



CITY COUNCIL

July 15, 2019

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, July 15, 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

Absent: Lindsey Walker, City Councilmember

Also in attendance were City Manager Robert Straebel, Executive Assistant Sarah Bek and Public Works Director Michael Robbins.

Consent Agenda - Resolution No. 19314

Following introduction of the consent agenda for this meeting of July 15, 2019, City Councilmember Dittmar moved that, seconded by City Councilmember Shumway adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the June 17, 2019 regular session and June 24, 2019 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 June 17, for contract and vendor claims at \$1,080,538.76, intergovernmental claims at \$5,630.95, and the June 27 and July 11 payrolls at \$464,591.95, for a total of \$1,550,761.66 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Hear Public Comment

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

Hear City Manager Updates

The City Manager reported that MML is hosting a webinar on the new emergency rules for recreational marijuana tomorrow at 10:00 A.M. and invited Council and the public to join staff at City Hall; that the Planning Commission will be conducting a public hearing on the medical marijuana zoning ordinance and discussing Harbor Hall expansion project on Thursday; that Planning Commission scheduled a special meeting for July 25 to discuss the preliminary PUD zoning change for 200 East Lake Street; that the Parks and Recreation Commission will be hosting the second community picnic at Washington Park at 6:00 P.M., July 18; that he will be attending the Michigan Municipal Executive (MME) Conference in Alpena July 23-26; that 116 parking meters have been installed by Traffic and Safety Control System personnel with the remaining to be installed later this week and commended the Downtown Director and staff for the smooth transition;

gave a brief update on the MDOT highway improvement project; that City staff has been working on the CIP 2020-2025 which will be discussed at the Planning Commission meeting in August and City Council in September; that new garage doors have been installed at the Lake Street Fire Station; that the Parks and Recreation Commission has been working on the development of hammock areas and with the financial support and labor from Lowe's, Bearcub Outfitters, Latitude 45 and T-Mobile three hammock areas were created near Mineral Well Park, Magnus Park and just east of the Lime Kiln Pond; and that there has been more erosion on Little Traverse Bay near the Lime Kiln Pond and the Parks and Recreation Department is working with engineers to restabilize the area.

City Councilmembers commented that the Chamber was hosting an event concerning 200 East Lake Street development and charging a \$10 fee to attend and that citizens were questioning this meeting; and that there is erosion along the east side of the Bear River.

The City Manager responded that the Planning Commission meeting is scheduled for July 25 and that City staff will attend and that public participation is welcomed and received at any public meeting and the City does not charge a fee to participate; and that staff will look into the Bear River erosion.

Mayor Murphy asked for public comments and heard an inquiry if food will be provided for everyone at the Washington Park picnic and when the marijuana webinar would be held. The City Manager responded that the Parks and Recreation Commission is paying for the picnics and that food is provided to all attendees and that the webinar is 10:00 A.M., tomorrow at City Hall.

Approve City Manager's Performance Evaluation Form – Resolution No. 19315

The City Manager reviewed that this was a third discussion regarding the City Manager's performance evaluation form; that at the May 6, 2019 meeting Councilmembers directed the City Manager to bring forth examples of performance evaluation forms specifically for a City Manager position; that eight examples were provided from MML, ICMA, National League of Cities and on a listserve through the Michigan Municipal Executives (MME); and that at the May 20 meeting Councilmembers reviewed the evaluations and concurred to have staff create a form using the City of Durand format with City of Richmond criteria.

City Councilmembers liked the clarity of the form and that it is user-friendly; inquired if it was an oversight eliminating the Intermediate and Long Range Planning section from Durand; favored having the Intermediate and Long Range Planning section added to form; commended the City Manager's efforts in future planning; and commented that it is awkward to have a Manager-Staff Relations section when Council isn't aware of staff relationships and doesn't interfere with day-to-day operations.

City Councilmember Marshall moved that, seconded by City Councilmember Shumway to approve the City Manager's performance evaluation with modifications including the addition of the Intermediate and Long Range Planning section from City of Durand and removal of the Manager-Staff Relations section.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Discuss Energy Innovation and Carbon Dividend Act of 2019

The City Manager reviewed that at the last City Council meeting Petoskey citizen, Ron Marshall, requested that City Council consider adopting a resolution encouraging the United States Congress to pass the Energy Innovation and Carbon Dividend Act of 2019.

Mr. Marshall gave a brief presentation on the Act; reviewed current concerns such as air pollution, energy waste and energy grid issues; that the market has failed since it maintains the demand for dirty, inefficient energy; applauded City Council for taking action on renewable energy and clean city initiatives; that emissions need to be reduced and can be done by adding a price and increasing cost; that the Act puts a price tag on emissions and dividends provided; and reviewed policy benefits including that the Act is supported by economists, that overall health will improve by reducing pollution, carbon dividends put money into consumers' pockets, job creation and revenue neutral.

City Councilmembers expressed that they are aware of climate issues, but had personal concerns and reservations of supporting a federal movement; asked for an explanation on revenue neutral; inquired on the status of the Act and where it was currently being reviewed; heard inquiries if other states were enacting on their own; that the plan is interesting in that it uses forces of capitalism for energy; inquired why it was important to support on a local level when decision is made in Washington; commended Dr. Marshall for presenting, but heard concerns that matter is outside of Council's scope; that there may be more support if several communities were in support and moving along in Congress; and that the market will rise and fall and more statistics and research is needed to make a more logical decision.

Mr. Marshall responded that revenue neutral is when money is put into fossil fuels and then a dividend gets taxed; that the Act is currently being reviewed by Congress, but may have challenges with the Senate; that Canada currently has carbon tax in effect; and that it is important that the local level discuss for community awareness and since Petoskey has similar values and is a clean initiative community.

Mayor Murphy asked for public comments and heard a comment that supporting this Act is an opportunity for Petoskey and would be potent to Washington officials; that it is positive for Petoskey to be forward thinking; heard from those opposed to more taxes and that they have never heard of this Act; and heard from those in favor of the Act and that there is a sense of urgency on climate change.

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

WHEREAS, the Environmental Protection Agency 2018 Air quality report indicates: More than four in 10 people (43.3 percent) in the United States live in counties that have unhealthful levels of either ozone or particle pollution. Nearly 141.1 million Americans live in 244 counties where they breathe unhealthful levels of air pollution in the form of either ozone or short-term or year-round levels of particles; and

WHEREAS, the U.S. Energy Administration estimates that our buildings waste about 30% of their energy use; and

WHEREAS, the World Health Organization (WHO) reports more than 90 percent of the world's population is exposed to air pollution concentrations that exceed WHO guidelines; and

WHEREAS, in 2011 the Lawrence Livermore National Laboratory estimated that more energy was wasted than used during the fuel-burning process as heat; and

WHEREAS, despite our local energy source is producing more than it needs, our energy grid is rapidly approaching its capacity and unless we increase energy savings and/or renewables we will be forced to either extend our outdated coal power plants or replace them with gas powered plants; and

WHEREAS, the City of Petoskey has committed to achieve 100% renewable energy by 2035; and

WHEREAS, presently the environmental, health, and social costs of air pollution are not included in prices paid for fossil fuels, but rather these externalized costs are borne directly and indirectly by all Americans and global citizens; and

WHEREAS, the inability of the market to fully price the real cost of fossil fuels along with subsidies and tax breaks has maintained the demand for dirty and inefficient energy; and

WHEREAS, the City of Petoskey recognizes the need to correct for this market failure by supporting legislation that promotes clean and efficient energy; and

WHEREAS, to further correct for this market failure simply increase the cost of emissions; and

WHEREAS, to help families adjust to the rising cost of fossil fuels the fees collected will be returned to every household; and

WHEREAS, the rising cost for fossil fuels will lower demand for such products and decrease pollution; and

WHEREAS, the dividend returned to households will allow individuals to cope with higher costs either by reducing their consumption of dirty and inefficient energy either by investing in energy savings or renewables; and

WHEREAS, to begin to correct this market failure, Congress can enact the Energy Innovation and Carbon Dividend Act to assess a national carbon fee on fossil fuels based on the amount of emissions the fuel will emit when burned and allocate the collected proceeds to all U.S. households in equal shares in the form of a monthly dividend; and

WHEREAS, for efficient administration, the fossil fuels fee can be applied once, as far upstream in the economy as practical, or at the port of entry into the United States; and

WHEREAS, as stated in the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, a national, revenue-neutral carbon fee starting at a relatively low rate of \$15 per ton of emissions and resulting in equal charges per ton of emissions potential in each type of fuel or greenhouse gas should be assessed to begin to lower what are now dangerously high emissions. The yearly increase in carbon fees including shall be at least \$10 per ton of emissions each year, with the Department of Energy determining whether an increase larger than \$10 per ton per year is needed to achieve program goals; and

WHEREAS, the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, specifies that, in order to protect low and middle income citizens from the economic impact of rising prices due to the carbon fee, equal monthly per-person dividend payments shall be made to all American households (½ payment per child under 19 years old) each month from the fossil fuel fees collected. The total value of all monthly dividend payments shall represent 100% of the net carbon fees collected per month; and

WHEREAS, the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, encourages market-driven innovation of clean energy technologies and market efficiencies which will reduce harmful pollution and leave a healthier, more stable, and more prosperous nation for future generations; and

WHEREAS, the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763, will, after 12 years, lead to a decrease in America's emissions of 40 percent and an increase in national employment of 2.1 million jobs; and

WHEREAS, border adjustments – carbon content-based tariffs on products imported from countries without comparable carbon pricing, and refunds to our exporters of carbon fees paid – can maintain the competitiveness of U.S. businesses in global markets; and

WHEREAS, a national carbon fee can be implemented quickly and efficiently because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the fee, and already collects fees from fossil fuel producers and importers; and

WHEREAS, a national revenue-neutral carbon fee would make the United States a leader in the clean energy technologies of the 21st century and would provide incentive to other countries to enact similar carbon fees, reducing global CO₂ emissions without the need for complex international agreements:

NOW, THEREFORE, BE IT RESOLVED, that the City of Petoskey urges the United States Congress to enact without delay the Energy Innovation and Carbon Dividend Act of 2019, H.R. 763; and

BE IT FURTHER RESOLVED, that the City Manager or City Clerk, no later than 30 days after passage of this Resolution, shall transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to each U.S. Senator and Representative from the State of Michigan in the Congress of the United States, and to nearby City and County governments urging that they pass similar resolutions.

Said resolution was not adopted by the following vote:

AYES: Shumway (1)

NAYS: Marshall, Dittmar, Murphy (3)

Council Comments

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

Authorize Closed Session – Resolution No. 19316

City Council was being asked to adopt a resolution that would recess to a closed session pursuant to Section 8(d) of the Michigan Open Meetings Act, to consider the purchase or lease of real property.

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

WHEREAS, the City Manager has requested that the City Council adjourn to a closed session, pursuant to Section 8(d) of the Michigan Open Meetings Act, to consider the purchase or lease of real property, at the City Council's regular meeting of July 15, 2019:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to adjourn to a closed session, to consider purchase or lease of real property.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Recessed to closed session at 8:01 P.M.

Reconvened into open session at 8:26 P.M.

There being no further business to come before the City Council, this July 15, 2019, meeting of the City Council adjourned at 8:27 P.M.

John Murphy, Mayor

Sarah Bek, Recording Clerk