



CITY COUNCIL

May 6, 2019

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, May 6, 2019. 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
Suzanne Shumway, City Councilmember
Grant Dittmar, City Councilmember
Lindsey Walker, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry, City Planner Amy Tweeten, Parks and Recreation Director Kendall Klingelsmith and Downtown Director Becky Goodman.

Hear 2018 Audit Presentation

Trina Edwards, Dennis, Gartland & Niergarth, Traverse City, was in attendance and presented information concerning the City's Financial Statements and Report of Independent Certified Public Accountants as the annual audit for the City's fiscal year ended December 31, 2018. Ms. Edwards also reviewed and answered questions on the audit-related communications letter and adjusted journal entries.

Consent Agenda - Resolution No. 19292

Following introduction of the consent agenda for this meeting of May 6, 2019, City Councilmember Dittmar moved that, seconded by City Councilmember Marshall adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the April 15, 2019 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 April 15, for contract and vendor claims at \$1,092,111.36 intergovernmental claims at \$0, and the April 18 and May 2 payrolls at \$390,192.62, for a total of \$1,482,303.98 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Dittmar, Walker, Murphy (5)

NAYS: None (0)

Hear Public Comment

Mayor Murphy asked for public comments and there were comments on the opposition of marijuana discussion from the last Council meeting; heard from those in support of marijuana; that Red Sky Stage on Mitchell Street is a great place for area residents; heard concerns with the number of empty store fronts in downtown; that Red Sky Stage is no longer leasing a building in downtown due to landlord evicting tenant; heard comments on Red Sky Stage and issue with leasing the building and using to host various meetings that individual feels doesn't align with landlord's expectations; heard concerns on how one landlord has several empty storefronts in the downtown; and heard comments concerning recreational marijuana.

City Councilmembers inquired if there were any issues with landlord, Chris Redding's, vacant properties and concurred that the issue is between the landlord and business owner. Mayor Murphy praised the owner of Red Sky Stage on his years of business and service in the community, but that the issue should be handled between the landlord and tenant.

Hear City Manager Updates

The City Manager reported that the Darling Lot is a redevelopment priority site and reviewed the process and scope of work as part of the Redevelopment Ready Communities program and that there will be stakeholder and public sessions; reviewed the Master Plan timeline and process over next three months; that the Michigan Environment Great Lakes and Energy (EGLE) Department awarded the City's Parks and Recreation Department a small grant for Bear River cleanup and recognized MSU alumni for their recent cleanup efforts along the Bear River Valley; that Bob Berg, owner of 200 East Lake Street, will be submitting an application to the Planning Commission in June for a Preliminary Planned Unit Development (PUD) rezoning request; reviewed that the Mayor sent letters and made phone calls to State legislators opposing House Bill 4046 concerning short-term rentals in order to protect Home Rule and the ability for a municipality to regulate short-term rentals and that there appears to be no support to move draft bill forward due to the strong opposition from Michigan communities; that National Oceanic and Atmospheric Agency (NOAA) installed a solar powered lake water level gauge on Pier A at the Marina to measure water levels and will be removed in October; provided an update on the downtown bathrooms and that staff anticipates bathrooms to be opened by the end of the week or early part of next week; that a ribbon cutting ceremony is scheduled for 5:30 P.M., June 7 during Summer Open House; provided an update on the US-31 highway realignment project; reported that there will be a special presentation by the City Attorney on the Open Meetings Act for members of City Council, Planning Commission and Downtown Management Board at 5:30 P.M., Tuesday, May 14; and recognized the fire departments of Bear Creek/Resort Township, Harbor Springs, Springvale, Charlevoix Township and the Petoskey Public Safety Department for their efforts to fight a major hotel fire at America's Best Value Inn, located at Sheridan and Spring Streets, last Friday night and also commended Public Safety Director Breed, Public Safety staff and the City's Water Department crew for their tireless efforts.

City Councilmembers discussed Darling Lot process and voiced concerns with community involvement in determining options and flexibility to alter structure if future driving habits change; and that curbing near Elizabeth Street needs to be looked at.

Adopt Ord. 769 – Prohibiting Recreational Marijuana Establishments – Resolution No. 19293

The City Manager reviewed that this was a second reading of a proposed ordinance prohibiting recreational marijuana establishments within the City of Petoskey and that staff and the City Attorney recommend opting out of recreational marijuana to maintain local control until the State establishes rules and regulations.

City Councilmembers commented that this is a temporary ordinance until the State determines regulations and heard from those not looking to oppose, but rather looking to protect local controls.

Mayor Murphy asked for public comments and heard from those thanking City Council for opting out with hopes of not opting back in at a later date; heard a comment that this is a conservative approach; that concerns are all about safety; and heard from those supporting medical and recreational marijuana.

City Councilmember Dittmar moved that, seconded by City Councilmember Walker adoption of the following ordinance:

ORDINANCE NO. 769

AN ORDINANCE TO AMEND CHAPTER 8 OF THE PETOSKEY CODE OF ORDINANCES, BUSINESSES AND BUSINESS REGULATIONS, CREATING A NEW ARTICLE VI- MARIJUANA ESTABLISHMENTS, WITHIN THE CITY OF PETOSKEY

The City of Petoskey ordains:

1. SECTION 8-169 PROHIBITION OF RECREATIONAL MARIJUANA

Section 8-169 is added to Article VI of Chapter 8 of the Code of Ordinances to read as follows: prohibition of recreational marihuana establishments.

The Michigan Regulation and Taxation of Marihuana Act (“the Act”) was initiated by the voters of the State of Michigan pursuant to Proposal 1, the Marijuana Legalization Initiative, on November 6, 2018. The Act authorizes cities, villages, and townships to completely prohibit recreational marihuana establishments within their boundaries. Pursuant to that authority, recreational marihuana establishments as defined in the Act are hereby prohibited within the City.

2. SECTION 8-170-199 RESERVED

All other provisions of the Code of Ordinances not specifically amended shall remain in full force and effect.

Nothing in this ordinance shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby revised as cited in Section 8.169 of this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired, or affected by this ordinance.

This ordinance shall take effect fifteen (15) days following its enactment and shall be published once within seven (7) days after its enactment as provided by Charter.

Said ordinance was adopted by the following vote:

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

NAYS: Walker (1)

Hear Annual Review of Economic Development Strategy

The City Planner reviewed that the Economic Development Strategy was adopted by City Council on February 20, 2017 as one of the requirements of the Redevelopment Ready Communities certification process; that City Council identified in successive goal setting sessions that increasing tax base was the fastest way to gain back taxable values due to the Headlee Amendment and Proposal A; that the RRC program provided a framework for setting goals and defining where to encourage redevelopment; that an annual review of the Economic Development Strategy is an opportunity to see what progress has been made and whether new goals or strategies should be incorporated and is a requirement of the RRC program; and that the Economic Development Strategy identifies certain metrics that are tracked annually to evaluate progress toward established goals.

The City Planner further reviewed accomplished goals such as continuing support for the City's first-class park system and downtown area that define the communities unique sense of place; working with developers on priority redevelopment sites to address needed housing and infrastructure such as a parking structure; partnering with other units of government and non-profit organizations to improve our regional transportation system and address regional housing issues; and that staff tracks data annually on home sales, building permits, business starts and closings, updated Census Data on population, income, poverty rates and housing data.

City Councilmembers inquired if there were any housing or commercial ideas for 900 Emmet Street and if approval of accessory dwelling units would help housing issue.

The City Planner responded that a joint commercial & residential use has been discussed for 900 Emmet Street and that accessory dwelling units would help housing issues.

First Reading of a Proposed Ordinance Amending Appendix A – Fences

The City Planner reviewed that the Planning Commission has been discussing fence regulations for several months following a request for consideration of front-yard garden fencing; that language was modified to only address corner-front yards based on input received from the joint City Council and Planning Commission meeting on January 28; reviewed that the language is amended in Section 1712, moving existing definitions and adding new definitions to Section 201, and allowing decorative fences, as defined, in corner-front yards only.

City Councilmembers reviewed proposed ordinance and discussed how corner fence ordinance amendment discussions began.

Mayor Murphy asked for public comments and heard a comment concerning proposed fencing for garden fences and that 64 square feet is not sufficient in size to grow a decent size garden in the front yard; that wild animals are damaging gardens; and that there needs to be a solution for farming especially since wire fences have been zoned out.

City Council will conduct a second reading of the proposed ordinance at the next regular scheduled meeting.

Authorize Marina Ice Repair Contract – Resolution No. 19294

The City Manager reviewed that routinely included within the City's annual budget are monies in the Bayfront Park Marina Restricted Fund Balance as part of the General Fund, which are utilized for improvements, ice damage and emergency repairs to marina facilities. The Director reviewed the proposal to repair docks due to ice damage from this year's severe winter temperatures and heavy ice conditions; that in early 2019 before ice damage occurred, staff placed more bubblers in the Marina with additional attention given to areas with a history of repair; that one bid was received; and recommended the sole bidder who was the same contractor that performed similar work in 2018.

City Councilmember Marshall moved that, seconded by City Councilmember Dittmar to authorize contracting with R.B. Lyons, Inc., Charlevoix, for ice damage repair in the amount of \$57,400.

Said motion was adopted by the following vote:

AYES: Marshall, Shumway, Dittmar, Walker, Murphy (5)
NAYS: None (0)

Discuss City Manager Performance Evaluation Form

The City Manager reviewed that the Mayor requested to review the City Manager's performance evaluation form that has been used over the past several years; that during last year's performance evaluation, City Council discussed using a different evaluation form for 2019; and that City Council should discuss if they want to change the current performance evaluation form, and if so, identify the process on how this change should occur.

City Councilmembers concurred to look at using a different form and will discuss at a future meeting, once the City Manager is able to provide Council with additional examples.

Council Comments

Mayor Murphy asked for Council comments and City Councilmember Shumway encouraged discussion on accessory dwelling units. City Councilmember Walker commented that she doesn't like to hear when tenants lose locations downtown and supported Earth Day Proclamation.

There being no further business to come before the City Council, this May 6, 2019, meeting of the City Council adjourned at 9:25 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer