



## CITY COUNCIL

December 3, 2018

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, December 3, 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  
Grant Dittmar, City Councilmember  
Jeremy Wills, City Councilmember

Absent: Izzy Lyman, City Councilmember

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

### **Hear Electric Rate Study Presentation**

Dawn Lund of Utility Financial Solutions, LLC, Holland, Michigan, gave a brief presentation regarding the Electric Cost of Service Study and Financial Projection and the methodology used in determining electric service rates based on annual revenue requirements and the costs involved in providing those services to the various customer classes. Ms. Lund also reviewed that the report provides the City with a long-term financial plan, electric cost of service and unbundling rate study that would determine the City's electric-utility revenue requirements for 2019 and beyond; identify cross-subsidies that may exist between rate classes; recommend rate adjustments needed to meet targeted revenue requirements; unbundled electric rates; and identify the appropriate monthly Ready-to-Service Charge for each customer class.

Mayor Murphy asked for public comments and heard an inquiry on rate shock. Ms. Lund reviewed rate amounts.

The Finance Director reported that the Rate Design, which includes rate recommendations, will be presented to City Council at the next regular Council meeting.

### **Consent Agenda - Resolution No. 19240**

Following introduction of the consent agenda for this meeting of December 3, 2018, City Councilmember Marshall moved that, seconded by City Councilmember Wills adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the November 19, 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 November 19, for contract and vendor claims at \$735,952.51 intergovernmental claims at \$29,698.32, and the November 29 payroll at \$202,106.01, for a total of \$967,756.84 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Dittmar, Wills, Murphy (4)

NAYS: None (0)

### **Hear Public Comment**

Mayor Murphy asked for public comments and Jim Ehrnst, 702 Elizabeth Street, commented on recreational marijuana and that Charlevoix and Traverse City have taken action; that over 50% of Petoskey voters were in favor of recreational marijuana; that East Jordan and Harbor Springs opted out; and that allowing businesses is an opportunity for the City to receive revenues.

### **Hear City Manager Updates**

The City Manager reviewed that a legal brief was developed by the City Attorney regarding recreational marijuana for Council's review and that there is no rush to opt in or out on commercial operations at this time as the State has one year to promulgate regulations regarding retail shops, growing facilities and other licensing provisions; that winter street parking regulations began December 1 and are in effect until April 1; that the Michigan Recreation and Park Association (mParks) recently selected Phase II of the Greenway Corridor for a "Park Design" award; that City staff was trained last week in the use of Energy Star Portfolio Manager as well as incorporating energy efficiency projects into the annual CIP review process and that the City benchmarked energy usage in Portfolio Manager for both the DPW building and City Hall; that the Planning Commission will hold two public hearings on December 13 concerning rezoning 200 East Lake Street and fence regulations; reviewed downtown bathroom progress and that the new structure should be enclosed by December 24, weather permitting; and that City staff is working on a \$15,000 Healthy Greenspace grant through the Health Department of Northwest Michigan to go towards construction of three pickle ball courts at Riverbend Park.

Councilmembers discussed pedestrian access to stairs, sidewalks and City facilities during the winter.

### **Discuss Changes to Downtown Parking Fees, Fines and Enforcement Hours**

The Downtown Director reviewed that the DMB voted 6-2 to support the Parking Committee's recommendations to City Council and City Manager concerning revisions to the parking fees, fines and enforcement hours. The Downtown Director further reviewed use of past and current parking revenues for various projects and how proposed increase in revenues would be used; that the purpose of additional revenues has always been to aid in funding a future parking structure; that the reserves are increasing, but not fast enough to fund a structure; reviewed proposed fee increases including raising meter fees, raising ticket fines since a \$5 ticket is no incentive to feed the meter, increasing hours of enforcement by an hour until 6:00 P.M., raising meter bag fees and increase monthly tiered permit fees; that there is free parking outside the downtown area; that the DMB discussed accelerated late fees and recommended reduction on those fees; and that the DMB is looking at purchasing new meters that would accept credit cards.

City Councilmembers inquired on how parking lot permits work; commented that changing fees now would aid in funding a ramp as well as parking space turnover; discussed the importance of using revenues for past, current and future projects; and appreciated efforts of the DMB for moving forward on the proposed parking changes.

Mayor Murphy asked for public comments and heard comments to be cautious about raising rates and who they will affect; that proposed changes should be tabled if City staff is not serious about building a parking structure; heard from those opposed to increases; that talk about a parking structure has been ongoing for years and seems greedy; that there is only a real problem about a month out of the year; that meters are important and that the DMB has been funding projects as urged to do so by City Council; and heard that various parking spaces are \$0.25 to park and other areas that are free.

### **Approve 2019 Meeting Schedule – Resolution No. 19241**

The City Manager next reviewed the proposed City Council meeting schedule for 2019 and noted two cancellations due to the same timing as Petoskey School's spring break and Labor Day holiday. The City Manager also noted that dates were flexible if any Councilmembers had concerns.

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

WHEREAS, Section 4.4 of the City Charter governing City Council meetings requires the City Council to meet regularly, preferably in the City Council Chambers in the City Hall, on the first and third Mondays of each month; and

WHEREAS, due to the holidays certain scheduling conflicts preclude the City Council from holding meetings on the first and third Mondays of each month; and

WHEREAS, the City Council desires to establish a regular meeting schedule in accordance with the requirements of Section 4.4 of the City Charter for the 2019 calendar year:

NOW, THEREFORE, BE IT RESOLVED that the City Council shall hold its regular meetings in the City Council Chambers in the City Hall on the following dates in 2019:

Monday, January 7  
Monday, January 21  
Monday, February 4  
Monday, February 18  
Monday, March 4  
Monday, March 18  
Monday, April 1 (No Meeting)  
Monday, April 15  
Monday, May 6  
Monday, May 20  
Monday, June 3  
Monday, June 17  
Monday, July 1  
Monday, July 15  
Monday, August 5  
Monday, August 19  
Monday, September 2 (No Meeting)  
Monday, September 16  
Monday, October 7  
Monday, October 21  
Monday, November 4  
Monday, November 18  
Monday, December 2  
Monday, December 16

Said resolution was adopted by the following vote:

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

NAYS: None (0)

**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 December 3, 2018, meeting of the City Council adjourned at 9:00 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer