



CITY COUNCIL

July 16, 2018

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, July 16, 2018. 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
Kate Marshall, City Councilmember
Izzy Lyman, City Councilmember
Grant Dittmar, City Councilmember
Jeremy Wills, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry, Downtown Director Becky Goodman and City Attorney James Murray.

Consent Agenda - Resolution No. 19205

Following introduction of the consent agenda for this meeting of July 16, 2018, City Councilmember Marshall moved that, seconded by City Councilmember Lyman adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the June 18, 2018 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 June 18, for contract and vendor claims at \$1,868,788.34, intergovernmental claims at \$5,828.29, and the June 28 payroll at \$211,474.53, for a total of \$2,086,091.16 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Public Comment

Mayor Murphy asked for public comments and George Ramey, Alanson, complimented how nice the fireworks were as part of the July 4 celebration.

City Manager Updates

The City Manager reported that the City will be resurfacing Emmet, Sheridan and Bayfront Drive using MDOT Small Urban Street grant money totaling \$375,000 over the next 6-7 weeks beginning work on Emmet Street; that West Lake Street improvements have been completed; that the Greenway Corridor Phase II improvements are ongoing with the contractor anticipating completion in mid to late August; that the Bridge Street Bridge is open to motorists and the Bear River Trail under the bridge is also open with final improvements to occur in mid to late August with more closures for 2-3 days; that the Parks and Recreation Commission, in conjunction with City staff, will be hosting "Picnics in the Park" engagement events this summer to solicit feedback on current park and recreation services;

that the first picnic will occur at 5:00 P.M., July 19 at Curtis Park with future events scheduled at Washington and possibly Lockwood Parks; that the MDEQ recently passed new legislation pertaining to replacement of all lead service lines on community water systems; that starting in 2021, Michigan communities will be required to replace at least 5% of lead service lines each year over a 20-year period; that Planning Commission will review the CIP 2019-2024 in August and Council will review at the September 17 Council meeting; that four bids have been received for masonry work to City Hall with a wide range of bid amounts from \$58,000 to \$118,000 and staff and architect Rick Neumann are better defining scope of work and reviewing costs; and that the Planning Commission will be hearing a presentation on a conceptual design for 200 East Lake Street at 7:00 P.M., Thursday, July 19.

City Councilmembers inquired on the new legislation concerning the replacement of lead services and how staff will know how far to go on private property. The City Manager responded that staff may need to get inside residences to have a better idea of necessary work and approximate costs.

Building Authority Board of Commissioners Reappointment – Resolution No. 19206

Mayor Murphy reviewed that City Council consider possible reappointment to the Building Authority Board of Commissioners.

City Councilmember Marshall moved that, seconded by City Councilmember Dittmar adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby approves the reappointment of Robert Straebel, City Manager, to the Building Authority Board of Commissioners for a three-year term ending July 2021.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Adopt 2018 Action Plan – Resolution No. 19207

The City Manager reviewed that at the June 18 Council meeting, Councilmembers reviewed the first draft of the 2018 Action Plan and directed staff to place the document on the City's website soliciting feedback from residents. The City Manager reported that by the comment deadline date of July 10, the City received one comment from Derek Shiels; that barring any desired changes to the Plan, Council could approve the document; reviewed the five goals and strategies; and reviewed the letter from Mr. Shiels.

City Councilmembers commented that a citizen inquired on the Action Plan and they were able to explain the purpose of the goal; heard concerns with sustainability goal and difference between talking about it and carrying out policy; discussed all goals and strategies; discussed goal three concerning diversifying and strengthening the City's economic base in regards to developing a parking deck on the Darling Lot and if that is really the end goal of the City; heard comments if hiring a consultant is what Council and staff want; and who would market the property/project.

City Councilmember Lyman then moved that, seconded by City Councilmember Wills adoption of the following resolution and 2018 Action Plan as revised:

WHEREAS, on April 30, 2018 the City Council met with the City Manager and Department Heads to discuss important issues facing the City of Petoskey; and

WHEREAS, as part of this discussion, the City Council, City Manager and Department Heads developed a draft Action Plan that listed five near-term goals for the City of Petoskey;

WHEREAS, at their June 18, 2018 Council meeting, the City Council discussed the draft Action Plan and directed City Staff to seek public comment;

WHEREAS, the City of Petoskey solicited public comment on the draft Action Plan through the City's website for approximately three weeks; and

WHEREAS, the comments on the draft Action Plan were considered by City Council at the July 16, 2018 meeting:

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby approve the attached 2018 Action Plan for the City of Petoskey.

**City of Petoskey
2018 Final Action Plan**

Goal One Insure a Long-Term Sustainable City Budget

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
1. Create a parks/trails and City buildings maintenance plan including cost estimates for repair and upkeep. Consider potential new revenue sources to be used to fund future maintenance and up-keep associated with parks/trails and City buildings.	City Council City Manager Director of Finance Director of Parks and Recreation City Planner	City Council should consider a funding mechanism and work with Staff to pursue a long-range plan for funding maintenance and upkeep for City parks/trails and buildings.	Discussion in 2019
2. Develop a long-term fire equipment needs assessment and financial plan to fund long-term fire equipment needs in future years. Consider "right sizing" the Public Safety Department's fire vehicle fleet by possibly consolidating/downsizing fire truck apparatus. Any "right sizing" of fire response vehicles should consider impacts on the City's Insurance Service Office (ISO) ratings while retaining the highest safety standards for local firefighters. Additionally, the City should explore creating a Fire Capital Equipment Reserve Fund to be used for future purchases of firefighting vehicles.	City Council City Manager Director of Finance Director of Public Safety	According to past reports, in the next 8-12 years the City will need to consider replacing both a 70' ladder truck (est. costs \$800,000-\$1million) and possibly two rescue pumpers (est. costs \$1million-\$1.2million). City Staff will develop options on how to pay for these costly capital equipment purchases for City Council's consideration.	Will be addressed in 2019 Motor Pool and each year forward
3. Achieve 90% funding for all employee divisions pertaining to the Michigan Employment Retirement System (MERS) defined benefit plans. On an annual basis, review the MERS Annual Actuarial Valuation Report for funding levels to further reduce the Unfunded Accrued Liability (UAL). Identify options to further reduce the UAL until 90% funding is achieved.	City Council City Manager Director of Finance	Over the last 2-3 years, MERS has made adjustments to mortality rates, amortization periods and the assumed rate of return on investments leading to substantial increases in annual Defined Benefit payments for the City.	Summer of each year

Goal Two

Plan for New Infrastructure as well as Maintenance of Current Infrastructure to Accommodate the future

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
1. Identify and extend the Capital Improvement Plan (CIP), the long term infrastructure needs of city departments, indicating both new and replacement needs as well as long-term infrastructure maintenance requirements. Identify long-term capital replacement and maintenance needs for long-term planning.	City Council Director of Public Works Director of Finance Director of Parks and Recreation City Planner City Manager	Currently, City officials annually develop a six-year CIP for City Council's approval. Extending analysis an additional 10 years into the future may provide a clearer picture for City officials of the City's infrastructure needs over the long-term.	A routine process has been developed whereby the CIP is publicly presented to the Planning Commission for their review and approval, and detailed public presentations are done for City Council on a project-by-project basis. Starting in the 2019 Budget process, City Staff will create a list of critical capital improvements needed for an additional 10 years.
2. Aggressively pursue grants to support specific infrastructure needs, including Bureau of Indian Affairs funding for streets where appropriate	City Council Director of Public Works Director of Finance Director of Parks and Recreation City Planner City Manager	A master list of past awarded grants along with deadline dates would assist Staff in maximizing grant dollars awarded to the City.	On-going
3. Consider specific revenue sources for infrastructure and building repair and maintenance. For example, a mill levy for improvements to City Hall and/or repaving the Little Traverse Wheelway could be considered when the Public Safety Equipment millage sunsets in 2020.	City Council Director of Public Works Director of Finance Director of Parks and Recreation City Planner City Manager	Over the past several decades, the City has constructed a comprehensive network of high quality community amenities leading to Petoskey's reputation as a premier northern Michigan community in which to live, work and recreate. Some of these amenities include a historic downtown, renovated City Hall, award-winning pedestrian/bicyclists trail system, Winter Sports Park, and City Marina. These valuable amenities are in need of on-going maintenance and repair in the coming years. To maintain the highest standards for our local infrastructure and community amenities an additional revenue source may need to be identified and pursued.	2018-2020

Goal Three Diversify and Strengthen the City’s Economic Base

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
<p>1. On an annual basis, review the City’s Redevelopment Ready Communities (RRC) Program Economic Development Strategy. Focus on the viability of identified redevelopment sites as well as appropriate economic incentives.</p>	<p>City Council City Manager City Planner</p>	<p>Through the RRC Economic Development Plan, the City has identified three sites on which to focus economic redevelopment efforts. The sites include 200 East Lake Street, the Darling Lot and 900 Emmet Street.</p> <p>The City will consider not only the economic development viability for each site, but also whether economic development incentives included in the Economic Development Strategy are appropriate.</p>	<p>Starting in early 2019 and each year thereafter</p>
<p>2. Through a competitive Request for Qualifications (RFQ) process, hire a consultant to develop a conceptual plan for a mixed-use development at the City-owned Darling Lot based upon comments by the Planning Commission, City Council and general public.</p>	<p>City Council City Manager City Planner DMB Director</p>	<p>A mixed-use development that includes commercial, residential and some form of covered parking on the Darling Lot will require a private/public partnership. The City should be proactive in developing conceptual plans that adhere to current local planning and zoning regulations to better market the site to prospective developers.</p>	<p>Complete conceptual drawings of a mixed-use development in 2019. Market the site to prospective developers in the future.</p>

Goal Four

Identify and Address Downtown Development Issues

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
1. Using past studies on the Lake Street/Division Street parking lot as well as the Darling Lot Study completed in 2017, consider several specific strategies to increase parking in the downtown area. When planning downtown infrastructure projects consider different street parking options to maximize downtown parking.	City Council City Manager City Planner Director of Public Works DMB Director	Focus is to increase the number of covered parking spots as well as optimize downtown street parking options.	April, 2019
2. Examine and remove to the extent feasible obstacles to downtown residential uses.	City Council City Planner City Manager DMB	Developers have identified a lack of covered parking as a critical impediment to renovating second and third story floors in the downtown area for residential uses.	On-going
3. Consider whether property code enforcement should be expanded and encourage all business owners to participate in the voluntary self-inspection fire safety program.	City Council City Manager Public Safety Director DMB Director	Encourage all property owners to maintain their properties, given the importance to the City's economy and property valuations. Currently, the Public Safety Department offers a voluntary fire inspection services for free.	On-going

Goal Five

Develop and Promote Community Sustainability Measures

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
<p>1. In 2018, pursue Silver certification through the Michigan Municipal League's Michigan Green Community (MGC) Challenge program. Strive for Gold Certification in 2019 and maintain gold certification levels for futures years.</p>	<p>City Council City Manager City Planner Director of Public Works Parks and Recreation Director</p>	<p>The Michigan Green Communities Challenge is an annual program that serves as a guide to help local communities measure their progress towards sustainability. Currently, the City has achieved bronze certification in the program. Benefits of participating in the Michigan Green Community Challenge include:</p> <ul style="list-style-type: none"> • Roadmap for sustainability initiatives; • Earn bronze, silver or gold certification for community efforts; • Benchmark progress towards sustainability initiatives; • Compare and compete with other communities. 	<p>Silver Certification in 2018 Gold Certification in 2019</p>
<p>2. Working in partnership with the C.S. Mott Foundation and Petoskey/Harbor Springs Community Foundation, develop initiatives to advance the use of clean and renewable energy within both the City and regionally.</p>	<p>City Council City Planner City Manager Public Works Director Parks and Recreation Director</p>	<p>Key activities associated with the C.S. Mott initiative include:</p> <ul style="list-style-type: none"> • Expanding and diversifying stakeholders engaged in clean energy efforts; • Support efforts to integrate energy management into organizational plans; • Promote a broader understanding of the value of clean energy efforts. 	<p>On-going</p>

Goal Five

Develop and Promote Community Sustainability Measures continued

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline</u>
<u>Highest priority strategies</u>			
<p>3 Develop a Request for Proposal to hire a consultant in drafting a Sustainability Plan on the focus areas of social equity, economic prosperity and environmental integrity. Bring forth proposals for City Council's consideration awarding a contract to the most qualified consultant.</p>	<p>City Council City Manager City Planner Public Works Director Finance Director Parks and Recreation Director</p>	<p>A Sustainability Plan could include but is not limited to the following:</p> <ul style="list-style-type: none"> • Fiscal sustainability; • City enhancing high quality municipal services and infrastructure at a fair tax rate; • Protect and preserve high air and water quality standards within the City; • Measures to further preserve and protect natural resources and recreation assets; • Transitioning to green infrastructure for environmental and cost-saving considerations; • Conserve energy and promote energy efficiencies and use of clean and renewable energy; • Increase recycling while reducing waste generation. 	<p>2018-2019</p>

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Council Comments

Mayor Murphy asked for Council comments and Councilmember Wills commented that staff should work with landscaper to cleanup overgrowth at Solanus Beach to parallel the Master Plan and inquired if water bags were needed for the trees along Emmet Street. Councilmember Dittmar commented that there are a lot of untidy trees along highway that need to be removed. Councilmember Marshall commented that currently there is only one licensed food truck able to vend on public property. Mayor Murphy concurred with opinions on trees and that larger untidy trees should be removed and open up the view of the bay.

Recess to Closed Session – Resolution No. 19208

City Council was being asked to adopt a resolution that would recess to a closed session pursuant to Section 8(h) of the Michigan Open Meetings Act, to consider material exempt from disclosure.

City Councilmember Wills moved that, seconded by City Councilmember Marshall adoption of the following resolution:

WHEREAS, the City Manager has requested that the City Council recess to a closed session, pursuant to Section 8(h) of the Michigan Open Meetings Act, to consider material exempt from disclosure, at the City Council's regular meeting of July 16, 2018:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to recess to a closed session, to consider material exempt from disclosure.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Recessed to closed session at 8:07 P.M. and reconvened into open session at 9:20 P.M.

There being no further business to come before the City Council, this July 16, 2018, meeting of the City Council adjourned at 9:21 P.M.

John Murphy, Mayor

Alan Terry, City Clerk-Treasurer