



CITY COUNCIL

October 17, 2022

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 17, 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 City Manager Shane Horn, City Clerk Sarah Bek, City Planner Zach Sompels and Downtown Director Becky Goodman.

Amend Agenda – Resolution No. 19710

City Councilmember Walker moved that, seconded by Councilmember Shiels to amend the agenda and move the City Assessor appointment up in the agenda after the presentation.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Public Hearing on 2023 Downtown Programs & Services & Assessment Rate Increase

A public hearing was held to receive comments on the proposed 2023 downtown programs and services. The City Manager and Downtown Director reviewed process and that the DMB recommended an assessment formula at a 7% rate increase compared to the 2022 formula.

Mayor Murphy opened the public hearing at 7:02 P.M. and there were no comments.

The public hearing closed at 7:03 P.M.

Hear Northern Lakes Economic Alliance (NLEA) Presentation

David Emmel, President of NLEA, gave a brief presentation on NLEA activities; that NLEA is celebrating 40 years in 2024; that the alliance belongs to the community; reviewed mission; that economic development is private sector focused; that public/private partnerships are key; that NLEA's strategic priority is to grow the number of public and private entities; reviewed ongoing issues including transportation, housing and childcare; that NLEA functions as a cooperative; reviewed core partners; reviewed structure of Board of Directors and NLEA staff; reviewed economic development and its benefits; reviewed community development and projects assisted with in the City and surrounding community; that in 2018, Emmet County left NLEA, but to-date is now contributing funds to NLEA; and reviewed ongoing projects within the City limits including Lofts at Lumber Square, Tap Room, Michigan Maple Block property, housing project on Atkins Road and NCMC in-depth mapping of four regions and future considerations.

City Councilmembers inquired if there was NLEA funding in the proposed 2023 budget; inquired on how services are allocated and how bridges are built for public and private sectors; inquired on cooperative and how NLEA interacts with communities' needs, wants and desires; commented on redevelopment and obstacles within the City such as the Michigan Maple Block property; heard from those involved in entrepreneurial ecosystems and the large amount of community collaboration; inquired on Emmet County's allotments with NLEA; and asked if economic development questions from residents or developers could be directed to NLEA since the City does not have a dedicated staff member for economic development.

The City Manager reviewed that the City would re-engage with NLEA and \$10,000 is included as part of the proposed 2023 budget.

Mr. Emmel and NLEA staff responded that businesses trying to grow typically have challenges with zoning and NLEA helps sequester tax dollars for infrastructure; that an elected person from each County sits on the NLEA Board of Directors which helps with communities' wants and needs; that NLEA uses strategic visioning instead of planning; that community and public engagement is important; that master plans and community plans guide to help communities; that Emmet County Brownfield is helping with environmental issues concerning the Michigan Maple Bock site and NLEA also helps by being a community liaison between public and private organizations involved in the project; that Emmet County allotted funds to NLEA as part of a three-year service agreement for 2022-2024; and that citizens, staff, community members and potential developers can contact NLEA directly to discuss any economic development concerns.

Approve Assessing Services Contract and Appoint City Assessor – Resolution No. 19711

The City Manager reviewed that the previous City Assessor, Robert Englebrecht, served as the City's contractual Assessor for the past 12 years; that he resigned in August and the City has utilized Tim Grimm in a temporary contractual role since August; that two applicants applied for the position and were interviewed; that due to timing of a potential relocation and the need to complete end-of-year requirements it is recommended to continue to partner with a contractual assessor and potentially re-evaluate the position in the spring/summer; and recommended contracting with Berg Assessing and Consulting, Inc., Rogers City, who provides contractual assessing services to 23 municipalities in Northern Michigan utilizing 11 licensed and certified staff members beginning November 1, 2022 to October 31, 2023.

Alan Berg reviewed that he has 22 years of experience; is certified as a Level 4 Assessor; reviewed the communities his company serves throughout Northern Michigan; and that the State Tax Commission recommends 20% random audit of properties within the City which was not identified in the service contract.

City Councilmembers inquired if the contract was annual; if the City will pay monthly; if there was an opt-out option for both parties; inquired if contracted service was budgeted for 2023; inquired if Mr. Englebrecht was a part-time or full-time employee; inquired if there will be a primary contact for residents and City staff; and discussed attendance at March Board of Review meetings and the concern if the assessor is not present.

Mr. Berg responded that the contract is annually from November 1, 2022-October 31, 2023; that work will be hybrid both in City Hall and remote work; that work is performed by subject matter experts to create efficiencies, but that he would receive any matter to help resolve if needed; reviewed that March is a very busy time with all of his clients and attending March Board of Review meetings is not required, but would be available to assist the Board with technical matters and paperwork; and that there is an urgency to approve the contract due to timing and end of the year deadlines.

The City Manager responded that Mr. Englebrecht was a contracted service costing the City approximately \$90,000 per year and that a full-time Assessor is included as part of the proposed 2023 budget which the City will see a savings if contractual service is approved.

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

WHEREAS, Robert Englebrecht retired as our contractual assessor after 12 years of service; and

WHEREAS, Tim Grimm has filled the contractual City Assessor role since August in a temporary arrangement; and

WHEREAS, we have received two applicants for a full-time City Assessor position and completed interviews last week; and

WHEREAS, based upon the urgency to complete end-of-year documents and meet state requirements, filling the position and managing a relocation will be challenging and push us against an already tight schedule; and

WHEREAS, Berg Assessing and Consultants, Inc., of Rogers City, MI, has 23 municipalities that they provide contractual assessing services for in northern Michigan, they have the staffing and capacity to complete our end-of-year requirements while continuing to provide assessing services for our residents.

WHEREAS, Section 5.5 of the City Charter requires City Council to appoint a City Assessor meeting statutory requirements, who shall possess all of the powers vested in, and shall be charged with all of the duties imposed upon assessing officers by statute, or by ordinance of the City, or by resolution of the Council.

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council hereby approves the appointment of Allan Berg and Berg Assessing and Consulting, Inc., for contractual assessing services during the period of November 1, 2022 – October 31, 2023 for an annual service fee of \$116,610.00, paid in monthly installments of \$9,717.50/month.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Consent Agenda - Resolution No. 19712

Following introduction of the consent agenda for this meeting of October 17, 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 October 3, 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 October 3, 2022 for contract and vendor claims at \$411,263.53, intergovernmental claims at \$0 and the October 13 payroll at \$244,371.76, for a total of \$655,635.29 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 a comment that Emmet County pays NLEA \$84,000 per year and the County has requested a report on NLEA services which will be presented at the first Board of Commissioners meeting in November and heard a concern why the City of Petoskey also contributes to NLEA and is not covered under the County.

Hear City Manager Updates

The City Manager reviewed that the DMB meets tomorrow night; that Planning Commission meets October 20; reviewed the Parks and Recreation Master Plan update and that public participation workshops occurred and 230 responses from the community survey were received which is more than double from 2018; that the Chamber Expo is scheduled for October 19; reviewed upcoming downtown Halloween activities and City of Petoskey trick-or-treat hours which is scheduled for 6pm-8pm, October 31; that he attended the Rotary Fall Fest at the Winter Sports Park over the weekend and the weather created challenges for the event; reviewed Solanus Beach improvements; and reviewed relationship building over the first 120 days of his position.

City Councilmembers asked if the City Manager had met the new Petoskey Public Schools Superintendent which he responded he met earlier in the day; that Ward 2 residents have concerns with sound issues during youth programs at the high school football field; inquired if 316 East Lake Street façade grant is affiliated with the OPRA grant and if they receive an annual review process; and complimented the City Manager on community outreach.

The Downtown Director responded that the last 2-3 years façade grant recipients have had trouble completing façade projects and some have reapplied for grant funding or the DMB has granted extensions.

Approve 2023 Downtown Programs & Services – Resolution No. 19713

The City Manager reviewed that a public hearing was previously held earlier in the meeting and that the DMB recommended an assessment formula at a 7% rate increase compared to the 2022 formula.

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

WHEREAS, at its meeting of October 3, 2022, the City Council reviewed a report by the City Manager dated September 28, 2022, as required of City Code provisions, that listed proposed programs and services to be provided to property owners and tenants within the Downtown Management Board's territory during 2023 and a proposed roll of special assessments to be spread against properties within the Management Board's district at a 7% rate increase compared to the 2022 formula, as a means of financing such proposed programs and services; and

WHEREAS, following its review of that September 28 report, the City Council scheduled a public hearing for 7:00 P.M., Monday, October 17, 2022, as required of City Code provisions, to receive comments concerning proposed Downtown Management Board programs and services; and

WHEREAS, the City Council now has conducted this October 17 public hearing to receive comments concerning proposed programs and services as recommended by the Downtown Management Board:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby approves proposed programs and services as recommended by the Downtown Management Board and costs as estimated by the Management Board to be assessed eligible property owners within the boundaries of the proposed assessment district at a 7% rate increase compared to the 2022 formula that are coterminous to those of the Management Board's territory; and

BE IT FURTHER RESOLVED that the City staff be and is hereby directed to prepare a special-assessment roll in accordance with the City Council's determination and to provide such a roll with the recommended formula rate for the City Council's review at its regular meeting of November 7, 2022.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Second 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 that since this was a second discussion the proposed ordinance could be adopted.

City Councilmembers inquired if the proposed amendment was city-wide and not just downtown; heard from those encouraging other Councilmembers not to move forward with amendment; heard concerns on why the amendment was not discussed at the Design Committee; inquired if there would be any impact delaying decision; inquired if the one example that was denied if the business is in violation of current ordinance; and recommended the proposed ordinance go to the Design Committee for additional review.

The City Planner responded that the amendment would be city-wide; that delaying the decision will not impact the City; that the original application was approved due to different criteria; and that process is important, but moving forward it should be more streamlined since discussing at three committees and City Council for at least two discussions is not efficient.

The Downtown Director reviewed that the Design Committee meets October 27 and will review the proposed amendment.

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

Mayor Murphy asked for public comments and heard a concern on the process and the fact that there was no design review and was a surprise to the Design Committee; and that there has been a lot of consideration and debate over the years to make downtown the small town, unique environment it is.

Approve Sale of City-owned Property – 1219 Clarion Avenue – Resolution No. 19714

The City Planner reviewed that throughout 2021, Council authorized staff to advertise for surplus City-owned properties through a request for proposals (RFP); that the City released an RFP in September 2022 for 1219 Clarion Avenue; that staff received one proposal to build a house on this property for a full-time resident; and that staff reviewed and recommended that this is a viable use for the property and to move forward on a purchase agreement.

City Councilmembers inquired if there is a sunset or reversion clause in purchase agreement; heard from those questioning the need for a sunset clause; commented on the salt shed relocation and future use of parcel; heard from those in favor of the possibility and that the applicant can meet the building requirements without a variance; and inquired if the property is being sold as-is due to wetlands and high-water table.

The City Manager responded that a sunset clause was not included in the purchase agreement, but the City Attorney could add; that the City does not need the parcel for the future DPW building expansion project; and the property is being sold as-is.

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

WHEREAS, the City of Petoskey is the owner of property at 1219 Clarion Avenue, Parcel Number 52-19-06-452-007; and

WHEREAS, the city released a Request for Proposals (RFP) during the month of September 2022 for 1219 Clarion Avenue after not receiving any interested bidders in 2021; and

WHEREAS, the city received one proposal for 1219 Clarion Avenue that would propose to build a 600 sq. ft. (20x30) house on this property for a full-time resident for the purchase price of \$2,500.

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council hereby approves the sale of 1219 Clarion Avenue to Norman Baumhardt for \$2,500 and authorizes the Mayor to execute the Purchase Agreement as compiled by the City Attorney.

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 Shiels inquired if anyone from the City was attending the MML Conference this week and the City Manager responded he was attending.

There being no further business to come before the City Council, this October 17, 2022, meeting of the City Council adjourned at 8:44 P.M.

John Murphy, Mayor

Sarah Bek, City Clerk