Quality Division, Michigan Department of Environmental Quality, P.O. Box 30260, Lansing, Michigan 48909-7760, if it is decided not to pursue the installation, construction, reconstruction, relocation, or modification of the equipment allowed by this Permit to Install. **(R 336.1201(4))**
3. If this Permit to Install is issued for a process or process equipment located at a stationary source that is not subject to the Renewable Operating Permit program requirements pursuant to R 336.1210, operation of the process or process equipment is allowed by this permit if the equipment performs in accordance with the terms and conditions of this Permit to Install. **(R 336.1201(6)(b))**
4. The Department may, after notice and opportunity for a hearing, revoke this Permit to Install if evidence indicates the process or process equipment is not performing in accordance with the terms and conditions of this permit or is violating the Department's rules or the Clean Air Act. **(R 336.1201(8), Section 5510 of Act 451, PA 1994)**
5. The terms and conditions of this Permit to Install shall apply to any person or legal entity that now or hereafter owns or operates the process or process equipment at the location authorized by this Permit to Install. If the new owner or operator submits a written request to the Department pursuant to R 336.1219 and the Department approves the request, this permit will be amended to reflect the change of ownership or operational control. The request must include all of the information required by subrules (1)(a), (b), and (c) of R 336.1219 and shall be sent to the District Supervisor, Air Quality Division, Michigan Department of Environmental Quality. **(R 336.1219)**
6. Operation of this equipment shall not result in the emission of an air contaminant which causes injurious effects to human health or safety, animal life, plant life of significant economic value, or property, or which causes unreasonable interference with the comfortable enjoyment of life and property. **(R 336.1901)**
7. The permittee shall provide notice of an abnormal condition, start-up, shutdown, or malfunction that results in emissions of a hazardous or toxic air pollutant which continue for more than one hour in excess of any applicable standard or limitation, or emissions of any air contaminant continuing for more than two hours in excess of an applicable standard or limitation, as required in Rule 912, to the Department. The notice shall be provided not later than two business days after start-up, shutdown, or discovery of the abnormal condition or malfunction. Written reports, if required, must be filed with the Department within 10 days after the start-up or shutdown occurred, within 10 days after the abnormal conditions or malfunction has been corrected, or within 30 days of discovery of the abnormal condition or malfunction, whichever is first. The written reports shall include all of the information required in Rule 912(5). **(R 336.1912)**
8. Approval of this permit does not exempt the permittee from complying with any future applicable requirements which may be promulgated under Part 55 of 1994 PA 451, as amended or the Federal Clean Air Act.
9. Approval of this permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law.
10. Operation of this equipment may be subject to other requirements of Part 55 of 1994 PA 451, as amended and the rules promulgated thereunder.

11. Except as provided in subrules (2) and (3) or unless the special conditions of the Permit to Install include an alternate opacity limit established pursuant to subrule (4) of R 336.1301, the permittee shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of density greater than the most stringent of the following. The grading of visible emissions shall be determined in accordance with R 336.1303. **(R 336.1301)**
 - a) A six-minute average of 20 percent opacity, except for one six-minute average per hour of not more than 27 percent opacity.
 - b) A visible emission limit specified by an applicable federal new source performance standard.
 - c) A visible emission limit specified as a condition of this Permit to Install.

12. Collected air contaminants shall be removed as necessary to maintain the equipment at the required operating efficiency. The collection and disposal of air contaminants shall be performed in a manner so as to minimize the introduction of contaminants to the outer air. Transport of collected air contaminants in Priority I and II areas requires the use of material handling methods specified in R 336.1370(2). **(R 336.1370)**

13. The Department may require the permittee to conduct acceptable performance tests, at the permittee's expense, in accordance with R 336.2001 and R 336.2003, under any of the conditions listed in R 336.2001. **(R 336.2001)**

SPECIAL CONDITIONS

EMISSION UNIT SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Emission Unit ID	Emission Unit Description (Process Equipment & Control Devices)	Flexible Group ID
EUGRINDER	Green wood grinding system (Process #105) with metering screws, a hammer mill controlled by a cyclone, bin, and transfer screw. The green wood grinding system and wood drying system share a vent stack.	FGGRINDER/DRYER, FGWOODPELLET
EUDRYER	A wood drying system (Process #110) consisting of a rotary drum dryer with a 22 MMBtu per hour wood-fired burner all controlled by a cyclone, and associated transfer conveyors. The green wood grinding system and wood drying system share a vent stack.	FGGRINDER/DRYER, FGWOODPELLET
EUHAMMERMILL	A dry hammer mill system (Process #115) consisting of screw conveyers, magnet, trap, and dry hammer mill controlled by a baghouse.	FGWOODPELLET
EUPELLET	A pelletizing system (Process #125) consisting of bins, screw conveyors, two (2) pellet mill conditioners, and two (2) pellet mills each controlled by a separate cyclone.	FGWOODPELLET
EUCOOLER	Pellet cooling (Process #125) consisting of a drag conveyor, and a pellet cooler controlled by a cyclone.	FGWOODPELLET
EUPELLETSTORAGE	A pellet storage system (Process #130) consisting of screens, conveyors, and a storage silo vented to the plant air system baghouse.	FGWOODPELLET
EUBAGHOUSE	Plant air system (Process #140) controlling fugitive dust from in-plant operations such as shaker screening, packaging, material transfer, bins, etc. Fugitive emissions will be controlled by a baghouse.	FGWOODPELLET
Changes to the equipment described in this table are subject to the requirements of R 336.1201, except as allowed by R 336.1278 to R 336.1290.		

The following conditions apply to:
EUHAMMERMILL

DESCRIPTION: A dry hammer mill system (Process #115) consisting of screw conveyers, magnet, trap, and dry hammer mill controlled by a baghouse.

Flexible Group ID: FGWOODPELLET

POLLUTION CONTROL EQUIPMENT: Baghouse

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. VE	5% opacity	6-minute average except one 6-minute average per hour of not more than 10% opacity	Baghouse portion of EUHAMMERMILL	SC VI.2	R 336.1301(1)(c)
2. PM ^a	0.002 lb per 1,000 lb of exhaust gases ^b	Test Protocol*	Baghouse portion of EUHAMMERMILL	GC 13	R 336.1331(1)(c)
3. PM10	0.045 pph	Test Protocol*	Baghouse portion of EUHAMMERMILL	GC 13	40 CFR 52.21(c) & (d)
4. PM2.5	0.045 pph	Test Protocol*	Baghouse portion of EUHAMMERMILL	GC 13	40 CFR 52.21(d)

^aThis is filterable particulate matter.

^bCalculated on a dry gas basis.

*Test Protocol shall specify averaging time.

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall not operate EUHAMMERMILL unless a malfunction abatement plan (MAP) as described in Rule 911(2), for the process and emission control equipment, is implemented and maintained. The MAP shall, at a minimum, specify the following:
 - a. A complete preventative maintenance program including identification of the supervisory personnel responsible for overseeing the inspection, maintenance, and repair of air-cleaning devices, a description of the items or conditions that shall be inspected, the frequency of the inspections or repairs, and an identification of the major replacement parts that shall be maintained in inventory for quick replacement.
 - b. An identification of the source and air-cleaning device operating variables that shall be monitored to detect a malfunction or failure, the normal operating range of these variables, and a description of the method of monitoring or surveillance procedures.
 - c. A description of the corrective procedures or operational changes that shall be taken in the event of a malfunction or failure to achieve compliance with the applicable emission limits.

If at any time the MAP fails to address or inadequately addresses an event that meets the characteristics of a malfunction, the permittee shall amend the MAP within 45 days after such an event occurs. The permittee shall also amend the MAP within 45 days, if new equipment is installed or upon request from the AQD District Supervisor. The permittee shall submit the MAP and any amendments to the MAP to the AQD District Supervisor for review and approval. If the AQD does not notify the permittee within 90 days of submittal, the MAP or amended MAP shall be considered approved. Until an amended plan is approved, the permittee shall implement corrective procedures or operational changes to achieve compliance with all applicable emission limits. **(R 336.1331, R 336.1910, R 336.1911, 40 CFR 52.21(c) & (d))**

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall not operate EUHAMMERMILL unless the baghouse is installed, maintained, and operated in a satisfactory manner. Satisfactory manner includes operating and maintaining each control device in accordance with the approved MAP as required in SC III.1. **(R 336.1301, R 336.1331, R 336.1910, R 336.1911)**

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

NA

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall complete all required calculations/records in a format acceptable to the AQD District Supervisor and make them available by the last day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1205, 40 CFR 52.21(c) & (d))**
2. The permittee shall install, calibrate, maintain and operate, in a satisfactory manner, a device to monitor and record the pressure drop across the baghouse. The device shall be equipped with an audible alarm that will sound when the pressure drop is below the minimum level as specified in the approved MAP as required in SC III.1. **(R 336.1301, R 336.1331, R 336.1910)**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVHAMMERMILL	12	63	R 336.1225, 40 CFR 52.21(c) & (d)

IX. OTHER REQUIREMENTS

NA

The following conditions apply to:
EUPELLET

DESCRIPTION: A pelletizing system (Process #125) consisting of bins, screw conveyors, two (2) pellet mill conditioners, and two (2) pellet mills each controlled by a separate cyclone.

Flexible Group ID: FGWOODPELLET

POLLUTION CONTROL EQUIPMENT: Cyclone

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. VE	10% opacity	6-minute average except one 6-minute average per hour of not more than 20% opacity	Each cyclone of EUPELLET	SC VI.2	R 336.1301(1)(c)
2. PM ^a	0.040 lb per 1,000 lb of exhaust gases ^b	Test Protocol*	Each cyclone of EUPELLET	GC 13	R 336.1331(1)(c)
3. PM10	0.55 pph	Test Protocol*	Each cyclone of EUPELLET	GC 13	40 CFR 52.21(c) & (d)
4. PM2.5	0.55 pph	Test Protocol*	Each cyclone of EUPELLET	GC 13	40 CFR 52.21(d)

^aThis is filterable particulate matter.

^bCalculated on a dry gas basis.

*Test Protocol shall specify averaging time.

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall not operate EUPELLET unless a malfunction abatement plan (MAP) as described in Rule 911(2), for the process and emission control equipment, is implemented and maintained. The MAP shall, at a minimum, specify the following:
 - a. A complete preventative maintenance program including identification of the supervisory personnel responsible for overseeing the inspection, maintenance, and repair of air-cleaning devices, a description of the items or conditions that shall be inspected, the frequency of the inspections or repairs, and an identification of the major replacement parts that shall be maintained in inventory for quick replacement.
 - b. An identification of the source and air-cleaning device operating variables that shall be monitored to detect a malfunction or failure, the normal operating range of these variables, and a description of the method of monitoring or surveillance procedures.
 - c. A description of the corrective procedures or operational changes that shall be taken in the event of a malfunction or failure to achieve compliance with the applicable emission limits.

If at any time the MAP fails to address or inadequately addresses an event that meets the characteristics of a malfunction, the permittee shall amend the MAP within 45 days after such an event occurs. The permittee shall also amend the MAP within 45 days, if new equipment is installed or upon request from the

AQD District Supervisor. The permittee shall submit the MAP and any amendments to the MAP to the AQD District Supervisor for review and approval. If the AQD does not notify the permittee within 90 days of submittal, the MAP or amended MAP shall be considered approved. Until an amended plan is approved, the permittee shall implement corrective procedures or operational changes to achieve compliance with all applicable emission limits. **(R 336.1331, R 336.1910, R 336.1911, 40 CFR 52.21(c) & (d))**

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall not operate EUPELLET unless each cyclone is installed, maintained, and operated in a satisfactory manner. Satisfactory manner includes operating and maintaining each control device in accordance with the approved MAP as required in SC III.1. **(R 336.1301, R 336.1331, R 336.1910, R 336.1911)**

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

NA

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall complete all required calculations/records in a format acceptable to the AQD District Supervisor and make them available by the last day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1205, 40 CFR 52.21(c) & (d))**
2. The permittee shall conduct daily visible emissions observations, either by a certified or a non-certified reader, as required in Emission Limit SC I.1. If visible emissions are observed, a United States Environmental Protection Agency (USEPA) Method 9 certified visible emissions observation, which is a 6-minute average reading consisting of 15 second data points, shall be conducted by a certified reader. Records shall include the visible emissions observations (date, time, name of reader, whether the reader is certified or not), causes of abnormal opacity, corrective actions, and the results of such actions. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1301, R 336.1331, R 336.1910)**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVPELLET	13	47	R 336.1225, 40 CFR 52.21(c) & (d)

IX. OTHER REQUIREMENTS

NA

The following conditions apply to:
EUCOOLER

DESCRIPTION: Pellet cooling (Process #125) consisting of a drag conveyor, and a pellet cooler controlled by a cyclone.

Flexible Group ID: FGWOODPELLET

POLLUTION CONTROL EQUIPMENT: Cyclone

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. VE	5% opacity	6-minute average except one 6-minute average per hour of not more than 10% opacity	Cyclone portion of EUCOOLER	SC VI.2	R 336.1301(1)(c)
2. PM ^a	0.01 lb per 1,000 lb of exhaust gases ^b	Test Protocol*	Cyclone portion of EUCOOLER	GC 13	R 336.1331(1)(c)
3. PM10	0.16 pph	Test Protocol*	Cyclone portion of EUCOOLER	GC 13	40 CFR 52.21(c) & (d)
4. PM2.5	0.16 pph	Test Protocol*	Cyclone portion of EUCOOLER	GC 13	40 CFR 52.21(d)

^aThis is filterable particulate matter.
^bCalculated on a dry gas basis.
*Test Protocol shall specify averaging time.

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall not operate EUCOOLER unless a malfunction abatement plan (MAP) as described in Rule 911(2), for the process and emission control equipment, is implemented and maintained. The MAP shall, at a minimum, specify the following:
 - a. A complete preventative maintenance program including identification of the supervisory personnel responsible for overseeing the inspection, maintenance, and repair of air-cleaning devices, a description of the items or conditions that shall be inspected, the frequency of the inspections or repairs, and an identification of the major replacement parts that shall be maintained in inventory for quick replacement.
 - b. An identification of the source and air-cleaning device operating variables that shall be monitored to detect a malfunction or failure, the normal operating range of these variables, and a description of the method of monitoring or surveillance procedures.
 - c. A description of the corrective procedures or operational changes that shall be taken in the event of a malfunction or failure to achieve compliance with the applicable emission limits.

If at any time the MAP fails to address or inadequately addresses an event that meets the characteristics of a malfunction, the permittee shall amend the MAP within 45 days after such an event occurs. The permittee shall also amend the MAP within 45 days, if new equipment is installed or upon request from the

AQD District Supervisor. The permittee shall submit the MAP and any amendments to the MAP to the AQD District Supervisor for review and approval. If the AQD does not notify the permittee within 90 days of submittal, the MAP or amended MAP shall be considered approved. Until an amended plan is approved, the permittee shall implement corrective procedures or operational changes to achieve compliance with all applicable emission limits. **(R 336.1331, R 336.1910, R 336.1911, 40 CFR 52.21(c) & (d))**

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall not operate EUCOOLER unless the cyclone is installed, maintained, and operated in a satisfactory manner. Satisfactory manner includes operating and maintaining each control device in accordance with the approved MAP as required in SC III.1. **(R 336.1301, R 336.1331, R 336.1910, R 336.1911)**

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

NA

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall complete all required calculations/records in a format acceptable to the AQD District Supervisor and make them available by the last day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1205, 40 CFR 52.21(c) & (d))**
2. The permittee shall perform and document non-certified visible emissions observations as required in Emission Limit SC I.1 on a daily basis when EUCOOLER is operating. If during the observation there are any visible emissions detected from an emission point, then corrective procedures as defined in the MAP shall be implemented. Records of the non-certified visible emissions observations, USEPA Method 9 observations that are performed, the reason for any visible emissions observed and any corrective actions taken shall be kept on file and in a format acceptable to the AQD. **(R 336.1301, R 336.1331, R 336.1910)**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVCOOLER	20	47	R 336.1225, 40 CFR 52.21(c) & (d)

IX. OTHER REQUIREMENTS

NA

The following conditions apply to:
EUPELLETSTORAGE

DESCRIPTION: A pellet storage system (Process #130) consisting of screens, conveyors, and a storage silo vented to the plant air system baghouse.

Flexible Group ID: FGWOODPELLET

POLLUTION CONTROL EQUIPMENT: Baghouse

I. EMISSION LIMITS

NA

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

NA

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall not operate EUPELLETSTORAGE unless the baghouse is installed, maintained, and operated in a satisfactory manner. Satisfactory manner includes operating and maintaining each control device in accordance with the approved MAP. **(R 336.1301, R 336.1331, R 336.1910, R 336.1911)**

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

NA

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

NA

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVBAGHOUSE	18	47	R 336.1225, 40 CFR 52.21(c) & (d)

IX. OTHER REQUIREMENTS

NA

The following conditions apply to:
EUBAGHOUSE

DESCRIPTION: Plant air system (Process #140) controlling fugitive dust from in-plant operations such as shaker screening, packaging, material transfer, bins, etc. Fugitive emissions will be controlled by a baghouse.

Flexible Group ID: FGWOODPELLET

POLLUTION CONTROL EQUIPMENT: Baghouse

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. VE	5% opacity	6-minute average except one 6-minute average per hour of not more than 10% opacity	EUBAGHOUSE	SC VI.2	R 336.1301(1)(c)
2. PM ^a	0.006 lb per 1,000 lb of exhaust gases ^b	Test Protocol*	EUBAGHOUSE	SC V.1	R 336.1331(1)(c)
3. PM10	0.09 pph	Test Protocol*	EUBAGHOUSE	SC V.1	40 CFR 52.21(c) & (d)
4. PM2.5	0.09 pph	Test Protocol*	EUBAGHOUSE	SC V.1	40 CFR 52.21(d)

^aThis is filterable particulate matter.
^bCalculated on a dry gas basis.
 *Test Protocol shall specify averaging time.

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall not operate EUBAGHOUSE unless a malfunction abatement plan (MAP) as described in Rule 911(2), for the process and emission control equipment, is implemented and maintained. The MAP shall, at a minimum, specify the following:
 - a. A complete preventative maintenance program including identification of the supervisory personnel responsible for overseeing the inspection, maintenance, and repair of air-cleaning devices, a description of the items or conditions that shall be inspected, the frequency of the inspections or repairs, and an identification of the major replacement parts that shall be maintained in inventory for quick replacement.
 - b. An identification of the source and air-cleaning device operating variables that shall be monitored to detect a malfunction or failure, the normal operating range of these variables, and a description of the method of monitoring or surveillance procedures.
 - c. A description of the corrective procedures or operational changes that shall be taken in the event of a malfunction or failure to achieve compliance with the applicable emission limits.

If at any time the MAP fails to address or inadequately addresses an event that meets the characteristics of a malfunction, the permittee shall amend the MAP within 45 days after such an event occurs. The permittee shall also amend the MAP within 45 days, if new equipment is installed or upon request from the AQD District Supervisor. The permittee shall submit the MAP and any amendments to the MAP to the AQD District Supervisor for review and approval. If the AQD does not notify the permittee within 90 days of

submittal, the MAP or amended MAP shall be considered approved. Until an amended plan is approved, the permittee shall implement corrective procedures or operational changes to achieve compliance with all applicable emission limits. **(R 336.1331, R 336.1910, R 336.1911, 40 CFR 52.21(c) & (d))**

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall not operate EUBAGHOUSE unless the baghouse is installed, maintained, and operated in a satisfactory manner. Satisfactory manner includes operating and maintaining each control device in accordance with the approved MAP as required in SC III.1. **(R 336.1301, R 336.1331, R 336.1910, R 336.1911)**

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. Within 180 days of permit issuance, or an alternate timeframe approved by the AQD District Supervisor, the permittee shall verify PM, PM10, and PM2.5 emission rates from EUBAGHOUSE by testing at owner's expense, in accordance with Department requirements. No less than 30 days prior to testing, the permittee shall submit a complete test plan to the AQD Technical Programs Unit and District Office. The AQD must approve the final plan prior to testing. Verification of emission rates includes the submittal of a complete report of the test results to the AQD Technical Programs Unit and District Office within 60 days following the last date of the test. **(R 336.1331, R 336.2001, R 336.2003, R 336.2004, 40 CFR 52.21(c) & (d))**

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall complete all required calculations/records in a format acceptable to the AQD District Supervisor and make them available by the last day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1205, 40 CFR 52.21(c) & (d))**
2. The permittee shall install, calibrate, maintain and operate, in a satisfactory manner, a device to monitor and record the pressure drop across the baghouse. The device shall be equipped with an audible alarm that will sound when the pressure drop is below the minimum level as specified in the approved MAP as required in SC III.1. **(R 336.1301, R 336.1331, R 336.1910)**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVBAGHOUSE	18	47	R 336.1225, 40 CFR 52.21(c) & (d)

IX. OTHER REQUIREMENTS

NA

FLEXIBLE GROUP SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Flexible Group ID	Flexible Group Description	Associated Emission Unit IDs
FGGRINDER/DRYER	A wood drying system (Process #110) consisting of a rotary drum dryer with a 22 MMBTU per hour wood-fired burner all controlled by a cyclone, and associated transfer conveyors. The green wood grinding system and wood drying system share a vent stack.	EUGRINDER, EUDRYER
FGWOODPELLET	Each emission unit at the wood pelletizing facility which includes the dryer, hammer mills, material conveyance, the pellet mills, the cooler, and the bagging operation.	EUGRINDER, EUDRYER, EUHAMMERMILL, EUPELLET, EUCOOLER, EUPELLETSTORAGE, EUBAGHOUSE

The following conditions apply to:
FGGRINDER/DRYER

DESCRIPTION: A wood drying system (Process #110) consisting of a rotary drum dryer with a 22 MMBTU per hour wood-fired burner all controlled by a cyclone, and associated transfer conveyors. The green wood grinding system and wood drying system share a vent stack.

Emission Units: EUGRINDER, EUDRYER

POLLUTION CONTROL EQUIPMENT: Cyclones

I. EMISSION LIMITS

Pollutant	Limit	Time Period/ Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. VE	15% opacity	6-minute average except one 6- minute average per hour of not more than 20% opacity	FGGRINDER/DRYER	SC V.1, SC VI.2	R 336.1301(1)(c)
2. PM ^a	0.137 lb per 1,000 lb of exhaust gases ^b	Test Protocol*	FGGRINDER/DRYER	SC V.1	R 336.1331(1)(c)
3. PM ^a	0.10 lb per 1,000 lb of exhaust gases ^b	Test Protocol*	EUGRINDER portion of FGGRINDER/DRYER	GC 13	R 336.1331(1)(a)
4. PM10	10.0 pph	Test Protocol*	FGGRINDER/DRYER	SC V.1	40 CFR 52.21(c) & (d)
5. PM2.5	10.0 pph	Test Protocol*	FGGRINDER/DRYER	SC V.1	40 CFR 52.21(d)
6. NO _x	8.3 pph	Test Protocol*	EUDRYER portion of FGGRINDER/DRYER	GC 13	40 CFR 52.21(c) & (d)
7. CO	13.5 pph	Test Protocol*	EUDRYER portion of FGGRINDER/DRYER	GC 13	40 CFR 52.21(d)
8. VOC (as carbon)	27.2 pph	Test Protocol*	EUDRYER portion of FGGRINDER/DRYER	GC 13	R 336.1702(a)
9. Formaldehyde (CAS No. 50- 00-0)	1.18 pph ¹	Test Protocol*	EUDRYER portion of FGGRINDER/DRYER	GC 13	R 336.1225(1)

^aThis is filterable particulate matter.

^bCalculated on a dry gas basis.

*Test Protocol shall specify averaging time.

II. MATERIAL LIMITS

1. The permittee shall only combust propane gas for start-up, and dried wood in the burner of EUDRYER. **(R 336.1205(1)(a), R 336.1224, R 336.1702)**
2. The permittee shall only process virgin hardwood and softwood materials through FGGRINDER/DRYER. Hardwood is defined as the wood of a broad-leaved tree, either deciduous or evergreen and softwood is defined as the wood of an evergreen tree. **(R 336.1224, R 336.1225, R 336.1702(a))**
3. The permittee shall comply with the material and process limits allowed in the following table for EUDRYER. **(R 336.1205(3), R 336.1224, R 336.1225, R 336.1702(a))**

Moisture Content of Green Wood Material in % by weight	Maximum Allowed Dryer Inlet Temperature	Maximum Allowed Green Wood Input (pounds per hour)
48% (and less)	888°F	24,952
49% to 50%	923°F	24,452
51% to 52%	960°F	24,033
53% to 54%	997°F	23,626
55% to 56%	1035°F	23,257

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall not operate FGGRINDER/DRYER unless a MAP as described in Rule 911(2), for the process and emission control equipment, is implemented and maintained. The MAP shall, at a minimum, specify the following:
 - a. A complete preventative maintenance program including identification of the supervisory personnel responsible for overseeing the inspection, maintenance, and repair of air-cleaning devices, a description of the items or conditions that shall be inspected, the frequency of the inspections or repairs, and an identification of the major replacement parts that shall be maintained in inventory for quick replacement.
 - b. An identification of the source and air-cleaning device operating variables that shall be monitored to detect a malfunction or failure, the normal operating range of these variables, and a description of the method of monitoring or surveillance procedures.
 - c. A description of the corrective procedures or operational changes that shall be taken in the event of a malfunction or failure to achieve compliance with the applicable emission limits.

If at any time the MAP fails to address or inadequately addresses an event that meets the characteristics of a malfunction, the permittee shall amend the MAP within 45 days after such an event occurs. The permittee shall also amend the MAP within 45 days, if new equipment is installed or upon request from the AQD District Supervisor. The permittee shall submit the MAP and any amendments to the MAP to the AQD District Supervisor for review and approval. If the AQD does not notify the permittee within 90 days of submittal, the MAP or amended MAP shall be considered approved. Until an amended plan is approved, the permittee shall implement corrective procedures or operational changes to achieve compliance with all applicable emission limits. **(R 336.1224, R 336.1331, R 336.1702(a), R 336.1910, R 336.1911, 40 CFR 52.21(c) & (d))**

2. The permittee shall maintain the efficiency of the burner portion on EUDRYER to control CO emissions by fine tuning the burner for proper burner operation and performance on an annual basis. **(40 CFR 52.21(d))**
3. The permittee shall not operate EUDRYER unless an acceptable plan that describes how emissions will be minimized during all startups and shutdowns has been submitted to the AQD District Supervisor and is implemented and maintained. The plan shall incorporate procedures recommended by the equipment manufacturer, if available, as well as incorporating standard industry practices. **(R 336.1911, R 336.1912)**

IV. DESIGN/EQUIPMENT PARAMETERS

1. The maximum design heat input capacity of the burner portion of EUDRYER shall not exceed 22.0 MMBTU per hour on a fuel heat input basis, as certified by the equipment manufacturer. **(R 336.1205(1)(a))**
2. The permittee shall not operate FGGRINDER/DRYER unless the respective cyclones are installed, maintained, and operated in a satisfactory manner. Satisfactory manner includes operating and maintaining each control device in accordance with the approved MAP for FGGRINDER/DRYER as required in SC III.1. **(R 336.1301, R 336.1331, R 336.1910, R 336.1911)**

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. Within 180 days of permit issuance, or an alternate timeframe approved by the AQD District Supervisor, the permittee shall verify opacity, PM, PM10, and PM2.5 emission rates from FGGRINDER/DRYER by testing at owner's expense, in accordance with Department requirements. No less than 30 days prior to testing, the permittee shall submit a complete test plan to the AQD Technical Programs Unit and District Office. The AQD must approve the final plan prior to testing. Verification of emission rates includes the submittal of a complete report of the test results to the AQD Technical Programs Unit and District Office within 60 days following the last date of the test. **(R 336.1301, R 336.1331, R 336.1702, R 336.2001, R 336.2003, R 336.2004, 40 CFR 52.21(c) & (d))**

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall complete all required calculations/records in a format acceptable to the AQD District Supervisor and make them available by the last day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1205, R 336.1301, R 336.1331, R 336.1702(a), R 336.1910, 40 CFR 52.21(c) & (d))**
2. The permittee shall conduct daily visible emissions observations, either by a certified or a non-certified reader, as required in Emission Limit SC I.1. If visible emissions are observed, a USEPA Method 9 certified visible emissions observation, which is a 6-minute average reading consisting of 15 second data points, shall be conducted by a certified reader. Records shall include the visible emissions observations (date, time, name of reader, whether the reader is certified or not), causes of abnormal opacity, corrective actions, and the results of such actions. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1301, R 336.1331, R 336.1910)**
3. The permittee shall monitor and record, the pounds per hour of green wood material processed in EUDRYER, averaged on a daily basis, in a manner as approved by the AQD District Supervisor. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1205(3), R 336.1224, R 336.1225, R 336.1702(a))**
4. The permittee shall monitor and record the moisture content of the green wood material fed into FGGRINDER/DRYER, on a daily basis, in a manner as approved by the AQD District Supervisor. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1225, R 336.1702(a))**
5. The permittee shall keep records of the annual burner tune ups as described in SC III.2 for EUDRYER. The permittee shall keep all records on file and make them available to the Department upon request. **(40 CFR 52.21(d))**
6. The permittee shall install, calibrate, maintain and operate, in a satisfactory manner, a device to monitor and record the temperature at the inlet of EUDRYER on a continuous basis. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1225, R 336.1702(a))**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVGRINDER/DRYER	40	63	R 336.1225, 40 CFR 52.21(c) & (d)

IX. OTHER REQUIREMENTS

NA

Footnotes:

¹This condition is state only enforceable and was established pursuant to Rule 201(1)(b).

The following conditions apply to:
FGWOODPELLET

DESCRIPTION: Each emission unit at the wood pelletizing facility which includes the dryer, hammer mills, material conveyance, the pellet mills, the cooler, and the bagging operation.

Emission Units: EUGRINDER, EUDRYER, EUHAMMERMILL, EUPELLET, EUCOOLER, EUPELLETSTORAGE, EUBAGHOUSE

POLLUTION CONTROL EQUIPMENT: Various

I. EMISSION LIMITS

NA

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall not operate FGWOODPELLET for more than 5,930 hours per 12-month rolling time period as determined at the end of each calendar month. **(R 336.1205(3))**
2. The permittee shall not operate FGWOODPELLET unless a program for continuous fugitive emissions control for all plant roadways, the plant yard, all material storage piles, and all material handling operations has been submitted to the AQD District Supervisor and is implemented and maintained. The plan shall identify the specific measures to be taken to prevent fugitive dust and the frequency of these measures. In addition, the permittee shall record the number of raw material and product trucks which are at the facility on a daily basis. **(R 336.1372, Act 451 324.5524)**

IV. DESIGN/EQUIPMENT PARAMETERS

NA

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

NA

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall complete all required calculations/records in a format acceptable to the AQD District Supervisor and make them available by the last day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1205(3), 40 CFR 52.21(c) & (d))**
2. The permittee shall monitor and record in a satisfactory manner, the hours of operation of FGWOODPELLET on a monthly and a 12-month rolling time period as determined at the end of each calendar month. The record shall include the time and duration of operation. The permittee shall keep all records on file and make them available to the Department upon request. **(R 336.1205(3))**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

NA

IX. OTHER REQUIREMENTS

NA



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



KEITH CREAGH
DIRECTOR

June 1, 2016

Dear Interested Party:

This letter is in reference to a Permit to Install (PTI) application for Kirtland Products proposing an increase in allowable particulate matter emissions from both their existing plant air system and their existing grinder/dryer and a proposed draft Consent Order which is to resolve alleged violations of the existing PTI No. 47-11D. The facility is located at 1 Altair Drive, Boyne City, Michigan. The PTI application is identified as No. 47-11E.

The Michigan Department of Environmental Quality (MDEQ) has announced a public comment period on the draft permit conditions and the draft Consent Order, as required by state and federal regulations. The public comment period is to solicit written comments prior to making a final decision on both the permit application and the Consent Order. Written comments received during the comment period will be considered in the final decision on each. Please mail comments for the draft permit conditions by July 11, 2016 to Ms. Annette Switzer, Permit Section Supervisor, DEQ, Air Quality Division, P.O. Box 30260, Lansing, Michigan, 48909-7760. Comments may also be submitted from the webpage <http://www.deq.state.mi.us/aps/cwerp.shtml> (click on "Submit Comment" under the Kirtland Products, PTI No. 47-11E listing). Please mail comments for the draft Consent Order by July 11, 2016 to Mr. Jason Wolf, DEQ, Air Quality Division, P.O. Box 30260, Lansing, Michigan, 48909-7760.

On July 11, 2016, an informational session and public hearing have been scheduled at the Boyne District Library, 201 East Main Street, Boyne City, Michigan. The informational session will be held from 6:00 p.m. until 7:00 p.m., at which time staff will be available to answer questions concerning both the draft Consent Order and the draft PTI. The public hearing will follow at 7:00 p.m. The sole purpose of the hearing will be to take formal testimony on the record. During testimony, questions will not be answered; however, staff will be available to answer questions outside the hearing room.

After resolving any issues raised during the public comment period and the hearing, a final decision will be made on both the permit application and the Consent Order.

The "Notice of Air Pollution Comment Period and Public Hearing", the "Proposed Project Summary", the "Fact Sheet", the draft permit conditions regarding our analysis of this proposed project, and the draft Consent Order are available at <http://www.deq.state.mi.us/aps/cwerp.shtml> or you may contact me for printed copies.

Interested Party
Page 2
June 1, 2016

If you have any questions, please feel free to contact me.

Sincerely,



Catherine Asselin, Environmental Engineer
Thermal/Chemical Process Unit
Permit Section, Air Quality Division
517-284-6786
AsselinC@michigan.gov

cc: Mr. Dexter McNamara, Tribal Chairman, Little Traverse Bay Band of Odawa Indians
Mr. Alvin Pedwaydon, Tribal Chairman, Grand Traverse Bay Band of Ottawa and
Chippewa Indians
Mayor Tom Neidhamer, City of Boyne City
Ms. Cheryl Potter Browe, Charlevoix County Clerk
Ms. Genevieve Damico, United States Environmental Protection Agency, Region 5
Mr. Constantine Blathras, United States Environmental Protection Agency, Region 5
Ms. Sarah Rolfes, United States Environmental Protection Agency, Region 5
Ms. Melanie Brown, Communications Director, MDEQ
Ms. Janis Ransom, MDEQ
Mr. Tom Hess, MDEQ

NOTICE of AIR POLLUTION COMMENT PERIOD and PUBLIC HEARING

The Michigan Department of Environmental Quality (MDEQ) is holding a public comment period from June 1, 2016 until July 11, 2016 and a public hearing on July 11, 2016, regarding Kirtland Products proposed Draft Consent Order and a proposed Permit to Install (PTI). The proposed Draft Consent Order is to address alleged violations of PTI 47-11D. The proposed PTI is for an increase in allowable particulate matter (PM) emissions from both the existing plant air system and the existing grinder/dryer. The facility is located at 1 Altair Drive, Boyne City, Michigan. This action is to resolve the alleged violations of PTI 47-11D as well as address draft PTI No. 47-11E. The public comment period and hearing are to allow all interested parties the opportunity to comment on the MDEQ's proposed Draft Consent Order and proposed conditional approval of the PTI. It has been preliminarily determined that the increase in allowable PM emissions will not violate any of the MDEQ's rules nor the National Ambient Air Quality Standards.

Copies of the MDEQ's analyses, proposed draft Consent Order, and proposed draft permit conditions are available for review at the following locations, or you may request a copy be mailed to you by calling 517-284-6793. Please reference PTI Application No. 47-11E for Kirtland Products.

Air Quality Division (AQD) Internet Home Page - <http://www.michigan.gov/air>

CADILLAC: MDEQ, AQD, 120 West Chapin Street, Cadillac, MI 49601-2158 (Phone: 231-876-4411)

LANSING: MDEQ, AQD, Constitution Hall, 2nd Floor, South Tower, 525 West Allegan Street, Lansing, Michigan 48933-1502 (Phone: 517-284-6793)

BOYNE CITY: City Hall, 319 North Lake Street, Boyne City, Michigan 49712, (Phone: 231-582-6597)

The public is encouraged to present written views on the entry of the Draft Consent Order and the proposed permit action. Written comments for the Draft Consent Order should be sent to Mr. Jason Wolf, Michigan Department of Environmental Quality, Air Quality Division, P.O. Box 30260, Lansing, Michigan, 48909-7760. Written comments for the PTI should be sent to Ms. Annette Switzer, Permit Section Supervisor, Michigan Department of Environmental Quality, Air Quality Division, P.O. Box 30260, Lansing, Michigan, 48909-7760. Comments related to the PTI may also be submitted from the webpage <http://www.deq.state.mi.us/aps/cworp.shtml> (click on "Submit Comment" under the Kirtland Products, PTI No. 47-11E listing). All statements received by July 11, 2016 will be considered by the decision-maker prior to final action on both the Consent Order and the PTI.

An informational session and public hearing will be held on July 11, 2016, at the Boyne District Library, 201 East Main Street, Boyne City, Michigan. The informational session will begin at 6:00 p.m., at which time the AQD staff will be available to answer questions. The public hearing will begin at 7:00 p.m. The sole purpose of the public hearing will be to take formal testimony on the record.

Individuals needing accommodations for effective participation at the hearing should contact Ms. Lisa Shooltz at 517-284-6793 one week in advance to request mobility, visual, hearing, or other assistance.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY



Annette Switzer, Permit Section Supervisor

**Proposed Project Summary
for Kirtland Products
June 1, 2016**

The Michigan Department of Environmental Quality (MDEQ), Air Quality Division (AQD), is asking for comments on a proposed Consent Order and a proposed air permit for Kirtland Products. We will accept comments on each until the close of the public hearing on July 11, 2016, and will review all comments before we make a final decision on the proposals.

What is the company asking to do in the permit application?

Kirtland Products is asking to increase the allowed particulate matter emission limits from their existing plantwide baghouse exhaust stack and the grinder/dryer exhaust stack. They are not asking to increase any other emission limits contained in their current permit, No. 47-11D. No new equipment is proposed to be installed, nor is any existing equipment proposed to be physically modified. They are also not asking to increase their allowed hours of operation or wood processing limit.

What is the purpose of the proposed Consent Order?

Per their existing permit, No. 47-11D, Kirtland Products performed testing in April 2015 to measure particulate emissions from both their plantwide baghouse exhaust stack and their grinder/dryer exhaust stack; they exceeded their allowed emission rates for one type of particulate matter. The proposed Consent Order includes a plan for bringing the facility back into compliance and requires that a monetary settlement amount of \$5,000.00 be made to the State of Michigan general fund.

How was the penalty amount determined?

The penalty amount is calculated using the United States Environmental Protection Agency (USEPA) Clean Air Act Stationary Source Civil Penalty Policy. This Policy takes into account several factors, including: the actual or possible harm of the violation, the length of time of the violation, the sensitivity to the environment, importance to the regulatory scheme, and the size of the violator. The Policy also explains that a penalty amount should not be clearly beyond the financial means of a facility to pay. A reduced penalty amount was accepted in this case because Kirtland Products provided sufficient financial documentation that indicated an inability to pay.

What happens if Kirtland Products is found in violation of the Consent Order?

Another aspect of the Consent Order, which is meant solely to deter future violations, is the inclusion of stipulated penalties. Stipulated penalties are pre-agreed upon amounts that must be paid if a facility is found to be violating their Consent Order. As future non-compliance would be costly to Kirtland Products, the stipulated penalties provide an incentive to stay in compliance.

Does their request meet the law?

When the Kirtland Products facility was first permitted, certain assumptions were made based upon limited knowledge of the source type. Through testing, more accurate information has become available. It has been determined that actual particulate matter emissions were underestimated for the plantwide baghouse exhaust stack and the grinder/dryer exhaust stack. This application is not requesting an increase in actual emissions, but rather, it is requesting that the emission limits better reflect how the process has always operated.

Even though there is an increase in the emission limits, they are still well below what is allowed by applicable State rules. The following is also represented in the table below: Kirtland Products has proposed a new emission limit for the plantwide baghouse exhaust stack that is 6 percent of the emission limit allowed by law. They have proposed a new emission limit for the grinder/dryer exhaust stack that is 27.4 percent of the emission limit allowed by law for the dryer.

Equipment	Limit Allowed by Law	Draft Permit Limit	Percentage
Dryer	0.50	0.137 (grinder/dryer)	27.4
Plantwide Baghouse	0.10	0.006 (baghouse)	6

Why aren't they required to install better control equipment?

The control equipment used at Kirtland Products is typical of this type of facility. It has been determined that the equipment may not have been running optimally at the time of the test. Kirtland Products has hired an engineering firm to evaluate their control equipment and help determine better procedures for operation.

Why are only some of the particulate emission limits changing?

The different types of particulate matter are created in different ways throughout the process, and that affects how much of each are formed. They are also tested through different test methods.

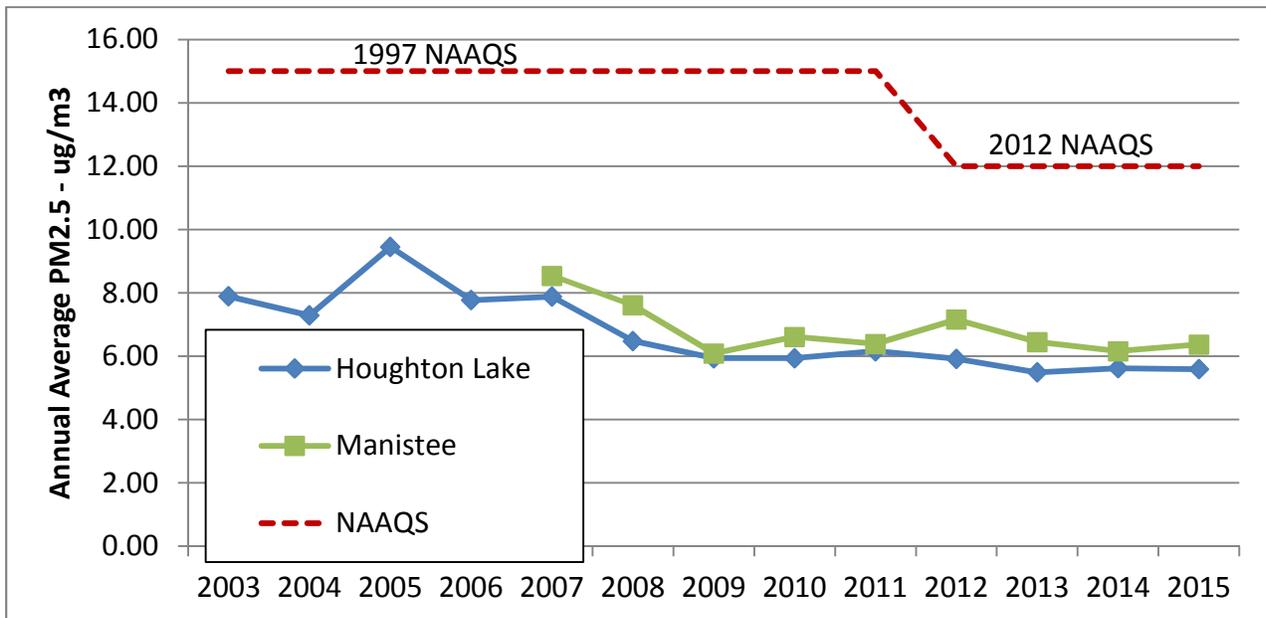
An accurate test was performed for the emission limits that had reported high results, and these are the emission limits with changes in the proposed permit. The testing for the other particulate matter types was not properly performed and both the proposed permit and proposed Consent Order require that it be redone.

What is the current air quality in the area?

The facility is located in Charlevoix County, which is currently meeting all of the national air quality standards (NAAQS) set by the USEPA. These air quality standards are for particulate matter, ozone, carbon monoxide, sulfur dioxide, nitrogen dioxide and lead. These standards are set at levels designed to protect the public health.

Particulate (small particles of dust) is the primary pollutant of concern for this facility. While the AQD does not operate a particulate air monitoring station in Charlevoix County, we do operate one in Missaukee County near Houghton Lake. The Littler River Band of Ottawa Indians also operates a particulate monitoring station in Manistee County near Manistee. As the following figure shows, both of these stations show that the air quality in the area currently meets the PM2.5 health based NAAQS.

Average Annual PM2.5



Where can I find more information?

There are two ways: the Public Participation Fact Sheet has more details about the project and how it will meet the rules and regulations, and the AQD staff can provide additional information on request. Here are some examples:

- What is the wood pellet fuel manufacturing process
- What are the rules and regulations that apply to the proposed project
- What are the air emissions from the proposed project
- How will air quality and public health be protected
- What will the draft permit require the company to do
- Example emission calculations
- What is the compliance history of the facility
- Why was a reduced penalty amount accepted in this specific case

How do the public comment period and public hearing work?

The law requires the AQD to invite public comment on certain permit actions and Consent Orders.

Public comment periods and public hearings allow people to comment on the review of an application, a proposed permit, and a proposed Consent Order. The AQD will review all comments before we make a final decision on the permit application and the Consent Order. Based on comments received, the AQD may issue the permit as drafted, deny the permit application, or issue a revised permit. Under the law, we must approve an air permit application if the project complies with the state and federal air quality rules and regulations. The AQD staff will be available at the public hearing to answer any questions people have concerning both the proposed permit and the proposed Consent Order.

Comments about air quality, the proposed permit, and the proposed Consent Order that the AQD can consider include:

- Technical or mathematical mistakes
- Other emission sources the draft permit should include, and why
- Why the equipment in the draft permit would not meet the rules and regulations
- Other rules or regulations the draft permit should include, and why
- Why the proposed permit should include more monitoring of emissions
- Why the proposed permit should include more monitoring of control devices
- Why the emission controls do not meet the rules and regulations
- Why the proposed compliance plan is not adequate
- Why the proposed settlement amount is not appropriate
- Why the proposed Consent Order should include additional requirements

Summary:

The AQD believes the proposed Consent Order, as drafted, contains an appropriate compliance program for resolution of the violations against Kirtland Products. The AQD also believes the proposed permit will ensure the project complies with the air quality requirements. However, before the AQD takes action on them, we are requesting comments from the public. The AQD will review all comments received during the public comment period and public hearing and make a final decision on the Consent Order and permit application. If approved, the AQD may decide to add or change permit conditions based on the comments.

For more information about the proposed Consent Order, please contact Jason Wolf, AQD, at 517-284-6772. For more information about the proposed permit, please contact Catherine Asselin, AQD, at 517-284-6786.

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF THE DIRECTOR

In the matter of administrative proceedings)
against **KIRTLAND PRODUCTS, LLC**, a)
corporation organized under the laws of the)
State of Michigan and doing business at)
1 Altair Drive in the City of Boyne City,)
County of Charlevoix, State of Michigan)

AQD No. 7-2016

SRN: N2239

STIPULATION FOR ENTRY OF FINAL ORDER
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality (MDEQ) Air Quality Division (AQD) against Kirtland Products, LLC (Company), a Michigan corporation doing business at 1 Altair, Boyne City, Michigan, with State Registration Number (SRN) N2239. The MDEQ alleges that the Company is in violation of Permit to Install (PTI) No. 47-11D. Specifically, the MDEQ alleges that the Company exceeded the Particulate Matter (PM) emission limit from the EUBAGHOUSE and exceeded the PM emission limit from FGGRINDER/DRYER, as cited herein and in a Violation Notice dated October 29, 2015. The Company and MDEQ stipulate to the termination of this proceeding by entry of this Stipulation for Entry of a Final Order by Consent (Consent Order).

The Company and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451 (Act 451), MCL 324.101 *et seq.* is an act that controls pollution to protect the environment and natural resources in this State.
2. Article II, Pollution Control, Part 55 of Act 451 (Part 55), MCL 324.5501 *et seq.* provides for air pollution control regulations in this State.
3. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 2011-1 and has all statutory authority, powers, duties, functions and responsibilities to administer and enforce all provisions of Part 55.
4. The Director has delegated authority to the Chief of the AQD (AQD Chief) to enter into this Consent Order.

5. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.

6. The Company and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Company that the law has been violated.

7. This Consent Order becomes effective on the date of execution (effective date of this Consent Order) by the AQD Chief.

8. The Company shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

9.A. Permit

1. On and after the effective date of this Consent Order, the Company shall comply with the PM, PM with aerodynamic diameter ≤ 10 microns (PM10), and PM2.5 with aerodynamic diameter ≤ 2.5 microns (PM2.5) emission limits for EUBAGHOUSE and FGGRINDER/DRYER specified in PTI 47-11E, as amended.

9.B. Testing

1. The Company shall submit a test plan for PM, PM10, and PM2.5 from EUBAGHOUSE and FGGRINDER/DRYER which meets the requirements specified in Exhibit A to the AQD Cadillac District Supervisor and the Technical Programs Unit Supervisor by the date required in PTI 47-11E, as amended

2. The Company shall perform emission testing for PM, PM10, and PM2.5 from EUBAGHOUSE and FGGRINDER/DRYER by the date required in PTI 47-11E, as amended.

3. The Company shall submit to the AQD Cadillac District Supervisor and the Technical Programs Unit Supervisor a test report, which includes the test data and results by the date required in PTI 47-11E, as amended.

4. Not less than seven (7) days prior to any stack testing which will be used to demonstrate compliance, the Company or an authorized agent, shall notify the AQD Cadillac District Supervisor and the Technical Programs Unit Supervisor, in writing, of the time and place of the tests and who shall conduct them. A representative of the AQD shall have the opportunity to witness the tests.

5. PM, PM10, or PM2.5 stack testing conducted to demonstrate compliance with emission limits from FGGRINDER/DRYER shall be performed in a location which allows for the sampling of the combined emissions of EUGRINDER and EUDRYER.

GENERAL PROVISIONS

10. This Consent Order in no way affects the Company's responsibility to comply with any other applicable state and federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 *et seq.*, Act 451, Part 55 or their rules and regulations, or to the State Implementation Plan.

11. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.

12. Within thirty (30) days after the effective date of this Consent Order, the Company shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of Michigan" and mailed to the Michigan Department of Environmental Quality, Accounting Services Division, Cashier's Office, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$5,000.00 which includes AQD costs for investigation and enforcement. The total sum of \$5,000.00 shall be made in four (4) payments as follows: a payment of \$1,250.00 shall be paid within thirty (30) days of the effective date of this Consent Order; a second payment of \$1,250.00 shall be made on or before November 1, 2016; a third payment of \$1,250.00 shall be made on or before February 1, 2017; a final payment of \$1,250.00 shall be made on or before May 1, 2017. To ensure proper credit, all payments made pursuant to this Consent Order shall include the "Payment Identification Number AQD40118" on the front of the check and/or in the cover letter with the payment. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Company by law.

13. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 9.A.1 of this Consent Order, the Company is subject to a stipulated fine of up to \$3,000.00 per violation. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 9.B.1, 9.B.2, 9.B.3, 9.B.4, or 9.B.5 of this Consent Order, the Company is subject to a stipulated fine of up to \$500.00 per violation. The amount of the stipulated fines imposed pursuant to

this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be mailed to the Michigan Department of Environmental Quality, Accounting Services Division, Cashier's Office, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the "Payment Identification Number AQD40018-S" on the front of the check and/or in the cover letter with the payment. Payment of stipulated fines shall not alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

14. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or MDEQ administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

15. To ensure timely payment of the settlement amount assessed in paragraph 12 and any stipulated fines assessed pursuant to paragraph 13 of this Consent Order, the Company shall pay an interest penalty to the State of Michigan each time it fails to make a complete or timely payment under this Consent Order. The interest payment shall be determined at a rate of interest that is equal to one

percent (1%) plus the average interest rate paid at auctions of 5-year United States treasury notes during the six months immediately preceding July 1 and January 1, as certified by the state treasurer, compounded annually, and using the full increment of amount due as principal, calculated from the due date specified in this Consent Order until the date that delinquent payment is finally paid in full. Payment of an interest penalty by the Company shall be made to the State of Michigan in accordance with paragraph 13 of this Consent Order. Interest payments shall be applied first towards the most overdue amount or outstanding interest penalty owed by the Company before any remaining balance is applied to subsequent payment amount or interest penalty.

16. The Company agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 12. The Company also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 13 of this Consent Order, but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by MDEQ of stipulated fines is made. In addition, the Company agrees that said fines have not been assessed by the MDEQ pursuant to Section 5529 of Part 55 and therefore are not reviewable under Section 5529 of Part 55.

17. This compliance program is not a variance subject to the 12 month limitation specified in Section 5538 of Part 55.

18. This Consent Order shall remain in full force and effect for a period of at least two (2) years. Thereafter, the Consent Order shall terminate only upon written notice of termination issued by the AQD Chief. Prior to issuance of a written notice of termination, the Company shall submit a request, to the AQD Chief at the Michigan Department of Environmental Quality, Air Quality Division, P.O. Box 30260, Lansing, Michigan 48909-7760, consisting of a written certification that the Company has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Cadillac District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility; and, (iv) such information as may be requested by the AQD Chief.

19. In the event the Company sells or transfers the facility, with SRN N2239, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Company shall also notify the AQD Cadillac District Office Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, the Company must obtain the consent of the purchaser and/or transferee, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be forwarded to the AQD Cadillac District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

20. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

21. Section 5530 of Part 55 may serve as a source of authority but not a limitation under which the Consent Order may be enforced. Further, Part 17 of Act 451 and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

22. The Company hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations of its facility located at 1 Altair, Boyne City, Michigan. The Company further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Company files for bankruptcy in the future. The Company will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Company will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged. The Company, during and after any future bankruptcy proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Company to the extent allowed by applicable bankruptcy law.

The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it.

KIRTLAND PRODUCTS, LLC

Print Name and Title

_____ Date: _____

Signature

The above signatory subscribed and sworn to before me this ____ day of _____, 20____.

Notary Public

Approved as to Content:

Approved as to Form:

Lynn Fiedler, Chief
AIR QUALITY DIVISION
DEPARTMENT OF
ENVIRONMENTAL QUALITY

Neil Gordon, Section Head
ENVIRONMENTAL REGULATION SECTION
ENVIRONMENT, NATURAL RESOURCES,
AND AGRICULTURE DIVISION
DEPARTMENT OF ATTORNEY GENERAL

Dated: _____

Dated: _____

FINAL ORDER

The Chief of the Air Quality Division having had opportunity to review the Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environmental Quality pursuant to the provisions of Part 55 of Act 451 and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that the Consent Order is approved and shall be entered in the record of the MDEQ as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Lynn Fiedler, Chief
Air Quality Division

Effective Date: _____



United States Department of the Interior

NATIONAL PARK SERVICE
1849 C Street, N.W.
Washington, DC 20240

IN REPLY REFER TO:

H36 (2256)

May 31, 2016

Amy Arnold
Preservation Planner
State Historic Preservation Office
702 W. Kalamazoo
Box 30740
Lansing, MI 48909-9240



Dear Ms. Arnold:

Thank you for forwarding the necessary documentation concerning the City of Boyne City's application for participation in the Certified Local Government (CLG) Program. I have reviewed your submission and am pleased to concur in your recommendation that the City of Boyne City be certified under the provision of Section 101(c) of the National Historic Preservation Act.

The date of certification will be retroactively recorded as the date of February 1, 2010. We are also providing a copy of this letter to the City of Boyne City.

We welcome the City of Boyne City as a local partner in the Federal Preservation Program and look forward to working with them to preserve what makes their community special and significant. They have been added to our database and can find their listing there as well as more information on the CLG program by going to: www.nps.gov/clg

If you have any questions about this letter, please feel free to contact me by phone at 202-354-2062, or by email at megan_brown@nps.gov.

Sincerely,

Megan J. Brown
Chief State, Tribal, Local Plans and Grants

cc: Michael Caine, City Manager, City of Boyne City



MICHIGAN TOWNSHIP

PARTICIPATING PLAN

RECEIVED
JUN 10 2016
BY: _____

Dear Michigan Township Participating Plan Member:

We are very excited to announce that on April 22, 2016, the Michigan Township Participating Plan Board of Directors approved a dividend distribution to be processed and distributed pro rata to members of our program.

On April 22, 2016 it was determined that the distribution would be \$0.74797892 per qualifying member tied to the member's premium of the 2012-2013 underwriting year (the program's dividend calculation year). Additionally, we are very pleased to inform you actuarial calculations indicate an improved loss ratio for the 2011-2012 underwriting year which brings to you an additional \$0.010408189 percent.

Accordingly, we are pleased to enclose your check for the program's 2012-2013 dividend calculation and additional percentage for the 2011-2012 dividend calculation.

The Michigan Township Participating Plan will continue to work hard in conjunction with our members in continuing to bring growth and benefits to our members in the coming years. **The Board thanks you for your continued loyalty and support!**

If you should have any questions regarding this distribution please contact your Michigan Township Participating Plan agent.

On behalf of the Michigan Township's Participating Plan Board of Directors,

Ronald E. Reid

Ronald E. Reid
Chairman

\$ 4,573.91

Approved: _____

**Meeting Of
May 3, 2016**

Record of the proceedings of the regular Boyne City Zoning Board of Appeals meeting held at Boyne City Hall, 364 N. Lake Street, on Tuesday, May 3, 2016 at 5:00 p.m.

Call To Order

Chair Kubesh called the meeting to order at 5:00 p.m.

Roll Call

Present: Bob Carlile, Pat Kubesh, John McClorey, Lynn Murray and Roger Reynolds
Absent: None

Meeting Attendance

City Officials/Staff: Assistant Planning and Zoning Director Patrick Kilkenny and Recording Secretary Pat Haver
Public Present: None

**Approval of the Minutes
MOTION**

Murray moved, Reynolds seconded a motion to approve the March 1, 2016 minutes as presented.

ZBA 2016-05-03-2

Roll Call

Ayes: Carlile, McClorey, Murray and Reynolds
Nays: None
Abstain: Kubesh
Absent: None
Motion carries

Hearing Citizens Present

None

Correspondence(s)

None

**New Business
Election of Officers**

Motion by Murray, seconded by Reynolds to leave the slate of officers as they currently are, with Pat Kubesh as Chair and Bob Carlile as Vice Chair of the Zoning Board of Appeals.

MOTION

ZBA 2016-05-03-5A

Roll Call

Ayes: Carlile, Kubesh, McClorey, Murray and Reynolds
Nays: None
Absent: None
Motion carries

**Old Business and
Reports of Officers, Boards
and Standing Committees**

None

Pat Kubesh will be unavailable for the June or July meetings if they are held

**Good of the Order
Announcements**

The next meeting of the Boyne City Zoning Board of Appeals is scheduled for June 7, 2016 at 5:00 p.m.

**Adjournment
MOTION**

ZBA 2016-05-03-10

Murray moved, McClorey seconded, PASSED UNANIMOUSLY a motion to adjourn the Tuesday, May 3, 2016 Boyne City Zoning Board of Appeals meeting at 5:06 p.m.

Patrick Kubesh, Chair

Pat Haver, Recording Secretary



Approved:

**MEETING OF
May 5, 2016**

RECORD OF THE PROCEEDINGS OF THE **REGULAR BOYNE CITY PARKS AND RECREATION COMMISSION MEETING HELD AT 6:00 P.M. AT CITY HALL ON THURSDAY, MAY 5, 2016.**

CALL TO ORDER

Meeting was called to order by Chair Sheean at 6:00 p.m.

ROLL CALL

Present: Mike Sheean, Jerry Swift, Jo Bowman, Patrick Patoka, Darryl Parish and Marie Sheets

Absent: Heath Meeder

**MEETING
ATTENDANCE**

City Staff: Streets/Parks & Recreation Superintendent Andy Kovolski and Recording Secretary Barb Brooks

Public Present: One (1)

**APPROVAL OF
MINUTES ****MOTION****

Bowman moved, Patoka seconded, PASSED UNANIMOUSLY, a motion approving the March 10, 2016 meeting minutes as presented.

**CITIZENS COMMENTS
(on non-agenda items)**

None

DIRECTOR'S REPORT

Kovolski reported that City Hall is slated for demolition, parks and bathrooms are being opened for the season and the playground will be re-sealed as soon as weather conditions allow.

CORRESPONDENCE

None

**REPORTS OF
OFFICERS, BOARDS
AND STANDING
COMMITTEES****Park Inspection Reports -**

- Bowman reported that the parks are looking great. Parish stated that Avalanche trails look good.
- **Disc Golf Update** - The course is in good shape, downed trees removed, leagues have started and two tournaments have been scheduled for this year (July 31 and October 15).
- **Friends of Avalanche** (Board Chair Sheean - There was a large turnout for the initial meeting, positive feedback and quite a bit of interest in the possibility of creating a group.
- **Trail(s) Update** (Board Chair Sheean) - bid for Phase I of Boyne City Charlevoix Trail underway. Sheean asked the board to give some thought to the best route between town and our end of the trail. Will discuss further at the June meeting.
- **MParks Update** - Brooks indicated that the City is working with the MSU Extension and Boyne Area Rehab to implement the two programs; Walk with Ease - for senior citizens and Come Out

and Play for kids. Funds for payment of program staffing will be on a reimbursement basis. At the June board meeting discussion regarding suggestions for the grant project that was part of the grant will be on the agenda

UNFINIHSED BUSINESS

Riverside Park

Board discussion regarding implementing some of the ideas that were previously discussed to enhance the area as a nature area, attract more wildlife and encourage birding. Kovolski received a proposal to knock down some of the scrub brush. Parish expressed concern about it being detrimental to wildlife and should not be a manicured area if we want it to be a natural habitat for wildlife; insects, birds, etc. Patoka suggested that the board visit the park as part of the June meeting to have further discussion. The board was in favor of this and suggested that we convene there after all of the other regular business is taken care.

NEW BUSINESS

Little Free Library

A proposal was received by Kathy Anderson from the office of Pat O'Brien and Associates to install two "Little Free Libraries" in parks around town. Pat O'Brien and Associates will sponsor the program and work with staff on installation location. They look similar to an oversized birdhouse and houses books that people can borrow (at no cost) and encourages reading by making books more available.

****MOTION**

Bowman moved, Sheets seconded, PASSED UNANIMOUSLY to recommend approval of the proposal and to work with staff on installation and location.

NEXT MEETING

The next regular meeting of the Parks and Recreation Board is scheduled for Thursday, June 2, 2016 at 6 pm at City Hall with the last part of the meeting to take place at Riverside Park.

ADJOURNMENT

The May 5, 2016 meeting of the Parks and Recreation Board adjourned at 6:59 p.m.

Barb Brooks, Recording Secretary



Approved: 6/2/2016

Meeting of
May 12, 2016

MINUTES OF THE BOYNE CITY MAIN STREET BOARD REGULAR MEETING
HELD ON THURSDAY MAY 12, 2016 AT 8:30 AM CITY HALL, 364 NORTH LAKE
STREET

Call to Order

Chair O'Brien called the meeting to order at 8:33 a.m.

Roll Call

Present: Pat O'Brien, Michael Cain, Michelle Cortright, Rob Swartz, Chris Bandy,
Jodie Adams and Don Ryde

**Meeting
Attendance**

Absent: Ben VanDam and Robin Berry-Williams

City Staff: Main Street Director Lori Meeder, Recording Secretary Lisa Schrock,
Assistant Planning/Zoning Administrator Patrick Kilkenny and Farm
Market Manager/Main Street Administrative Assistant Erica Tosch

Public: Nine

**Excused Absences
MOTION**

Cortright moved Swartz second **PASSED UNANIMOUSLY** to excuse Ben VanDam
and Robin Berry-Williams from today's meeting.

**Approval of Minutes
MOTION**

Cain moved Adams second **PASSED UNANIMOUSLY** to approve the April 7, 2016
regular minutes as presented.

Citizens Comments

None

Correspondence

None

Manager's Report

Main Street Director Meeder reviewed the Manager's Report with the board and
introduced the new Market Manager/Main Street Administrative Assistant Erica
Tosch.

**New Business
Review of Financial
Reports**

Meeder reviewed the Farm Market, Boyne Thunder and DDA financial reports.
No motion

**Boyne Thunder
Repayment of Seed
Money to Camp Quality
MOTION**

Cain moved Adams second **PASSED UNANIMOUSLY** to recommend that the board
approve reimbursement back to Camp Quality in the amount of \$7,000.

**Mosaic Art Installation
MOTION**

Adams moved Swartz second **PASSED UNANIMOUSLY** to recommend that the
board approve and recommend to the city commission the construction and
installation of the mosaic mural piece in the marina.

Recess

O'Brien recessed the meeting at 8:58 a.m. for five minutes.
O'Brien reconvened the meeting at 9:06 a.m.

**National Main Street
Refresh Pilot Program**

Matt Wagner presented the Refresh Transformation Strategies-Pilot for Boyne City and Norma Miess reviewed the proposed transformation strategy. There was discussion about three potential transformation strategies: workforce housing, becoming an outdoor recreation destination and becoming a dining and food experience destination.

**Chair excused, Vice Chair
took over**

Chair O'Brien left the meeting at 10:39 a.m. and Vice Chair Cortright took over.

**ADJOURNMENT
MOTION**

Cortright adjourned the May 12, 2016 meeting of the Boyne City Main Street Board at 10:56 a.m.


Lisa Schrock, Recording Secretary

Approved: _____

**Meeting of
May 16, 2016**

Record of the proceedings of the Boyne City Planning Commission regular meeting held at Boyne City Hall, 364 North Lake Street, on Monday, May 16, 2016 at 5:00 pm.

Call to Order

Vice Chair Frasz called the meeting to order at 5:01 p.m.

Roll Call

Present: Ken Allen, George Ellwanger, Chris Frasz, Jim Kozlowski, Tom Neidhamer, and Joe St. Dennis
Absent: Jason Biskner, Jane MacKenzie and Aaron Place (Arrived at 5:20 pm)

Excused Absence(s)

****MOTION**

2016-05-16-02
St. Dennis moved, Ellwanger seconded, PASSED UNANIMOUSLY, a motion to excuse the absence(s) of Jason Biskner and Jane MacKenzie

Meeting Attendance

City Officials/Staff: Planning and Zoning Administrator Scott McPherson and Recording Secretary Pat Haver
Public Present: Five

Consent Agenda

****MOTION**

2016-05-16-03
Neidhamer moved, Ellwanger seconded, PASSED UNANIMOUSLY, a motion to approve the consent agenda; approval of the Planning Commission minutes from April 18, 2016 as presented.

**Citizen comments on
Non-Agenda Items**

None

**Reports of Officers, Boards
and Standing Committees**

None

Unfinished Business

None

Addition to the Agenda

Planning Director McPherson asked to have an item added to the agenda. The terms of Planning Commission members Ken Allen, Aaron Place, and Joe St. Dennis expire at the end of this month. A recommendation from this board will need to be taken to the City Commission.

New Business

**Stephanie Moody Road
Vacation Request**

Planning Director McPherson reviewed the staff report that was included in the agenda packet. The applicant is requesting to have the south portion of Willow Street located in the Caldwell's Addition between lots 11 and 12 and lot 3 be vacated. This portion of the street is 66 feet wide and 132 feet in length and is the only remaining portion of the street that has not been vacated. While the street is undeveloped and does not have any utilities located in it, the house at 100 W. Court Street does encroach significantly into the right of way, which occurred during renovations in 1991. They are attempting to sell this house, and it would make it difficult to obtain a mortgage. The matter was discussed with the Police and Fire Chiefs, Water Wastewater and DPW Superintendents all of whom do not see or have any concerns with this request, however, discussed obtaining an easement to maintain an existing water and sewer main line that runs on the south east corner and eastern portion of lot 3. The city and staff agree that there is no use for this section of the road, as a portion had been vacated previously and not sure why this section was not done at the same time.

Public Comment opened at 5:06 pm

Marty Moody, real estate agent and brother of the applicant – We honestly did not know that this portion of the road had not been vacated. There is a line of trees between the two properties, which we thought was the property line. We were not aware of the encroachment until recently, when Court Street was surveyed and paved.

Public Comments closed at 5:12 pm
Board Discussion

Kozlowski – Discussed property lines and easements and whether the land above would be land locked if the street stub were closed.

McPherson – No the property would not be landlocked, the property above is Hawkridge and there is another way to enter. Easements for utilities are pretty common and this is an opportunity to request an easement for the existing utilities. Board members are in favor of granting the vacation based on the facts discussed, and with the homeowner’s willingness to grant a 10 ft. easement to maintain the existing water and sewer lines that service the Hawkridge Development.

With no further board discussion, **motion by Ellwanger, seconded by St. Dennis** to recommend the south portion of Willow Street be vacated with the contingency that a 10 ft. utility easement be obtained to maintain the existing water and sewer lines that run along the eastern side of the property

****MOTION**

2016-5-16-7A

Roll Call:

Aye: Allen, Ellwanger, Frasz, Kozlowski, Neidhamer and St. Dennis

Nay: None

Absent: Biskner and MacKenzie

Abstain: Place (arrived just prior to the vote, was not involved in discussion)

Motion Carries

Ted Macksey pre-application meeting – residential development options

The applicant gave a brief overview of his experience and the state of single family dwelling challenges. He is in the final stages of purchasing 30 acres in town off of Jefferson St, which also has a 66 ft easement from Vogel Street just west of the current location of the Brook. He is before the board to discuss options of changing the zoning to allow for multi-family/higher density dwellings. There is a severe lack of “working man housing” and this development could fill that need. The developer is looking at the cost of building units and what he anticipates from rents somewhere in the area of \$750.00 to \$1,000.00 per month/per unit. It will have curb and gutter, sidewalks, street lights, be 1, 2, and 3 bedroom units all with private entries. As he sees the progress now, they will be 8 plex units with 2 stories up and down. There would be garages for some of the units and car ports for others. With board discussion, they agree that there is a need for this type of housing, wondered about subsidized or non – subsidized housing had concerns about surrounding property values falling, and the applicant talked about buffering surrounding properties. Questions about who would maintain the streets and what standards must be met. It is the Planning Commissioners job to focus on the rezoning of the property if the developer decided to move forward and bring back his development site plans to this board to review.

Presentation from Claire Karner of LIAA on

Claire Karner, Community Planner with LIAA presented findings to the board

**Shoreline Protection
Recommendations**

from a steering committee that was set up a couple of years ago from the 10 surrounding communities around the area of Lake Charlevoix. The intent was to look at all of the Zoning Ordinances from the various communities to see if there were any amendments that could be recommended to assist in further protecting the water quality and shoreline. There were a few areas of the City's ordinance they were looking at that were already being implemented such as the recognition of the ordinary high water mark of 582.4 ft., engineered storm water control systems, shoreline protection seawalls vs. revetments and engineered or natural shoreline, and not allowing keyhole funneling. The city does not require board site plan review for single family dwellings, because it is done by staff. Scott talked about the Charlevoix County Storm Water Ordinance that is no longer in effect as it was rescinded. An Ordinance was created that the surrounding townships follow that is administered by the County; the 3 cities within Charlevoix County did not adopt this ordinance. From the meeting discussion Claire will work on some proposed recommendations and present them to staff for discussion and/or consideration.

Agenda addition

**Recommendation for
Planning Commission re-
appointments of Ken Allen,
Aaron Place, and Joe St.
Dennis**

****MOTION**

Planning Director McPherson asked that this item be added to the agenda. The terms of Ken Allen, Aaron Place and Joe St. Dennis are due to expire at the end of this month. With confirmation that all members are willing to remain **motion by Kozlowksi, seconded by Neidhamer, PASSED UNANIMOUSLY** to recommend the reappointment of Ken Allen, Aaron Place and Joe St. Dennis to the Planning Commission for an additional 3 year term expiring May 31, 2019.

Staff Report

MEDC, Main Street and RRC met with the city on the 11th & 12th of this month for a Michigan Refresh presentation which gave the city some ideas on how to continue to market all the city has to offer.

Good of the Order

None

Adjournment

****MOTION**

The next regular meeting of the Boyne City Planning Commission is scheduled for Monday, June 20, 2016 at 5:00 pm in the Honeywell Meeting Room.

2016-05-16-10

Place moved, St. Dennis seconded, PASSED UNANIMOUSLY a motion to adjourn the May 16, 2016 meeting at 6:23 p.m.

Vice Chair Chris Frasz

Pat Haver, Recording Secretary

BOYNE CITY
HISTORIC DISTRICT COMMISSION

Minutes of the May 19, 2016

Call to order: 5:00 pm

Present: Sheets, Kragenbrink, Wellman, Martin, Glassford and Bandy

Not Present: None

Staff: Mcpherson.

Guests: none

Approval of minutes of the February 18, 2016 meeting, motioned by Wellman, second by Kragenbrink, all ayes.

Public Comments on Non-Agenda Items:

None

Old Business:

None

New Business:

- A. Historic Training dates, board discussion on the four dates available. Motioned by Martin, second by Glassford to approve the June 22, 2016 training date, all ayes.

Announcements:

None

Adjournment:

Motion by Wellman second by Martin, all ayes to adjourn meeting

Next Meeting:

October 20, 2016

SPECIAL MEETING
BOYNE CITY HISTORICAL COMMISSION

Minutes of May 24, 2016 5:00
p.m.
Boyne City Hall

CALL TO ORDER: 5:12pm

PRESENT: Hewitt, Sansom, Kelts, and Barden

ABSENT: Kuhn, Lazarr

GUEST: none

Oath of Office- Asuka Barden

Updates:

First week of June the White family will be visiting from across the country.

River Statue will be dedicated to White Family.

LaFrance Fire Truck Celebration Discussion

Discussion on the celebration of the 1917 LaFrance Fire Truck.

4th of July showcase the firetruck in parade.

Get actual date it was purchased.

Do actual celebration pertaining to the date of purchase.

Team up with main street and Charlevoix Count Hist. Society to plan with Fire Dept.

Contact Kecia Freed and Michelle Cortright and Society member Georganna Monk let them know we want to meet. Invite them to our June meeting.

Get matchbox pricing? Info for next meeting.

Find another community that has a 1917 LaFrance to come and compete with us for fun.

Showcase fire truck at the country western show that the fire department hosts.

Have a week of events.

Fireman's artifacts in storage.

What happened to our window display at Ace Hardware, it is replaced with a new display?

Do a parade thru town with old firetrucks from other communities.

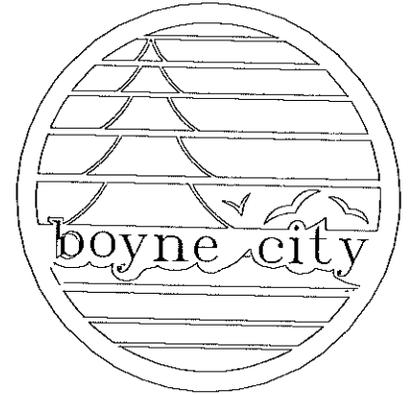
Adjournment: 6:00pm

Next Meeting : June 20th

DRAFT

CITY OF BOYNE CITY

To: Michael Cain, City Manager *Mc*
From: Scott McPherson, Planning Director *SM*
Date: June 14, 2016
Subject: 2nd Reading Outdoor Sidewalk Café Ordinance



Background

In 2013 the City Commission adopted the Outdoor Sidewalk Café ordinance. The original ordinance that was recommended to the Commission included provisions to allow the service of alcohol in conjunction with a sidewalk café. While the City Commission did ultimately adopt the Outdoor Sidewalk Café ordinance, the ordinance was changed to eliminate the provisions allowing alcohol service.

At the City Commission meeting of March 15, 2016, a group of citizens and business owners requested that the City Commission reconsider their position on allowing alcohol service in sidewalk cafés. The Commission indicated that they would put the issue on the agenda for discussion at their regular scheduled meeting of April 12, 2016. At that meeting the Commission passed a motion to begin the process of having the Planning Commission review the ordinance and make a recommendation for possible changes.

Discussion

The Planning Commission reviewed the Sidewalk Café ordinance at their April 18th meeting. During their discussion the Planning Commission reviewed a map showing the possible location of all sidewalk cafés, discussed the 4' clear area that is currently required in the ordinance, discussed possible impacts during the 4th of July and stroll the streets, the preferred location on the sidewalk, should cafés be located against the building or against the curb, is smoking allowed (no), and the use of umbrellas for advertising. After the discussion the Planning Commission made a recommendation to amend the existing Outdoor Sidewalk Café Ordinance. The complete proposed ordinance has been provided for your review. Specifically, the proposed changes are to section Sec 54-170 (a), which changes the definition of Outdoor Sidewalk Café to allow for alcohol service and Sec 54-171 adding item (i) which has a requirement for review of the barrier used to delineate the service area.

Process

The proposed ordinance amendment was presented to the City Commission at its April 26, 2016 meeting for a first reading. At that meeting the City Commission scheduled the ordinance for a second reading. As required by the Boyne City Charter, ordinances cannot be adopted until at least one month after the meeting it is introduced. The ordinance was scheduled for a second reading on June 14, 2016. If adopted by the Commission the ordinance must be published at least one week prior to taking effect.

Recommendation

The proposed ordinance amendments are recommended for adoption as presented.

Options

1. Refer the proposed ordinance back to staff for further review or changes.
2. Determine that the ordinance changes should not be adopted.
3. Other action as the Commission deems appropriate.

CITY OF BOYNE CITY
COUNTY OF CHARLEVOIX

AN AMENDMENT TO THE BOYNE CITY CODE OF ORDINANCES TO REGULATE THE LICENSING AND OPERATION OF OUTDOOR SIDEWALK CAFÉS ON PUBLIC SIDEWALKS AND TO PRESCRIBE PROCEDURES THEREFOR, AND TO PROVIDE PENALTIES FOR VIOLATIONS OF THE ORDINANCE.

NOW THEREFORE, THE CITY OF BOYNE CITY ORDAINS:

Section 1. Article VI Outdoor Sidewalk Cafés of Chapter 54 Street Sidewalks and Other Public Places of Boyne City Code of Ordinances shall be adopted as follows:

Article VI Outdoor Sidewalk Cafés

Sec 54-170. Outdoor Sidewalk Café.

No person or entity shall operate an Outdoor Sidewalk Café without an Outdoor Sidewalk Café license. This license shall be required in addition to any other license, permit or approval required by the city, county or state agencies for operation of a restaurant, bar or similar establishment. The license shall be valid for the calendar year of the date of issuance.

- (a) Definition: Outdoor Sidewalk Café – A type of outdoor café consisting of a service area set aside for the customers of a restaurant, bar or similar establishment to be served food and/or drink, on a public sidewalk or other public property other than a public parking space.

Sec 54-171 Outdoor Sidewalk Café license.

An Outdoor Sidewalk Café license may be issued upon approval of the City Manager or designee with a finding that the applicant meets the requirements below:

- (a) Outdoor Sidewalk Café hours shall be between 8:00 a.m. and 11:00 p.m., from April 1 to November 1.
- (b) A minimum of four (4) feet of public sidewalk shall be maintained free of tables and other encumbrances. The pedestrian area shall also be free from benches, waste receptacles, fire hydrants, and similar structure. If the sidewalk is not wide enough to allow for a four (4) foot wide clearance for circulation, the outdoor sidewalk café shall not be permitted on a public sidewalk.
- (c) Furnishings of an Outdoor Sidewalk Café shall all be readily removable, including railings and planters.
- (d) Furnishing materials and finishes shall be durable, smooth and easily cleanable and shall be kept in sound condition and good repair. Tables, chairs, planters, waste receptacles, and other elements of street furniture shall be compatible with the architectural character of the adjacent buildings. If table umbrellas will be used, they shall complement building colors and may not include signage of any type.

- (e) Outdoor Sidewalk Cafés may only be located in the sidewalk that is adjacent to the business they are associated and may not extend in front of any other business or residence.
- (f) Outdoor Sidewalk Cafés may not interfere with any public service facility such as a bench, waste receptacle, bike rack or mailbox.
- (g) The Outdoor Sidewalk Café must be kept clean, litter-free, and with a well-kept appearance within and immediately adjacent to the area of the tables and chairs.
- (h) The Outdoor Sidewalk Café or its operation shall not damage, stain, or discolor any part of the sidewalk or public right-of-way.
- (i) If alcohol is to be served in conjunction with a proposed Outdoor Sidewalk Café, the delineation of the service area with a physical barrier in conformance with the design criteria of the City and acceptable to the state liquor control commission must be utilized.

Sec 54-172. Application Requirements for Outdoor Sidewalk Cafés License.

An application for any Outdoor Sidewalk Café License shall include:

- (a) A completed application form provided by the City.
- (b) A plot plan drawn to scale showing the proposed arrangement of the chairs, tables, railings and any other equipment proposed for the Outdoor Sidewalk Café.
- (c) A narrative explaining the proposed operation of the café, including hours of operation.
- (d) Samples or pictures showing the materials and colors of all tables, chairs, railings planters, waste receptacles or any other items proposed for the Outdoor Sidewalk Café.
- (e) The Outdoor Sidewalk Café shall provide evidence of insurance coverage naming the City as an additional insured party in an amount acceptable to the City.
- (f) The fee as established by the City Commission.

Sec 54-173. Revocation of an Outdoor Sidewalk Café's license.

The City Manager may revoke any Outdoor Sidewalk Café license for failure of the licensee to comply with the conditions of this ordinance or their license or if the operation for any reason creates a nuisance or hazard. The City Commission on its own motion may, without cause, revoke an Outside Sidewalk Café permit upon 30 days' written notice to the permittee.

Sec 54-174. Penalty.

Any person who violates any of the provisions of this section is responsible for a municipal civil infraction.

Section 2. Conflicting Standards.

If any of the standards set forth in this amendment conflict with any other standards of previous or future ordinances or amendments, the stricter standards shall apply.

Section 3. Repeal; Savings Clause.

All ordinances, resolutions, or orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflict, repealed.

Section 4. Severability

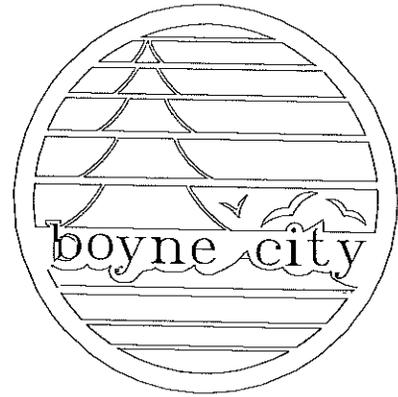
The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

Section 5. Effective Date

This Ordinance shall become effective fifteen (15) days from its enactment.

CITY OF BOYNE CITY

To: Michael Cain, City Manager *Mc*
From: Scott McPherson, Planning Director *SM*
Date: June 14, 2016
Subject: Safe Routes MDOT Grant Agreement

**BACKGROUND**

In 2014 the City Commission passed a resolution for the City to submit a grant request for several infrastructure projects funded by the Safe Routes to School program. The total project includes over of a mile of new or replaced sidewalk to be installed, new and improved cross walks with new signs and signals, and a speed reduction zone with changeable speed limits signs. The Safe Routes to School grant is a 100% grant up to \$200,000 each for the middle and elementary schools for a total grant of \$400,000. The approved plan must be completely constructed and any costs exceeding the grant allotment must be covered by the City. The engineers estimate for the total project was \$452,168.00.

DISCUSSION

For this project contractors submit bids directly to MDOT and to bid on the project contractors must be prequalified with MDOT. Bids for the project were due on June 3rd and 3 bids on the project were received and are as follows:

Hunt Bros. Concrete Contractors Inc. - \$479,221.70
 The Isabella Corporation - \$481,777.90
 Elmer's Crane and Dozer, Inc - \$517,420.70

MDOT will award the contract to the low bidder after the City signs and submits the MDOT grant agreement. The contract with the Contractor will be directly with MDOT and MDOT will pay the contractor and then bill the City for its share. For this project it is recommended that the City include an additional 3% of the total project cost for a contingency (.03 x \$479,221 = \$14,400), for a total project budget of approximately \$494,000. As previously stated all extra costs over the \$400,000 grant are the responsibility of the City. The estimated amount of \$452,168.00 was budgeted for the project so approximately an additional \$42,000 is required. Funds dedicated for sidewalk construction from the general fund and funds from the major and local street funds are available and sufficient to cover the additional cost.

RECOMMENDATION

Approve construction of the Safe Routes to School project and authorize the City Manager to sign and submit the MDOT grant agreement.

OPTIONS

1. Do not approve.
2. Postpone action pending further information.
3. Other action as determined by the Commission.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

May 24, 2016

Ms. Cindy Grice, City Clerk/Treasurer
City of Boyne City
319 North Lake Street
Boyne City, Michigan 49712

Dear Ms. Grice:

RE: Contract Number: 16-5310
Control Section: TAL 15071
Job Number: 127899A

Enclosed are the original and one copy of the above described contract between your organization and the Michigan Department of Transportation (MDOT). Please take time to read and understand this contract.

1. Do not date the contracts. MDOT will date the contracts when they are executed.
2. If this contract meets with your approval, secure the authorized signatures on the enclosed contracts.
3. Attach two (2) certified resolutions. The resolution should specifically name the officials who are authorized to sign the contract and include the contract number. If you need an example of a resolution, please contact Kathy Fulton at fultonk@michigan.gov or (517) 373-4161.
4. Return the signed original and one copy of the above-described contract with two (2) certified resolutions to:

Attention: Kathy J. Fulton
MDOT – Development Services Division, 2nd Floor
425 West Ottawa Street, P.O. Box 30050
Lansing, MI 48909

In order to ensure that the work and payment for this project is not delayed, return the contracts within 35 days from the date of this letter. A copy of the executed contract will be returned to your organization.

If you have questions on the content of this contract, or revisions are required, please contact Monica Uribe, Local Government Contract Engineer at uribem1@michigan.gov or (517) 335-2266.

Enclosure

TAP

DA

Control Section	TAL 15071
Job Number	127899A
Project	TAP 1615(004)
Federal Item No.	HK 1036
CFDA No.	20.205 (Highway Research Planning & Construction)
Contract No.	16-5310

PART I

THIS CONTRACT, consisting of PART I and PART II (Standard Agreement Provisions), is made and entered into this date of _____, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF BOYNE CITY, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, in the City of Boyne City, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I", dated May 5, 2016, attached hereto and made a part hereof:

Non-motorized shared path safety improvement work along Highway M-75 in the vicinity of Boyne City Elementary School and Boyne City Middle School; including concrete sidewalk installation, crosswalks, and changeable speed signing installation work; and all together with necessary related work.

WITNESSETH:

WHEREAS, pursuant to Federal law, monies have been provided for the performance of transportation enhancement activities; and

WHEREAS, it has been determined that the PROJECT qualifies for such funding by virtue of its direct relationship with the intermodal transportation system; and

WHEREAS, the reference "FHWA" in PART I and PART II refers to the United States Department of Transportation, Federal Highway Administration; and

WHEREAS, the PROJECT, or portions of the PROJECT, at the request of the REQUESTING PARTY, are being programmed with the FHWA, for implementation with the use of Federal Funds under the following Federal program(s) or funding:

TRANSPORTATION ALTERNATIVES PROGRAM

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST", as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT, including any other costs incurred by the DEPARTMENT as a result of this contract, except construction engineering and inspection.

No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering, construction materials testing, inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to administer on behalf of the REQUESTING PARTY all phases of the PROJECT including advertising and awarding the construction contract for the PROJECT or portions of the PROJECT. Such administration shall be in accordance with PART II, Section II of this contract.

Any items of the PROJECT COST incurred by the DEPARTMENT may be charged to the PROJECT.

4. The REQUESTING PARTY, under the terms of this contract, shall:

A. At no cost to the PROJECT

(1) Design or cause to be designed the plans for the PROJECT.

(2) Appoint a project engineer who shall be in responsible charge of the PROJECT and ensure that the plans and specifications are followed.

(3) Perform or cause to be performed the construction engineering, construction materials testing, and inspection services necessary for the completion of the PROJECT.

B. At least 10 days prior to any ceremony to be held in connection with the PROJECT, notify the DEPARTMENT.

- C. When issuing any news release or promotional material regarding the PROJECT, give the DEPARTMENT and FHWA credit for participation in the PROJECT and provide a copy of such material to the DEPARTMENT.

The REQUESTING PARTY will furnish the DEPARTMENT proposed timing sequences for trunkline signals that, if any, are being made part of the improvement. No timing adjustments shall be made by the REQUESTING PARTY at any trunkline intersection, without prior issuances by the DEPARTMENT of Standard Traffic Signal Timing Permits.

5. The PROJECT COST shall be met in part by contributions by the Federal Government. Federal Funds shall be applied to the eligible items of the PROJECT COST up to the lesser of: (1) \$400,000, or (2) an amount such that 81.85 percent, the normal Federal participation ratio for such funds, is not exceeded at the time of the award of the construction contract. The balance of the PROJECT COST, after deduction of Federal Funds, shall be charged to and paid by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

It is understood that the REQUESTING PARTY'S share of the eligible items of the PROJECT COST shall be offset by funding utilizing federal toll credits at a participation ratio equal to 18.15 percent up to an amount not to exceed \$134,331.

Any items of PROJECT COST not reimbursed by Federal Funds shall be the sole responsibility of the REQUESTING PARTY.

6. No working capital deposit will be required for this PROJECT.

In order to fulfill the obligations assumed by the REQUESTING PARTY under the provisions of this contract, the REQUESTING PARTY shall make prompt payments of its share of the PROJECT COST upon receipt of progress billings from the DEPARTMENT as herein provided. All payments will be made within 30 days of receipt of billings from the DEPARTMENT. Billings to the REQUESTING PARTY will be based upon an effective billing rate and the REQUESTING PARTY'S share of the actual costs incurred less Federal Funds earned as the PROJECT progresses. The initial effective billing rate for the federal funding of the PROJECT is calculated by using the federal funding for the PROJECT set at the time of the award of the construction contract, as described in Section 5, and dividing by the total costs of the PROJECT eligible for federal funding and authorized at the time of the award of the construction contract.

The effective billing rate for the federal funding of the PROJECT is determined by the current funding authorization for the PROJECT and may change as the PROJECT progresses and funding authorizations are increased or decreased.

7. It is understood that the REQUESTING PARTY is responsible for the facilities constructed as the PROJECT and that said facilities may require special or unusual operation and/or maintenance. The REQUESTING PARTY certifies, by execution of this contract, that upon completion of construction and at no cost to the PROJECT or the DEPARTMENT, it will properly maintain or provide for the maintenance and operation of the PROJECT, making ample provisions each year for the performance of such maintenance work as may be required.

On projects involving the mobility for bicyclists, the REQUESTING PARTY will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such facility constructed as the PROJECT except those for maintenance or emergency assistance purposes, or mobility for persons with disabilities.

On projects involving the restoration of historic facilities, the REQUESTING PARTY agrees that the project will not be awarded until the owner of such facilities has an Historic Preservation Covenant, which includes an Historic Preservation Easement, or an Historic Preservation Agreement, as appropriate, with the Michigan State Historic Preservation Office in accordance with 1995 PA 60 for the purpose of ensuring that the historic property will be preserved. The REQUESTING PARTY also agrees that such facilities shall be maintained and repaired by the REQUESTING PARTY or owner, as applicable, at no cost to the DEPARTMENT or the PROJECT, in such a manner as to preserve the historical integrity of features, materials, appearance, workmanship, and environment.

On projects which include landscaping, the DEPARTMENT, at PROJECT COST, agrees to perform or cause to be performed, the watering and cultivating necessary to properly establish the plantings for a period of two growing seasons, in general conformance with Section 815.03(L) of the DEPARTMENT'S Standard Specifications for Construction. The REQUESTING PARTY shall maintain all plantings following completion of said period of establishment.

Failure of the REQUESTING PARTY to fulfill its responsibilities as outlined herein may disqualify the REQUESTING PARTY from future Federal aid participation in Transportation Alternatives Program projects or in other projects on roads or streets for which it has maintenance responsibility. Federal aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

8. The performance of the entire PROJECT under this contract, whether Federally funded or not, will be subject to the provisions and requirements of PART II that are applicable to a Federally funded project.

In the event of any discrepancies between PART I and PART II of this contract, the provisions of PART I shall prevail.

Buy America Requirements (23 CFR 635.410) shall apply to the PROJECT and will be adhered to, as applicable, by the parties hereto.

9. The REQUESTING PARTY certifies that a) it is a person under the Natural Resources and Environmental Protection Act, MCL 324.20101 et seq., as amended, (NREPA) and is not aware of and has no reason to believe that the property is a facility as defined in the NREPA; b) the REQUESTING PARTY further certifies that it has completed the tasks required by MCL 324.20126 (3)(h); c) it conducted a visual inspection of property within the existing right of way on which construction is to be performed to determine if any hazardous substances were present; and at sites on which historically were located businesses that involved hazardous substances, it performed a reasonable investigation to determine whether hazardous substances exist. This reasonable investigation should include, at a minimum, contact with local, state and federal environmental agencies to determine if the site has been identified as, or potentially as, a site containing hazardous substances; d) it did not cause or contribute to the release or threat of release of any hazardous substance found within the PROJECT limits.

The REQUESTING PARTY also certifies that, in addition to reporting the presence of any hazardous substances to the Department of Environmental Quality, it has advised the DEPARTMENT of the presence of any and all hazardous substances which the REQUESTING PARTY found within the PROJECT limits, as a result of performing the investigation and visual inspection required herein. The REQUESTING PARTY also certifies that it has been unable to identify any entity who may be liable for the cost of remediation. As a result, the REQUESTING PARTY has included all estimated costs of remediation of such hazardous substances in its estimated cost of construction of the PROJECT.

10. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either state or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Department of Environmental Quality, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and, with the FHWA, to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall be charged for and shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT, in the event that remediation and delay costs are not deemed eligible by the FHWA. If the REQUESTING PARTY refuses to participate in the cost of remediation, the DEPARTMENT shall terminate the PROJECT. The parties agree that any costs or damages that the DEPARTMENT incurs as a result of such termination shall be considered a PROJECT COST.

11. If federal and/or state funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation with the Department of Environmental Quality and the DEPARTMENT, shall make a diligent effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT shall be reimbursed from such recovery for the proportionate share of the amount paid by the FHWA and/or the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

12. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the Federal Highway Administration pursuant to Title 23 of the United States Code.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT or its agents pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections, and recommendations by the DEPARTMENT shall not relieve the REQUESTING PARTY of its ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT is assuming any liability, control, or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT or its agents does not relieve the REQUESTING PARTY and the local agencies, as applicable of their exclusive jurisdiction of any of their highways and responsibility under MCL 691.1402 et seq., as amended.

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT or its agents is performing a governmental function, as that term is defined in MCL 691.1401 et seq., as amended, which is incidental to the completion of the PROJECT.

13. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of any REQUESTING PARTY highway for purposes of MCL 691.1402 et seq., as amended. Exclusive jurisdiction of such highway for the purposes of MCL 691.1402 et seq., as amended, rests with the REQUESTING PARTY and other local agencies having respective jurisdiction.

14. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

15. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

16. Each party to this contract will remain responsive for any and all claims arising out of its own acts and/or omissions during the performance of the contract, as provided by this contract or by law. In addition, this is not intended to increase or decrease either party's liability for or immunity from tort claims. This contract is also not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this contract.

The DEPARTMENT shall not be subject to any obligations or liabilities by contractors of the REQUESTING PARTY or their subcontractors or any other person not a party to this contract without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the REQUESTING PARTY shall take no action or conduct which arises either directly or indirectly out of its obligations, responsibilities, and duties under this contract, which results in claims being asserted against or judgments being imposed against the State of Michigan, the DEPARTMENT, and/or the Michigan State Transportation Commission.

In the event that the same occurs, for the purpose of this contract it will be considered as a breach of this contract thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan State Transportation Commission a right to seek and obtain any necessary relief or remedy, including but not by way of limitation, a judgment for money damages.

17. The parties shall promptly provide comprehensive assistance and cooperation in defending and resolving any claims brought against the DEPARTMENT by the contractor, vendors or suppliers as a result of the DEPARTMENT'S award of the construction contract for the PROJECT. Costs incurred by the DEPARTMENT in defending or resolving such claims shall be considered PROJECT COSTS.

18. The DEPARTMENT shall require the contractor who is awarded the contract for the construction of the PROJECT to provide insurance in the amounts specified and in accordance with the DEPARTMENT'S current Standard Specifications for Construction and to:

- A. Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- B. Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents and employees, the REQUESTING PARTY and any other county, county road commission, or municipality in whose jurisdiction the PROJECT is located, and their employees, for the duration of the PROJECT and to provide, upon request, copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume either ownership of any portion of the PROJECT or jurisdiction of any REQUESTING PARTY highway as a result of being named as an insured on the owner's protective liability insurance policy.
- C. Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current standard specifications for construction and to provide, upon request, copies of notices and reports prepared to those insured.

19. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolutions approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

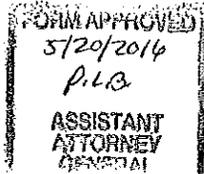
CITY OF BOYNE CITY

MICHIGAN DEPARTMENT
OF TRANSPORTATION

By _____
Title:

By _____
Department Director MDOT

By _____
Title:



RDB
5/12/16

APPROVED BY

Administrator
Real Estate
5/23/16
Date

May 5, 2016

EXHIBIT I

CONTROL SECTION TAL 15071
JOB NUMBER 127899A
PROJECT TAP 1615(004)

ESTIMATED COST

CONTRACTED WORK

Estimated Cost \$451,700

COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	\$451,700
Less Federal Funds*	\$369,716
Less Federal Toll Credits**	\$ 81,984
BALANCE (REQUESTING PARTY'S SHARE)	\$ -0-

*Federal Funds for the PROJECT are limited to an amount as described in Section 5.

** Federal Toll Credits for the PROJECT are limited to an amount as described in Section 5.

NO DEPOSIT

PART II

STANDARD AGREEMENT PROVISIONS

SECTION I COMPLIANCE WITH REGULATIONS AND DIRECTIVES

SECTION II PROJECT ADMINISTRATION AND SUPERVISION

SECTION III ACCOUNTING AND BILLING

SECTION IV MAINTENANCE AND OPERATION

SECTION V SPECIAL PROGRAM AND PROJECT CONDITIONS

SECTION I

COMPLIANCE WITH REGULATIONS AND DIRECTIVES

- A. To qualify for eligible cost, all work shall be documented in accordance with the requirements and procedures of the DEPARTMENT.
- B. All work on projects for which reimbursement with Federal funds is requested shall be performed in accordance with the requirements and guidelines set forth in the following Directives of the Federal-Aid Policy Guide (FAPG) of the FHWA, as applicable, and as referenced in pertinent sections of Title 23 and Title 49 of the Code of Federal Regulations (CFR), and all supplements and amendments thereto.
 - 1. Engineering
 - a. FAPG (6012.1): Preliminary Engineering
 - b. FAPG (23 CFR 172): Administration of Engineering and Design Related Service Contracts
 - c. FAPG (23 CFR 635A): Contract Procedures
 - d. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
 - 2. Construction
 - a. FAPG (23 CFR 140E): Administrative Settlement Costs-Contract Claims
 - b. FAPG (23 CFR 140B): Construction Engineering Costs
 - c. FAPG (23 CFR 17): Recordkeeping and Retention Requirements for Federal-Aid Highway Records of State Highway Agencies
 - d. FAPG (23 CFR 635A): Contract Procedures
 - e. FAPG (23 CFR 635B): Force Account Construction
 - f. FAPG (23 CFR 645A): Utility Relocations, Adjustments and Reimbursement

- g. FAPG (23 CFR 645B): Accommodation of Utilities (PPM 30-4.1)
 - h. FAPG (23 CFR 655F): Traffic Control Devices on Federal-Aid and other Streets and Highways
 - i. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments--Allowable Costs
3. Modification Or Construction Of Railroad Facilities
- a. FAPG (23 CFR 140I): Reimbursement for Railroad Work
 - b. FAPG (23 CFR 646B): Railroad Highway Projects
- C. In conformance with FAPG (23 CFR 630C) Project Agreements, the political subdivisions party to this contract, on those Federally funded projects which exceed a total cost of \$100,000.00 stipulate the following with respect to their specific jurisdictions:
- 1. That any facility to be utilized in performance under or to benefit from this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities issued pursuant to the requirements of the Federal Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended.
 - 2. That they each agree to comply with all of the requirements of Section 114 of the Federal Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and guidelines issued thereunder.
 - 3. That as a condition of Federal aid pursuant to this contract they shall notify the DEPARTMENT of the receipt of any advice indicating that a facility to be utilized in performance under or to benefit from this contract is under consideration to be listed on the EPA List of Violating Facilities.
- D. Ensure that the PROJECT is constructed in accordance with and incorporates all committed environmental impact mitigation measures listed in approved environmental documents unless modified or deleted by approval of the FHWA.
- E. All the requirements, guidelines, conditions and restrictions noted in all other pertinent Directives and Instructional Memoranda of the FHWA will apply to this contract and will be adhered to, as applicable, by the parties hereto.

SECTION II

PROJECT ADMINISTRATION AND SUPERVISION

- A. The DEPARTMENT shall provide such administrative guidance as it determines is required by the PROJECT in order to facilitate the obtaining of available federal and/or state funds.
- B. The DEPARTMENT will advertise and award all contracted portions of the PROJECT work. Prior to advertising of the PROJECT for receipt of bids, the REQUESTING PARTY may delete any portion or all of the PROJECT work. After receipt of bids for the PROJECT, the REQUESTING PARTY shall have the right to reject the amount bid for the PROJECT prior to the award of the contract for the PROJECT only if such amount exceeds by ten percent (10%) the final engineer's estimate therefor. If such rejection of the bids is not received in writing within two (2) weeks after letting, the DEPARTMENT will assume concurrence. The DEPARTMENT may, upon request, readvertise the PROJECT. Should the REQUESTING PARTY so request in writing within the aforesaid two (2) week period after letting, the PROJECT will be cancelled and the DEPARTMENT will refund the unused balance of the deposit less all costs incurred by the DEPARTMENT.
- C. The DEPARTMENT will perform such inspection services on PROJECT work performed by the REQUESTING PARTY with its own forces as is required to ensure compliance with the approved plans & specifications.
- D. On those projects funded with Federal monies, the DEPARTMENT shall as may be required secure from the FHWA approval of plans and specifications, and such cost estimates for FHWA participation in the PROJECT COST.
- E. All work in connection with the PROJECT shall be performed in conformance with the Michigan Department of Transportation Standard Specifications for Construction, and the supplemental specifications, Special Provisions and plans pertaining to the PROJECT and all materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. No extra work shall be performed nor changes in plans and specifications made until said work or changes are approved by the project engineer and authorized by the DEPARTMENT.

- F. Should it be necessary or desirable that portions of the work covered by this contract be accomplished by a consulting firm, a railway company, or governmental agency, firm, person, or corporation, under a subcontract with the REQUESTING PARTY at PROJECT expense, such subcontracted arrangements will be covered by formal written agreement between the REQUESTING PARTY and that party.

This formal written agreement shall: include a reference to the specific prime contract to which it pertains; include provisions which clearly set forth the maximum reimbursable and the basis of payment; provide for the maintenance of accounting records in accordance with generally accepted accounting principles, which clearly document the actual cost of the services provided; provide that costs eligible for reimbursement shall be in accordance with clearly defined cost criteria such as 49 CFR Part 18, 48 CFR Part 31, 23 CFR Part 140, OMB Circular A-87, etc. as applicable; provide for access to the department or its representatives to inspect and audit all data and records related to the agreement for a minimum of three years after the department's final payment to the local unit.

All such agreements will be submitted for approval by the DEPARTMENT and, if applicable, by the FHWA prior to execution thereof, except for agreements for amounts less than \$100,000 for preliminary engineering and testing services executed under and in accordance with the provisions of the "Small Purchase Procedures" FAPG (23 CFR 172), which do not require prior approval of the DEPARTMENT or the FHWA.

Any such approval by the DEPARTMENT shall in no way be construed as a warranty of the subcontractor's qualifications, financial integrity, or ability to perform the work being subcontracted.

- G. The REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, shall make such arrangements with railway companies, utilities, etc., as may be necessary for the performance of work required for the PROJECT but for which Federal or other reimbursement will not be requested.
- H. The REQUESTING PARTY, at no cost to the PROJECT, or the DEPARTMENT, shall secure, as necessary, all agreements and approvals of the PROJECT with railway companies, the Railroad Safety & Tariffs Division of the DEPARTMENT and other concerned governmental agencies other than the FHWA, and will forward same to the DEPARTMENT for such reviews and approvals as may be required.
- I. No PROJECT work for which reimbursement will be requested by the REQUESTING PARTY is to be subcontracted or performed until the DEPARTMENT gives written notification that such work may commence.

- J. The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of the work it agrees to undertake and perform.
- K. The REQUESTING PARTY shall pay directly to the party performing the work all billings for the services performed on the PROJECT which are authorized by or through the REQUESTING PARTY.
- L. The REQUESTING PARTY shall submit to the DEPARTMENT all paid billings for which reimbursement is desired in accordance with DEPARTMENT procedures.
- M. All work by a consulting firm will be performed in compliance with the applicable provisions of 1980 PA 299, Subsection 2001, MCL 339.2001; MSA 18.425(2001), as well as in accordance with the provisions of all previously cited Directives of the FHWA.
- N. The project engineer shall be subject to such administrative guidance as may be deemed necessary to ensure compliance with program requirement and, in those instances where a consultant firm is retained to provide engineering and inspection services, the personnel performing those services shall be subject to the same conditions.
- O. The DEPARTMENT, in administering the PROJECT in accordance with applicable Federal and State requirements and regulations, neither assumes nor becomes liable for any obligations undertaken or arising between the REQUESTING PARTY and any other party with respect to the PROJECT.
- P. In the event it is determined by the DEPARTMENT that there will be either insufficient Federal funds or insufficient time to properly administer such funds for the entire PROJECT or portions thereof, the DEPARTMENT, prior to advertising or issuing authorization for work performance, may cancel the PROJECT, or any portion thereof, and upon written notice to the parties this contract shall be void and of no effect with respect to that cancelled portion of the PROJECT. Any PROJECT deposits previously made by the parties on the cancelled portions of the PROJECT will be promptly refunded.
- Q. Those projects funded with Federal monies will be subject to inspection at all times by the DEPARTMENT and the FHWA.

SECTION III

ACCOUNTING AND BILLING

A. Procedures for billing for work undertaken by the REQUESTING PARTY:

1. The REQUESTING PARTY shall establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this contract, said records to be hereinafter referred to as the "RECORDS". Separate accounts shall be established and maintained for all costs incurred under this contract.

The REQUESTING PARTY shall maintain the RECORDS for at least three (3) years from the date of final payment of Federal Aid made by the DEPARTMENT under this contract. In the event of a dispute with regard to the allowable expenses or any other issue under this contract, the REQUESTING PARTY shall thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

The DEPARTMENT, or its representative, may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.

If any part of the work is subcontracted, the REQUESTING PARTY shall assure compliance with the above for all subcontracted work.

In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this contract, or questions the allowability of an item of expense, the DEPARTMENT shall promptly submit to the REQUESTING PARTY, a Notice of Audit Results and a copy of the audit report which may supplement or modify any tentative findings verbally communicated to the REQUESTING PARTY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the REQUESTING PARTY shall: (a) respond in writing to the responsible Bureau or the DEPARTMENT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense and, (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE". The RESPONSE shall be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the REQUESTING PARTY may supply appropriate excerpts and make alternate

arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE shall refer to and apply the language of the contract. The REQUESTING PARTY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT shall make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If the DEPARTMENT determines that an overpayment has been made to the REQUESTING PARTY, the REQUESTING PARTY shall repay that amount to the DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the REQUESTING PARTY fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the REQUESTING PARTY agrees that the DEPARTMENT shall deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the REQUESTING PARTY under this contract or any other agreement, or payable to the REQUESTING PARTY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The REQUESTING PARTY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the REQUESTING PARTY in a timely filed RESPONSE.

The REQUESTING PARTY shall comply with the Single Audit Act of 1984, as amended, including, but not limited to, the Single Audit Amendments of 1996 (31 USC 7501-7507).

The REQUESTING PARTY shall adhere to the following requirements associated with audits of accounts and records:

- a. Agencies expending a total of \$500,000 or more in federal funds, from one or more funding sources in its fiscal year, shall comply with the requirements of the federal Office of Management and Budget (OMB) Circular A-133, as revised or amended.

The agency shall submit two copies of:

- The Reporting Package
- The Data Collection Form
- The management letter to the agency, if one issued by the audit firm

The OMB Circular A-133 audit must be submitted to the address below in accordance with the time frame established in the circular, as revised or amended.

b. Agencies expending less than \$500,000 in federal funds must submit a letter to the Department advising that a circular audit was not required. The letter shall indicate the applicable fiscal year, the amount of federal funds spent, the name(s) of the Department federal programs, and the CFDA grant number(s). This information must also be submitted to the address below.

c. Address: Michigan Department of Education
Accounting Service Center
Hannah Building
608 Allegan Street
Lansing, MI 48909

d. Agencies must also comply with applicable State laws and regulations relative to audit requirements.

e. Agencies shall not charge audit costs to Department's federal programs which are not in accordance with the OMB Circular A-133 requirements.

f. All agencies are subject to the federally required monitoring activities, which may include limited scope reviews and other on-site monitoring.

2. Agreed Unit Prices Work - All billings for work undertaken by the REQUESTING PARTY on an agreed unit price basis will be submitted in accordance with the Michigan Department of Transportation Standard Specifications for Construction and pertinent FAPG Directives and Guidelines of the FHWA.
3. Force Account Work and Subcontracted Work - All billings submitted to the DEPARTMENT for Federal reimbursement for items of work performed on a force account basis or by any subcontract with a consulting firm, railway company, governmental agency or other party, under the terms of this contract, shall be prepared in accordance with the provisions of the pertinent FHPM Directives and the procedures of the DEPARTMENT. Progress billings may be submitted monthly during the time work is being performed provided, however, that no bill of a lesser amount than \$1,000.00 shall be submitted unless it is a final

or end of fiscal year billing. All billings shall be labeled either "Progress Bill Number _____", or "Final Billing".

4. Final billing under this contract shall be submitted in a timely manner but not later than six months after completion of the work. Billings for work submitted later than six months after completion of the work will not be paid.
5. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with Federal monies, the DEPARTMENT will act as billing agent for the REQUESTING PARTY, consolidating said billings with those for its own force account work and presenting these consolidated billings to the FHWA for payment. Upon receipt of reimbursement from the FHWA, the DEPARTMENT will promptly forward to the REQUESTING PARTY its share of said reimbursement.
6. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with non-Federal monies, the DEPARTMENT will promptly forward to the REQUESTING PARTY reimbursement of eligible costs.

B. Payment of Contracted and DEPARTMENT Costs:

1. As work on the PROJECT commences, the initial payments for contracted work and/or costs incurred by the DEPARTMENT will be made from the working capital deposit. Receipt of progress payments of Federal funds, and where applicable, State Critical Bridge funds, will be used to replenish the working capital deposit. The REQUESTING PARTY shall make prompt payments of its share of the contracted and/or DEPARTMENT incurred portion of the PROJECT COST upon receipt of progress billings from the DEPARTMENT. Progress billings will be based upon the REQUESTING PARTY'S share of the actual costs incurred as work on the PROJECT progresses and will be submitted, as required, until it is determined by the DEPARTMENT that there is sufficient available working capital to meet the remaining anticipated PROJECT COSTS. All progress payments will be made within thirty (30) days of receipt of billings. No monthly billing of a lesser amount than \$1,000.00 will be made unless it is a final or end of fiscal year billing. Should the DEPARTMENT determine that the available working capital exceeds the remaining anticipated PROJECT COSTS, the DEPARTMENT may reimburse the REQUESTING PARTY such excess. Upon completion of the PROJECT, payment of all PROJECT COSTS, receipt of all applicable monies from the FHWA, and completion of necessary audits, the REQUESTING PARTY will be reimbursed the balance of its deposit.

2. In the event that the bid, plus contingencies, for the contracted, and/or the DEPARTMENT incurred portion of the PROJECT work exceeds the estimated cost therefor as established by this contract, the REQUESTING PARTY may be advised and billed for the additional amount of its share.

C. General Conditions:

1. The DEPARTMENT, in accordance with its procedures in existence and covering the time period involved, shall make payment for interest earned on the balance of working capital deposits for all projects on account with the DEPARTMENT. The REQUESTING PARTY in accordance with DEPARTMENT procedures in existence and covering the time period involved, shall make payment for interest owed on any deficit balance of working capital deposits for all projects on account with the DEPARTMENT. This payment or billing is processed on an annual basis corresponding to the State of Michigan fiscal year. Upon receipt of billing for interest incurred, the REQUESTING PARTY promises and shall promptly pay the DEPARTMENT said amount.
2. Pursuant to the authority granted by law, the REQUESTING PARTY hereby irrevocably pledges a sufficient amount of funds received by it from the Michigan Transportation Fund to meet its obligations as specified in PART I and PART II. If the REQUESTING PARTY shall fail to make any of its required payments when due, as specified herein, the DEPARTMENT shall immediately notify the REQUESTING PARTY and the State Treasurer of the State of Michigan or such other state officer or agency having charge and control over disbursement of the Michigan Transportation Fund, pursuant to law, of the fact of such default and the amount thereof, and, if such default is not cured by payment within ten (10) days, said State Treasurer or other state officer or agency is then authorized and directed to withhold from the first of such monies thereafter allocated by law to the REQUESTING PARTY from the Michigan Transportation Fund sufficient monies to remove the default, and to credit the REQUESTING PARTY with payment thereof, and to notify the REQUESTING PARTY in writing of such fact.
3. Upon completion of all work under this contract and final audit by the DEPARTMENT or the FHWA, the REQUESTING PARTY promises to promptly repay the DEPARTMENT for any disallowed items of costs previously disbursed by the DEPARTMENT. The REQUESTING PARTY pledges its future receipts from the Michigan Transportation Fund for repayment of all disallowed items and, upon failure to make repayment for any disallowed items within ninety (90) days of demand made by the DEPARTMENT, the DEPARTMENT is hereby authorized to withhold an equal amount from the REQUESTING PARTY'S share of any future distribution of Michigan Transportation Funds in settlement of said claim.

4. The DEPARTMENT shall maintain and keep accurate records and accounts relative to the cost of the PROJECT and upon completion of the PROJECT, payment of all items of PROJECT COST, receipt of all Federal Aid, if any, and completion of final audit by the DEPARTMENT and if applicable, by the FHWA, shall make final accounting to the REQUESTING PARTY. The final PROJECT accounting will not include interest earned or charged on working capital deposited for the PROJECT which will be accounted for separately at the close of the State of Michigan fiscal year and as set forth in Section C(1).
5. The costs of engineering and other services performed on those projects involving specific program funds and one hundred percent (100%) local funds will be apportioned to the respective portions of that project in the same ratio as the actual direct construction costs unless otherwise specified in PART I.

SECTION IV

MAINTENANCE AND OPERATION

A. Upon completion of construction of each part of the PROJECT, at no cost to the DEPARTMENT or the PROJECT, each of the parties hereto, within their respective jurisdictions, will make the following provisions for the maintenance and operation of the completed PROJECT:

1. All Projects:

Properly maintain and operate each part of the project, making ample provisions each year for the performance of such maintenance work as may be required, except as qualified in paragraph 2b of this section.

2. Projects Financed in Part with Federal Monies:

a. Sign and mark each part of the PROJECT, in accordance with the current Michigan Manual of Uniform Traffic control Devices, and will not install, or permit to be installed, any signs, signals or markings not in conformance with the standards approved by the FHWA, pursuant to 23 USC 109(d).

b. Remove, prior to completion of the PROJECT, all encroachments from the roadway right-of-way within the limits of each part of the PROJECT.

With respect to new or existing utility installations within the right-of-way of Federal Aid projects and pursuant to FAPG (23 CFR 645B): Occupancy of non-limited access right-of-way may be allowed based on consideration for traffic safety and necessary preservation of roadside space and aesthetic quality. Longitudinal occupancy of non-limited access right-of-way by private lines will require a finding of significant economic hardship, the unavailability of practicable alternatives or other extenuating circumstances.

c. Cause to be enacted, maintained and enforced, ordinances and regulations for proper traffic operations in accordance with the plans of the PROJECT.

d. Make no changes to ordinances or regulations enacted, or traffic controls installed in conjunction with the PROJECT work without prior review by the DEPARTMENT and approval of the FHWA, if required.

- B. On projects for the removal of roadside obstacles, the parties, upon completion of construction of each part of the PROJECT, at no cost to the PROJECT or the DEPARTMENT, will, within their respective jurisdictions, take such action as is necessary to assure that the roadway right-of-way, cleared as the PROJECT, will be maintained free of such obstacles.
- C. On projects for the construction of bikeways, the parties will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT, and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such bikeways or walkways constructed as the PROJECT except those for maintenance purposes.
- D. Failure of the parties hereto to fulfill their respective responsibilities as outlined herein may disqualify that party from future Federal-aid participation in projects on roads or streets for which it has maintenance responsibility. Federal Aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

SECTION V

SPECIAL PROGRAM AND PROJECT CONDITIONS

- A. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the acquisition of right-of-way must be under construction by the close of the twentieth (20th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that right-of-way.
- B. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the performance of preliminary engineering must be under construction by the close of the tenth (10th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that preliminary engineering.
- C. On those projects funded with Federal monies, the REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, will provide such accident information as is available and such other information as may be required under the program in order to make the proper assessment of the safety benefits derived from the work performed as the PROJECT. The REQUESTING PARTY will cooperate with the DEPARTMENT in the development of reports and such analysis as may be required and will, when requested by the DEPARTMENT, forward to the DEPARTMENT, in such form as is necessary, the required information.
- D. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and the Regulations of the United States Department of Transportation (49 C.F.R. Part 21) issued pursuant to said Act, including Appendix "B", attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.
- E. The parties will carry out the applicable requirements of the DEPARTMENT'S Disadvantaged Business Enterprise (DBE) program and 49 CFR, Part 26, including, but not limited to, those requirements set forth in Appendix C.

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

APPENDIX B
TITLE VI ASSURANCE

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
 - a. Withholding payments to the contractor until the contractor complies; and/or
 - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

APPENDIX C

TO BE INCLUDED IN ALL FINANCIAL ASSISTANCE AGREEMENTS WITH LOCAL AGENCIES

Assurance that Recipients and Contractors Must Make (Excerpts from US DOT Regulation 49 CFR 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

*CITY OF BOYNE CITY**MEMO*

To: Michael Cain, City Manager 
From: Barb Brooks, Executive Assistant 
Date: June 10, 2016
Subject: MParks Grant Project

At the January 12, 2016 City Commission meeting, a proposal from the Michigan Recreation and Parks Association (MParks) was presented for consideration. The name of the program is “Building Healthy Communities”. It was also reviewed at the Parks & Recreation Advisory Board on January 7, 2016 and the board recommended it for consideration. The Commission unanimously approved the project proposal and authorized staff to move forward with the project. Attached is a copy of original proposal from MParks

The proposal included a grant to implement two recreational study programs, “Walk with Ease” geared toward senior citizens and “Come Out and Play” for youth. The City has successfully partnered with MSU Extension and Boyne Area Rehab to run these programs, incorporating them into some of their existing programs.

The second component of the proposal is a \$20,000 grant to make improvements to a specified park where various physical activity takes place. The park chosen was Avalanche. Using the Avalanche Master Plan, city staff submitted a list of items from the plan to MParks as potential projects. The list included: picnic tables and/or benches, improvements to bike trails, improvements to disc golf course, signage, trail between 1910 Building and Avalanche and other amenities such as trash / recycle receptacles. At their June 2nd meeting, the Parks & Recreation Board reviewed the list and recommended the following be considered; A)improved signs throughout the park (welcome, wayfinding & trail signage), B)install a picnic area and/or C)install a designated trail/path from the 1910 Water Works Building to Avalanche. These items were discussed as general concepts, details and costs were not discussed in detail. They did not prioritize the three recommended projects, the general consensus was to allow staff to determine what should be implemented based on time and financial resources.

The parameters of the MParks grant requires all project bids must be let by August 31. With a busy summer already upon us, early consideration should be given to this project so staff has time to research options and costs.

Recommendation: Review the listed projects and the Parks & Rec. board recommendation, determine which projects/items should be priorities and authorize staff to research and move forward with one or more of them.

Other Options: Postpone for additional information



Building Health Communities – Getting to the Heart of the Matter
A Grant funded by the Michigan Department of Health and Human Services

Program Synopsis

The Building Health Communities program will implement and evaluate evidence-based interventions to increase access to physical activity opportunities via parks as part of the new MDHHS DCDIC initiative “Getting to the Heart of the Matter in Michigan.” The program aligns with national strategies, the Michigan 4 x 4 Health and Wellness Initiative, and also includes recommendations of The Guide to Community Preventive Services and objectives of Healthy People 2020 as outlined below:

- Create social and physical environments that promote good health;
- Promote quality of life, healthy development, and healthy behaviors across the life span;
- Achieve health equity and the elimination of health disparities.

The overall goal is to increase the number of policies and environmental changes paired with information outreach in parks and to create safe, appealing places for physical activity.

mParks will work with ten communities, five from Washtenaw County and five from Antrim, Charlevoix, Emmet, and Otsego Counties to :

- Review GIS maps of green spaces in the region and collect data from the County Health Assessments/BFRRS data regarding obesity, physical activity demographic data, data pertaining to people living ½ mile radius from parks and other pertinent data. mParks staff will complete research as part of the grant funding.
- Work with selected communities to implement the Arthritis Foundation’s “Walking with Ease” program for adults and seniors; and mParks “Come Out and Play” curriculum for youth. All costs, including staffing, for implementation of the programs are included in the grant funding. There is some funding available for each community to purchase enhancements items to make parks more accessible and desirable for users.
- Provide tools and resources for communities interested in implementing tobacco free policies.
- Connect with Federally Qualified Health Centers and other health systems and providers in each region to introduce the programs and parks.
- Collect, analyze and summarize pre and post testing and data from program participants. mParks will provide all resources for the evaluation process.

*CITY OF BOYNE CITY**MEMO*

To: Michael Cain, City Manager 
From: Barb Brooks, Executive Assistant 
Date: June 10, 2016
Subject: "Little Free Library" Project

At their May meeting the Parks and Recreation Advisory Board discussed a proposal from Pat O'Brien & Associates to sponsor, build and install one or more "Little Free Library(s)" in Boyne City. Proposed locations were Old City Park and Veterans Park near the play structure. The "Little Free Library" Program is nationwide and would be used to promote literacy. It is completely free to the public.

Shapes and sizes vary but in general they look like an oversized birdhouse with dimensions approximately 18" x 24". It will also include a small sponsorship plaque. All costs incurred would be paid by Pat O'Brien & Associates. For more information, see <https://littlefreelibrary.org/>.

The general consensus of the Parks & Recreation board was that this is nice idea and Pat O'Brien & Associates should work with City staff to determine details of size and placement.

Recommendation: authorize staff to work with Pat O'Brien & Associates to install one or more "Little Free Library(s).

Other Options:

- Postpone for additional information
- Deny the request
- Suggest alternate locations

June 2016

June 2016							July 2016						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2
5	6	7	8	9	10	11	3	4	5	6	7	8	9
12	13	14	15	16	17	18	10	11	12	13	14	15	16
19	20	21	22	23	24	25	17	18	19	20	21	22	23
26	27	28	29	30			24	25	26	27	28	29	30
							31						

Monday	Tuesday	Wednesday	Thursday	Friday	Sat/Sun
		June 1	2 8:30am Main Street Board mtg. 6:00pm Parks & Rec	3	4
					5
6	7	8	9	10	11
					12
13	14 Flag Day (United States) 7:00pm City Commission	15	16	17	18
					19 Father's Day (United States)
20 5:00pm Planning Commission 7:00pm Historical Commission	21	22	23 5:30pm Airport Advisory Board	24	25
					26
27	28 12:00pm City Commission	29	30		

July 2016

July 2016							August 2016						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30	31			
31													

Monday	Tuesday	Wednesday	Thursday	Friday	Sat/Sun
				July 1	2
					3
4 Independence Day (United States)	5 5:00pm ZBA	6	7 8:30am Main Street Board mtg. 6:00pm Parks & Rec	8	9
					10
11 12:00pm EDC/LDFA	12 7:00pm City Commission	13	14	15	16
					17
18 5:00pm Planning Commission	19	20	21	22	23
					24
25 12:00pm City Commission	26	27	28 5:30pm Airport Advisory Board	29	30
					31