



CITY COUNCIL

October 3, 2022

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 3, 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
Lindsey Walker, City Councilmember

Absent: Brian Wagner, City Councilmember

Also in attendance were City Manager Shane Horn, City Clerk Sarah Bek, Public Safety Director Matt Breed, Lieutenant Karr, Lieutenant Troxel, Lieutenant Schultz, Lieutenant Parker, City Planner Zach Sompels and Downtown Director Becky Goodman.

Hear Local Chamber of Commerce Day Proclamation

Mayor Murphy read the following proclamation:

WHEREAS, Chambers of Commerce strive to address the community's top challenges and greatest opportunities through bold leadership and innovative problem-solving; and

WHEREAS, Chambers of Commerce foster stronger, more vibrant communities by advocating for priorities to promote economic prosperity, boost quality of life and create access to meaningful employment and opportunity for all residents; and

WHEREAS, Chambers of Commerce are champions of communities, serving as a trusted resource for businesses, residents and other stakeholders; and

WHEREAS, Chambers of Commerce create catalytic community partnerships to build resilient economies and promote community-wide prosperity; and

WHEREAS, the Petoskey Regional Chamber of Commerce was founded in 1919, and is the 16th largest Chamber in the State of Michigan with 770 members. As an award-winning Chamber of Commerce, they play an essential role for our communities and businesses by being a trusted resource and advocate for all:

NOW, THEREFORE, I, John Murphy, Mayor of the City of Petoskey, on behalf of all residents, do hereby proclaim October 19, 2022, as

Support Your Local Chamber of Commerce Day

and encourages Petoskey residents to learn more about the Chamber, its impact and support of local businesses.

Hear Indigenous Peoples' Day Proclamation

Mayor Murphy read the following proclamation:

WHEREAS Indigenous Peoples' Day was first proposed in 1977 by a delegation of Native Nations to the International Conference on Discrimination Against Indigenous Populations in the Americas; and

WHEREAS the United States endorsed the United Nations Declaration of Rights of Indigenous People on December 16, 2010; and

WHEREAS a growing number of cities and towns in the United States have recognized the second Monday of October as "Indigenous Peoples' Day," as an opportunity to celebrate Indigenous heritage and resiliency; and

WHEREAS the City of Petoskey acknowledges that the historic, cultural, and contemporary significance of Indigenous Peoples of the lands that became known as the Americas; and

WHEREAS the City of Petoskey recognizes that long before the City of Petoskey was granted a Charter in 1879, Odawa Bands villages shared this land; and

WHEREAS the City of Petoskey was named after Ignatius Petoskey as a way to honor and respect the thriving Indigenous community of this land; and

WHEREAS the City of Petoskey values the significant contributions made to our community by Indigenous Peoples' knowledge, labor, technology, science, philosophy, arts, resiliency, and the deep cultural contributions that have shaped the character of the City, State, and Nation; and

WHEREAS the City of Petoskey recognizes that Indigenous People continue to contribute to the character, economy, and vitality of the City of Petoskey:

NOW THEREFORE I, John Murphy, Mayor of the City of Petoskey, do hereby proclaim the second Monday in October as Indigenous Peoples' Day in Petoskey.

Amend Agenda – Resolution No. 19703

City Councilmember DeMoore moved that, seconded by City Councilmember Shiels to amend the agenda to include the reappointment of Richard Mooradian to the Planning Commission.

Said motion was adopted by the following vote:

AYES: DeMoore, Shiels, Walker, Murphy (4)

NAYS: None (0)

Hear Public Safety Accreditation Presentation

Chief Robert Stevenson, retired Executive Director of Michigan Association of Chiefs of Police, and Chief Neal Rossow, retired Director of Professional Development and Accreditation Program Director for Michigan Association of Chiefs of Police, gave a brief presentation on the Accreditation program; that there are 589 law enforcement agencies in the State; that Petoskey's Public Safety Department is the 42nd agency to achieve accreditation; that there are a set of 108 standards for law enforcement and requires a written direction of standard and department to provide a proof/policy for each standard; and awarded a Certificate of Accreditation to Chief Breed and the four Lieutenants recognizing the Public Safety Department as an Accredited law enforcement agency.

City Councilmembers commented that this certification exemplifies leadership and the Public Safety Department has gone above and beyond the call of duty; applauded the department for accomplishing the rigorous task and are proud of their efforts; and that residents in the community feel safe based on the Department's hard work.

Hear Housing North Presentation

Yarrow Brown, Housing North Executive Director, and Andrea Jacobs, Emmet County Housing Ready Program Director, gave a brief presentation on Housing North and their efforts in affordable housing in the region; that the non-profit serves 10 county regions; that their goal is to remove housing barriers in communities; that the annual Housing Summit is October 27-28 in Traverse City; reviewed proposed legislation and programs including Neighborhood Enterprise Zones and PILOT expansion tool to 120% of area median income; that work is being done all over Emmet County to help with housing concerns; that township developments affect the City; that 30% of short-term rentals in the State are in this region; and thanked Council for support and funding for the position.

City Councilmembers inquired on the breakdown of funding efforts; inquired if there is a conflict of interest when opportunities present in multiple communities; how communities and projects are selected; inquired on next steps of RRC properties; heard concerns if filtering out RRC properties was occurring; applauded Ms. Jacobs’ efforts and appreciate the pro-active and unique work that’s being done due to housing crisis; recognize how valuable the position is for the City and rest of County; heard from those in favor of having a policy in place so there is clear direction and no conflicts; that it is important to collaborate and have public and private partnerships; and asked if a list could be provided on upcoming projects and examples of how ARPA funds could be used for housing.

Ms. Brown responded that advocacy is typically done at Housing North and Ms. Jacobs is more local level helping communities be housing ready. Ms. Jacobs responded that she identifies priority lists for developers and provides incentives and concessions to review with developers and works closely with Little Traverse Bay Housing Partnership; that there is no conflict of interest policy and staff gauges best chance of success on how projects and communities are determined; that she is working with City staff on creating a vision of RRC properties; that there is a gap of affordability and development costs; and that Housing North advocates for communities to use 30% of ARPA funds towards housing.

The City Manager voiced support of partnership with Housing North.

Consent Agenda - Resolution No. 19704

Following introduction of the consent agenda for this meeting of October 3, 2022, City Councilmember DeMoore moved that, seconded by City Councilmember Shiels adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the September 19, 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 September 19, 2022 for contract and vendor claims at \$2,359,353.75, intergovernmental claims at \$364,360.42 and the September 15 and September 29 payrolls at \$481,007.24, for a total of \$3,204,721.41 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: DeMoore, Shiels, Walker, Murphy (4)
NAYS: None (0)

Hear Public Comment

Mayor Murphy asked for public comments and there were no comments.

Hear City Manager Updates

The City Manager reviewed staff members celebrating birthdays and work anniversaries in October; that ZBA meets tomorrow night to review variances at 510 Rose Street; that Planning Commission meets in special session October 6 to discuss marihuana; that the Parks and Recreation Commission meets October 10; reviewed the Parks and Recreation Master Plan update and that public participation workshops were scheduled for September 28 and October 6 and the survey is available until 9:00 P.M., Thursday, October 6; that East Lake Street reconstruction project is complete and a customer satisfaction survey will be distributed to residents in area; thanked residents affected by the project for their patience and DPW staff for their efforts on a successful street project; that the boardwalk is being installed as part of the Solanus Beach improvements to improve quality of life for all residents; and reviewed upcoming events including A Night at the Library on October 7 and Annual Rotary Fall Fest on October 15.

Approve Board and Commission Appointments – Resolution No. 19705-19707

Mayor Murphy reviewed that City Council consider the following appointments.

City Councilmember Walker moved that, seconded by City Councilmember Shiels adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby approves the reappointment of Richard Mooradian, 728 Lockwood Avenue, to the Planning Commission for a three-year term ending August 2025.

Said resolution was adopted by the following vote:

AYES: DeMoore, Shiels, Walker, Murphy (4)

NAYS: None (0)

Resolution No. 19706

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Audrey Plath, Finance Director/Treasurer, to the Building Authority Board of Commissioners to fill a vacated term due to the retirement of former Finance Director/Treasurer Alan Terry.

Said resolution was adopted by the following vote:

AYES: DeMoore, Shiels, Walker, Murphy (4)

NAYS: None (0)

Resolution No. 19707

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 approves the appointment of Shane Horn, City Manager, to the Harbor-Petoskey Area Airport Authority Board to fill a vacated term due to the retirement of former Finance Director/Treasurer Alan Terry.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Approve 2023-2028 Capital Improvement Plan – Resolution No. 19708

The City Manager highlighted a few projects that have been paused due to financial priorities including improvements to the East Lake Street Fire Station to complete apparatus room painting, radiant heat tube replacement and kitchen upgrades; that no further changes had been made since the first discussion; and that future discussions and possible solutions on DMB office space will need to be considered as part of projects lacking funding.

City Councilmembers inquired on the status of cold storage building; heard from those in favor of postponing changes proposed for narrowing Emmet Street near Family Video and 7-11 properties until 2024 or beyond pending any future development; and status of undergrounding on Carleton and Lindell Streets and future schedules in CIP.

The City Manager responded that the cold storage building is part of the DPW building improvements; that the Mitchell Street entrance and proposed changes are separate from Emmet Street improvements; that nothing will occur on Emmet Street until the developer is ready to move forward; and recommended leaving funds in the 2023 CIP budget in essence a development occurs.

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

WHEREAS, as part of the City's annual budget-preparation process, the City Planner submitted to the Planning Commission on August 18, 2022 the City staff's proposed update to the City's six-year Capital Improvement Plan; and

WHEREAS, the Planning Commission reviewed the proposed 2023-2028 Capital Improvement Plan on August 18, 2022, and recommended its adoption by the City Council; and

WHEREAS, the City Council reviewed the proposed plan on September 19 and October 3, 2022 and concurs with the recommendation of the Planning Commission:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council hereby approves the 2023-2028 Capital Improvement Plan as submitted by the City Manager dated October 3, 2022 and approved by the Planning Commission August 18, 2022.

Said resolution was adopted by the following vote:

AYES: DeMoore, Shiels, Walker, Murphy (4)

NAYS: None (0)

Accept Special Assessment Report & Schedule Public Hearing – Resolution No. 19709

The City Manager next reported that at its September 20, 2022 meeting, the City's Downtown Management Board reviewed and approved its proposed budget for downtown area programs and services for 2023 and recommended City Council levy a special assessment against all eligible, non-residential properties within the Management Board's jurisdictional territory, the proceeds from which would be used to finance costs of such programs and services; and increase the amount by 7% for the proposed special assessment compared to assessment-levy amounts that were used in 2022. The City Manager also reported that the Management Board's budget proposal would be included within the City's recommended 2023 Annual Budget, but City Code provisions required that the special-assessment process be approved annually by City Council.

City Councilmembers inquired on the goal of DMB, clarity on vacant, buildable property and concurred to discuss legal approaches to deter downtown vacancies and requested the City Attorney attend a meeting in the near future to discuss.

The Downtown Director responded that the DMB's goal is to increase in small increments, but to stay consistent with consumer price index (CPI) or cost of living, but that this year is much higher and the Board felt that it is important to keep up with inflation and prepare for any unexpected expenses; that the DMB is not adding more assessment, but rather aligning with CPI; and that vacant buildable property is vacant land and primarily 200 East Lake Street.

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

WHEREAS, the City Council in 1994 appointed members of the City's Downtown Development Authority Board as a "Downtown Management Board" under provisions of Act 120 of the Public Acts of Michigan of 1961, as amended by Act 146 of 1992; and

WHEREAS, at its September 20, 2022 meeting, the Downtown Management Board discussed the need to continue to provide certain programs and services that are believed to be beneficial to the City's principal shopping area; and

WHEREAS, the Downtown Management Board has developed a recommended formula by which properties within the Board's district could be specially assessed as a means of obtaining revenues to offset costs of the Board's proposed programs and services for the year 2023; and

WHEREAS, the City Council has reviewed a report dated September 28, 2022, by the City Manager that lists those proposed programs and services as recommended by the Downtown Management Board and the proposed roll that would spread special assessments against properties within the Management Board's district:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby determines that a portion of the expense of these proposed programs and services shall be defrayed by special assessments upon those properties especially benefited; and

BE IT FURTHER RESOLVED that the nature of these proposed programs and services shall include such activities as events, economic enhancement, beautification, marketing and promotions, and administration for costs estimated at \$176,900; that all portions of such costs shall be paid by special assessments and other related revenues, without a general obligation of the City; that such special-assessment revenues shall be collected in a single-installment payment; and that such assessments shall be levied in a district with boundaries that are to be coterminous to those of the Downtown Management Board's jurisdictional territory; and

BE IT FURTHER RESOLVED that the City Council does and hereby sets forth the basis of this special assessment by use of a formula that has been recommended by the Downtown Management Board to increase the amount by 7% for the proposed special assessment compared to the recommended 2022 formula and that has been calculated by the City staff based upon square footage of useable, non-residential building area and vacant properties, which the City Council has determined to be the most equitable to the greatest number of property owners concerned; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, October 17, 2022, to receive comments concerning these proposed programs and services; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to notify all property owners within the proposed assessment district of potential property assessments and the October 17, 2022, public hearing to receive comments concerning these proposed programs and services.

Said resolution was adopted by the following vote:

AYES: DeMoore, Shiels, Walker, Murphy (4)

NAYS: None (0)

First Discussion on Proposed Sign Ordinance Amendment to Allow Halo Lit Signs

The City Planner reviewed that the proposed sign amendment arose from a denial from a downtown applicant; that the Planning Commission discussed and forwarded on to the Sign Committee to discuss; that the Planning Commission conducted a public hearing on proposed amendment; and reviewed an example of a halo lit sign.

City Councilmembers inquired if staff supported this type of sign in the downtown historic district; inquired if an ordinance could be crafted to allow signs in areas other than historic downtown; and inquired if the Design Committee had been included in discussions.

The City Planner responded he does not have an opinion either way; that signs are not as historic, but less light intrusive; that an ordinance could be drafted by zoning district, but this proposed ordinance is intended for the entire City; and that the Design Committee was not included in discussions, but would be involved if ordinance was only for downtown area.

City Councilmembers will further discuss proposed sign ordinance amendment at the next regular meeting.

Discuss Zoning Ordinance Amendment to Increase Height Standards in the B-3a Resort Commercial District

The City Planner reviewed that at the September 15 Planning Commission meeting, the Commission voted to not increase the height in the B-3a Resort Commercial District; that the B-3a district is made up of primarily two-story buildings, while there is an existing three-story building and some single-story buildings; that a height increase in this district is a relatively non-intrusive way to help increase density while still keeping small town character without allowance of high rises; that staff recommended to increase the height limit from two-stories, 25 feet to three-stories, 37 feet which is consistent with the Livable Petoskey Master Plan; and that there was a lot of concerns from surrounding neighborhoods and their view sheds.

City Councilmembers inquired on what the major reasons that Planning Commission denied increase; inquired if there would be an elevation change and if it was possible to build three-stories and not infringe on lighting for neighbors; inquired on the advantages of allowing three-stories; commented that there is no pending reconstruction in that district, but not allowing deters opportunities; inquired what neighborhoods were concerned with view sheds; discussed process and that City Council could initiate ordinance; heard from those in favor of having the Planning Commission reconsider based on Council discussion; that spot zoning would not be allowed in this district; commented that it is unusual for a board to not follow staff recommendation; heard from those opposed to a nuclear option and sending ordinance back to Planning Commission; that elected officials should have opportunity to legislate; heard from those that do not support circumventing the Planning Commission and cannot predict outcome; and concurred to send ordinance back to Planning Commission to reconsider and bring back to Council to discuss in the near future.

The City Planner responded that neighbors' primary concern was of their view sheds; that it is possible to build three-stories and not infringe on lighting for neighbors which would be addressed as part of the site plan review process; that it is advantageous that there is a district dedicated to hotels; that limited height is a non-starter for developers, so should allow height increase or change zoning district; and limiting height deters potential opportunities and does not help the City.

Discuss Allocating ARPA Funds

The City Manager reviewed that the City received \$604,890.67 in ARPA funds; to-date \$302,000 have been allocated in to the fiscal year 2023 annual budget as revenue replacement to help balance budget; and reviewed a few items that could be considered for these funds including City Hall security enhancements and agenda management software.

City Councilmembers were in favor of scheduling a work session to discuss allocation of funds; heard from those not in support of using funds for revenue replacement; that there are healthy reserves and there have been conservative budget forecasts; commented that two departments have revenue shortfalls; suggested sending a survey to residents; discussed timeline of annual budget and when ARPA funds needed to be earmarked and used; concurred to remove the \$302,000 from 2023 budget; and the Mayor commented that Council should consider doing what is best for the City.

The City Manager responded that there was not enough time to conduct a survey due to tight timeline of budget process; that ARPA funds have to be earmarked by 2024 and used by 2026; supports one-time use of funds for one-time expense; and that a special work session will be scheduled for 5:30 P.M., Monday, October 17 to discuss allocation of ARPA funds and suggested Council bring a list of top five wants and/or needs.

Council Comments

Mayor Murphy asked for Council comments and Councilmember DeMoore thanked the City Manager for staff birthday and work anniversary recognitions, that she reached out to Chief Breed for a tour of Public Safety and it was an eye opener on how the department works and requested the same for Parks and Recreation and thinks it would be beneficial for everyone to do the tour together. Councilmember Shiels commented on a potential deer presentation and that he found presenters including an ecologist to discuss deer management issues, that the presenters indicated a work session is best and could be accomplished in early 2023 for a slight fee. Councilmember Walker appreciated the opportunity to participate in the Parks and Recreation Master Plan survey and will share the link with Ward 4 constituents and others in the community.

There being no further business to come before the City Council, this October 3, 2022, meeting of the City Council adjourned at 9:33 P.M.

John Murphy, Mayor

Sarah Bek, City Clerk