



CITY COUNCIL

May 16, 2022

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, May 16, 2022. This meeting was called to order at 7:00 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: John Murphy, Mayor
Tina DeMoore, City Councilmember
Derek Shiels, City Councilmember
Brian Wagner, City Councilmember
Lindsey Walker, City Councilmember

Absent: None

Also in attendance were Interim City Manager/Clerk-Treasurer Alan Terry, Finance Supervisor Audrey Plath and Administrative Assistant Lisa Denoyer.

Hear 2021 Audit Presentation

Jake Schierbeek and Trina Ochs, Dennis, Gartland & Niergarth representatives, Traverse City, presented information concerning the City's Financial Statements and Report of Independent Certified Public Accountants as the annual audit for the City's fiscal year ended December 31, 2021. Ms. Ochs also reviewed the audit-related communications letter.

The Director of Finance and auditors answered questions from City Council concerning budget amendments, fund balances and pension liability.

Consent Agenda - Resolution No. 19660

Following introduction of the consent agenda for this meeting of May 16, 2022, City Councilmember Shiels moved that, seconded by City Councilmember DeMoore adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the May 2, 2022 regular session City Council meeting be and are hereby approved; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since May 2, 2022 for contract and vendor claims at \$431,591.93, intergovernmental claims at \$0 and the May 12 payroll at \$220,222.52, for a total of \$651,814.45 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: DeMoore, Shiels, Wagner, Walker, Murphy (5)

NAYS: None (0)

Hear Public Comment

Mayor Murphy asked for public comments and heard comments from Haan Development concerning the Lofts at Lumber Square MEDC grant application; that the grant will be highly competitive and developer is looking for a binding commitment from the City either with a reduction in capital charges or a set dollar amount; and that the application requires a binding funding commitment from a local government.

City Council discussed what was meant by local government funding and binding; possibility of a brownfield TIF and other funding sources; that there is strong support for the project and discussed the difficulty with the grant process. The City Manager referenced a City ordinance that prohibits the City from providing free services; that the City Attorney was consulted and is in agreement with staff; and that due to time limitations of the application due date a TIF might be an alternative. A letter of support would be provided from the City.

Hear City Manager Updates

The City Manager reviewed that the Public Safety Department Accreditation Assessment was conducted last week and that a favorable decision is expected, but will take some time; that a State law passed in 2018 prohibits the regulation of a specific business types and therefore the City can not regulate fortunetelling; that Lofts at Lumber Square will be pursuing financial support for their project from the City in the near future, most likely in the form of a Brownfield Redevelopment TIF.

Establish 2022 Tax Millage Rates – Resolution No. 19661

The Director of Finance reviewed the proposed 2022 millage rates and tax revenue; that City Council approved the 2022 Annual Budget at their November 15, 2021 meeting which included a provision for property-tax millage rates to remain the same as in 2021; that City Council was now being asked to formally establish the millage rates necessary to provide the budgeted property-tax revenue approved in the 2022 Annual Budget for the General Fund, Library Fund and Right-of-Way Fund; reviewed total millage rates and State's inflation index; that 2022 taxable value increased by 7.39% and values now exceed 2009 amounts; that the City is required to roll back millage rates due to the Headlee Amendment; and reviewed property tax revenues that will be collected from each levy including general operating, solid waste, library and right-of-way.

City Councilmembers inquired how the millage rates are established and the Director of Finance explained the process the Assessor uses to determine rates.

City Council requested that the City Assessor give a presentation in the future.

City Councilmember Wagner moved that, seconded by City Councilmember DeMoore adoption of the following resolution:

WHEREAS, as required by City Charter provisions, the City Manager on November 1, 2021 presented to the City Council the City's proposed annual budget for the 2022 fiscal year; and

WHEREAS, as also required by City Charter provisions, the City Council on November 15, 2021, conducted a public hearing to receive comments concerning the proposed budget, including rates of property-tax millages that had been estimated for levies during 2022; and

WHEREAS, following its review of the proposed 2022 Annual Budget, and after conducting a public hearing to receive comments concerning the proposed budget and estimated tax levies, the City Council on November 15, 2021, approved the 2022 Annual Budget:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby directs that there shall be raised through a general tax upon the taxable real and

personal property within the City during the next summer tax levy for the year commencing January 1, 2022, millages in the amount of 7.2306 for general operating purposes, 0.4890 for solid-waste purposes, 1.7094 for library purposes, and 3.7233 for right-of-way purposes; and, when collected, proceeds from such levy are hereby appropriated to the General Fund, Library Fund, and Right-of-Way Fund; and

BE IT FURTHER RESOLVED that the total aggregated amount of all such authorized millages shall total 13.1523 mills; and

BE IT FURTHER RESOLVED that these various millages so ordered to be levied shall be certified by the City Clerk-Treasurer to the City Assessor and shall be levied and collected upon the taxable value of all taxable property within the City.

Said resolution was adopted by the following vote:

AYES: DeMoore, Shiels, Wagner, Walker, Murphy (5)

NAYS: None (0)

Council Comments

Mayor Murphy asked for council comments and Councilmember Walker announced the Special joint City Council and DMB meeting on May 17 regarding a presentation for the Darling Parking Lot and that there is a Planning Commission meeting Thursday. Councilmember Wagner thanked all who helped Julienne Tomatoes after the sewer backup and that he attended a NLEA event over the weekend which focused on the Blue Water Economy. Councilmember Shiels is pleased that the City's financial position is healthy and looks forward to diving into the audit in more detail. Councilmember DeMoore received a complaint from a resident concerned that speeding issues continue on Michigan Street and asked if progress has been made; that she also received a complaint from a resident whose neighbor is using their residence as a B&B; and inquired on the Code Enforcement position that was included in this year's budget. Mayor Murphy reviewed that he attended Center for Change and also the NLEA event over the weekend; that he interviewed two people for board and commission positions; that he received information from the City Planner for setting up an Arts Commission Board; and reiterated for citizens to drive safe, slow down and that he has seen Public Safety out patrolling.

The City Manager responded that Public Safety has been monitoring speed and motorists have averaged 27 mph and that the Code Enforcement position might not be filled this year due to staffing changes within the City Manager and City Planner's Office.

There being no further business to come before the City Council, this May 16, 2022, meeting of the City Council adjourned at 8:35 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer