



CITY COUNCIL

October 15, 2018

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 15, 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, Public Safety Director Matthew Breed and Downtown Director Becky Goodman.

Conduct Public Hearing and Approve Special-Assessment Downtown Programs & Services – Resolution No. 19227

A public hearing was held to receive comments on the proposed programs and services. The Downtown Director reviewed the 2019 DMB Programs and Services budget and proposed activities. The Mayor opened the public hearing at 7:22 P.M. and there were no public comments. The public hearing was closed at 7:23 P.M.

City Councilmembers inquired if the Chamber of Commerce helped fund the holiday catalog; that social media is a great way to reach the public; and that Wall Street Journal mentioned Petoskey in an article by an RV user. The Downtown Director responded that the Chamber does not help fund the holiday catalog.

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

WHEREAS, at its meeting of October 1, 2018, the City Council reviewed a report by the City Manager dated September 21, 2018, 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 2019 and a proposed roll of special assessments to be spread against properties within the Management Board's district at the same formula rate as last year, as a means of financing such proposed programs and services; and

WHEREAS, following its review of that September 21 report, the City Council scheduled a public hearing for 7:00 P.M., Monday, October 15, 2018, 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 15 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 the same rate as last year 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 5, 2018.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Consent Agenda - Resolution No. 19228

Following introduction of the consent agenda for this meeting of October 15, 2018, City Councilmember Dittmar 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 October 1, 2018 regular session and October 9 special session City Council meetings 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 1, for contract and vendor claims at \$892,381.56 intergovernmental claims at \$75,973.36, and the October 4 payroll at \$194,713.82, for a total of \$1,163,068.74 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 David Clink, 7463 Old US-31, is concerned about the Bay Harbor light; that the caution light should be lengthened and reduce the speed limit; and asked that records on traffic accidents in that area be sent to MDOT.

City Manager Updates

The City Manager reported that TIFA funds are ineligible for parks maintenance and tree removal, but rather typically used for new facilities or amenities or renovations of current facilities; that there is a green infrastructure presentation on October 19 at City Hall; that MEDC partners with MML once a community is RRC certified and City staff met with MEDC representatives on furthering the Darling Lot and that in the near future MML will contact staff and offer predevelopment assistance to identify a public visioning process for development of conceptual plans; that local pickle ball enthusiasts continue fundraising efforts to develop three pickle ball courts at Riverbend Park and that \$42,000 has been raised to-date with a goal to achieve 50% of total project costs of \$135,000 to apply for a DNR Passport grant; reviewed Mott Foundation grant initiatives that the City is working on including a potential resiliency/sustainability plan, staff trainings on the Energy Star Portfolio Manager software program to set benchmarks and track energy usage, possible solar array locations and funding availability for energy audits; reviewed the Fall leaf pick-up schedule; reported that Petoskey has the highest participation in the MPPA Voluntary Green Pricing Program; that the Bayfront Park paving project is complete; that the contractor will begin the Pennsylvania Park restroom renovation project early next week; that Parks and Recreation staff cleared brush and dead vegetation at Solanus Mission Beach and are working with Beckett and Raeder on a conceptual plan for landscaping and a possible observation deck; and provided a brief update on City Hall repairs.

City Councilmembers inquired if caulking as part of the City Hall repairs will take care of City Hall window replacement; if staff discussed with MEDC outside visioning efforts of projects; that staff should contact the Historical Society to discuss historic districts before development at the Darling Lot; and that all Councilmembers should mention to ward residents that the VGP program is available. The City Manager responded that caulking might fix water leakage, but that eventually the windows will have to still be replaced due to age and deterioration and that RRC development visioning is based on comments from the community and not a vision of the outside contractor.

Hear Recreational Marihuana Presentation

The City Manager reviewed that the Public Safety Director received a request from a Councilmember to provide information on the upcoming proposal to legalize recreational use of marihuana in the State of Michigan and that the State currently prohibits the recreational use of marihuana and has restrictions in place regarding medicinal marihuana.

The Director of Public Safety gave a brief presentation and reviewed Federal vs State laws; reviewed the Medical Marihuana Licensing Act and that there are five different licenses available under the Act; provided an overview of the ballot proposal and how it may impact the City; reviewed certain options for local government and potential revenue distribution; reviewed pros and cons from other states that have legalized recreational marihuana; and that he is not aware of any time limit in determining legal sales and local governments decision to opt in or out.

Mayor Murphy asked for public comments and heard comments that license fees have to be cost justified and jurisdictions can't charge an absurd amount; inquiries on what community costs will be to enforce; if law enforcement has any position on proposal; that there is low excise tax to eliminate black market; that if legalized it will increase employment opportunities and help law enforcement; and concerns with drug driving. The Public Safety Director responded that he is unsure of potential costs to enforce and that law enforcement is opposed to legalization based on enforcement issues.

City Councilmembers asked that staff forward a copy of the presentation on to Councilmembers.

Hear Public Safety Equipment Presentation

The Director of Public Safety gave an informational presentation in reference to the recently approved 2019-2024 Capital Improvement Plan as it relates to the purchase of fire apparatus. The Director reviewed future purchases of fire equipment including refurbished equipment such as the Rescue Pumper truck replacement to be ordered in 2019 and 70-foot Ladder Truck refurbish in 2021 to be funded with the remaining public safety millage revenues; that there are concerns with safety equipment on vehicles; that this plan, along with a planned "refurbish" of the City's 70-foot ladder truck will significantly push out the date of replacement of apparatus; that these additional years will allow staff to build a fund specifically geared towards aiding apparatus replacement; and that this plan is part of the 2018 Council-approved action plan and goals.

Mayor Murphy asked for public comments and heard kudos from a citizen and thanked staff for preparing a great plan.

Authorize Snowplowing Service Contract – Resolution No. 19229

The City Manager reviewed that the City's current three-year-long service contract for snowplowing of parking lots within the downtown area, parks and at various other City-owned facilities is scheduled to expire prior to the 2018-19 winter season. The current contract is held by Paulben, LLC, Petoskey, for a per-event cost of \$326. Detailed specifications were available and one bid was submitted on September 19. DPW staff recommended that Council authorize contracting with Dunkel Excavating Services, Inc., Petoskey, for \$275 per snowfall occurrence.

City Councilmembers inquired if the contract amount is separate from hauling and the City Manager responded that it is separate.

City Councilmember Marshall then moved that, seconded by City Councilmember Wills to authorize contracting with Dunkel Excavating Services, Inc., Petoskey, for snowplowing of parking lots within the downtown area, parks and various other City-owned facilities for \$275 per snowfall occurrence.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Hear MERS Retirement Plan Update

The Director of Finance reviewed that the City provides retirement benefits through the Michigan Municipal Employees' Retirement System (MMERS), which has four separate divisions including General Nonunion, DPW Teamsters union, Public Safety union and Public Safety Lieutenants union; that in late 2015 MMERS announced several changes to the actuarial assumptions used in determining required contributions for defined benefit retirement programs, with the changes taking effect in 2017; that the new assumptions have significantly increased the City's Unfunded Accrued Liability (UAL), along with required annual contributions; that the City took several steps to mitigate the increase in contributions as well as reduce the UAL.

The Finance Director further reviewed retirement plan changes; the 2017 MERS Actuarial Valuation Report; summarized the City's UAL; that in 2017 the City made a \$1,000,000 payment to MMERS towards the UAL of the DPW Teamsters division, which almost eliminated the UAL for that division; that Public Safety divisions increases are larger since they have the higher 2.50% multiplier; that the City made another \$1,000,000 payment in 2018 towards the UAL of the Nonunion staff which should result in a funded amount of 84% in 2018; reviewed statistics of other MERS members; that the City set a goal of working to achieve a funding level of 90%, which may take several more years to achieve; and that future budget proposals, including the 2019 Budget, will continue to include additional funding towards the UAL.

Council Comments

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

There being no further business to come before the City Council, this October 15, 2018, meeting of the City Council adjourned at 9:00 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer