



## CITY COUNCIL

September 16, 2019

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, September 16, 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, Public Works Director Michael Robbins, Downtown Director Becky Goodman and City Attorney James Murray.

### **Consent Agenda - Resolution No. 19321**

Following introduction of the consent agenda for this meeting of September 16, 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 August 19, 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 August 19, for contract and vendor claims at \$10,025,953.26, intergovernmental claims at \$4,719,145.11, and the August 22 and September 5 payrolls at \$485,375.62, for a total of \$15,230,473.99 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 heard a comment that Council should consider honoring the first nation's people through a proclamation for Indigenous Day. The Mayor requested the City Manager be provided a copy of the proclamation and the Mayor would review it. A concern was expressed about the Bay Harbor traffic signal and the speed limit, which should be reduced to 45mph.

### **Hear City Manager Updates**

The City Manager reported that approximately 50 people attended the initial Master Plan update meeting, reviewed that information will be available on the [www.livablepetoskey.org](http://www.livablepetoskey.org) website and that there was a presentation on ALICE (Asset Limited, Income Constrained, Employed) rate which has increased in Petoskey; that staff received a proposal from NTH Consultants to explore the feasibility of developing a solar array project on the existing Howard Road Landfill at a cost of \$52,000 with no monies budgeted in 2019; reviewed US-31 highway project updates with hopes to open highway by late September and starting in late September/early October, MDOT will be repaving the streets that were part of the summer detour; that the Little Traverse Wheelway from the eastern edge of the new retaining wall to the bathrooms on Bayfront Park will be widened to 10' and should be completed in four weeks; reported that a date needed to set to discuss the 2018 Action Plan; and reviewed that Bayfront Park erosion continues and that staff is researching having a shoreline engineer visit the coastline to assist staff in a potential short and long-range plan to stabilize the community's existing shoreline.

City Councilmembers suggested scheduling a special meeting on October 14, 2019 to discuss Action Plan. The City Manager will confirm that the date works for all Councilmembers and set a time.

### **Third First Reading of a Proposed Ordinance Amending the Zoning Ordinance Allowing Medical Marihuana Provisioning Facilities**

The City Manager reviewed that at the August 5 and August 19 Council meetings, City Council discussed a zoning ordinance to allow medical marijuana provisioning centers in the community; that at the August 19 meeting, Council determined that medical marijuana provisioning centers would be allowed in the B-3 General Business District, B-3B Business Industrial District and Planned Unit Development (PUDs); that Council determined that the ordinance include a 1,000-foot buffer from any K-12 school; that a 500-foot butter between provisioning centers would be required; that per the licensing ordinance, the City would allow a maximum of three (3) provisioning centers; and that there was one additional public comment received via email dated August 29, 2019 from Joe Blachy.

City Councilmembers inquired if Council made substantial changes to ordinance if an additional first reading would be required and discussed allowable zoning districts and potential issues.

Mayor Murphy asked for public comments and heard a comment that Council approved strict zoning to uphold character of downtown and is opposed to pot stores, especially at gateways to town; heard an inquiry if all school owned facilities such as Curtis Field are considered within K-12 school buffer zones; heard an inquiry if there had been any contact with PUD owners and if PUD agreements would be affected by allowing medical marijuana provisioning centers; heard a concern that there was no public hearing at the Planning Commission on allowing in B-3B District, which isn't required; and that a protest petition has been filed under Zoning Enabling Act with many citizens in opposition of allowing provisioning centers.

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

### **Third First Reading of a Proposed Ordinance Amending Chapter 8 Creating a New Article IX – Medical Marihuana Facilities**

The City Manager reviewed that at the August 5 and August 19 Council meetings, City Council discussed a licensing ordinance that will need to be adopted with the proposed zoning ordinance for medical marijuana provisioning centers as well as the application fee and license/renewal fee per resolution; that at the August 19 meeting, Council determined a maximum number of three (3) medical marijuana provisioning facilities would be allowed within the City; reviewed information and Act concerning transferring a provisioning facility license; reviewed that Affiliate was added to ordinance to eliminate the "stacking" of multiple applications for one site for a "holding company" that may own various Limited Liability Corporations; that language was clarified for conducting the random drawing; and added language stating eligibility list expires in three years or until a new lottery is conducted, whichever is first.

Mayor Murphy asked for public comments and heard a comment that it is unlikely for a provisioning center to be located at old Kmart plaza, that owners can change and it may happen; heard an inquiry concerning fees and if amounts were justifiable and why fees weren't included in ordinances; and heard concerns that costs include social impacts and law enforcement costs that are not being taken into consideration.

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

### **Discuss 2020-2025 Capital Improvement Plan**

The City Manager reviewed that copies of the proposed 2020-2025 CIP were distributed to City Council and Planning Commission in advance of this meeting. The Plan was unanimously accepted and recommended for City Council approval by the Planning Commission on August 15, 2019. The City Manager reviewed that the six-year plan totals \$48.8M in expenditures, with capital spending in 2020 proposed at \$6.4M, of which \$1.138M (17.5%) is anticipated to come from grants and other outside sources of revenue; that if approved, projects will be included within the 2020 proposed annual City budget; and reviewed 2020 projects in detail including full reconstruction of Kalamazoo Avenue from Jennings to East Mitchell Street along with added parking to Corner Grocer; Jackson Street improvements; various park projects including pickle ball courts, Bear River pedestrian bridge and Sunset Park improvements; electric system improvements; solar demonstration project installation on the roof of City Hall with further studies on a potential solar array project at former landfill on Howard Road; and parking deck engineering for Division and Lake Street location, contingent upon a viable financial plan. The City Manager gave a brief overview of 2021-2025 projects.

The City Manager reviewed that staff recommended sending the Kalamazoo Street conceptual plans including the area near Corner Grocer back to Planning Commission for further review. City Councilmembers concurred with staff.

Mayor Murphy asked for public comments and heard a comment opposing removal of left turn light at Hill Street.

City Council deferred action on the proposed CIP and will further discuss at the next regular scheduled meeting.

### **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; and 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 2018 MERS Actuarial Valuation Report; summarized the City's UAL; that the City made another \$1,000,000 payment in 2018 towards the UAL of the Nonunion staff which resulted in a funded amount of 82% in 2018; reviewed MERS 2019 changes in assumptions; that the 2019 additional contribution of \$1,000,000 should offset the increase in liability and contributions projected for next year; and that going forward in 2020, the City will be back on track with the City's goal of achieving a 90% funding level.

### **Approve Motor Pool Vehicle Purchases – Resolution No. 19322**

The Director of Public Works reviewed that the City's 2019 budget allocated funds within the Motor Pool Fund to purchase certain vehicles and equipment and that staff recommended that City Council authorize replacement purchases under the Mi-Deal State Purchasing Contract.

City Councilmember Marshall moved that, seconded by City Councilmember Walker approval of the following two purchases:

- Purchase of a latest-production two-wheel-drive, heavy-duty GMC 3500 Cab & Chassis from Todd Wenzel Buick GMC Fleet Sales, Westland, Michigan, at a cost not to exceed \$29,841.75. Along with purchasing and contracting with Truck and Trailer Specialties, Boyne Falls, for the installation of a carbon steel dump body box, rear hitch assembly and safety lighting at a cost not to exceed \$13,418. Combined cost of truck chassis and specified equipment not to exceed \$43,259.75 to replace Parks and Recreation unit; and
- Purchase of a latest-production two-wheel-drive, heavy-duty GMC 3500 Cab & Chassis from Todd Wenzel Buick GMC Fleet Sales, Westland, Michigan, at a cost not to exceed \$29,841.75. Along with purchasing and contracting with Truck and Trailer Specialties, Boyne Falls, for the installation of a stainless steel dump body box, rear hitch assembly and safety lighting at a cost not to exceed \$14,113. Combined cost of truck chassis and specified equipment not to exceed \$43,954.75 to replace Streets unit.

Said motion was adopted by the following vote:

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

NAYS: None (0)

### **Council Comments**

Mayor Murphy asked for Council comments and Councilmember Walker commented that she has received concerns regarding Harbor Hall construction.

### **Recess to Closed Session – Resolution No. 19323**

City Council was being asked to adopt a resolution that would recess to a closed session pursuant to Section 8(a) of the Michigan Open Meetings Act, to consider a periodic personnel evaluation of the City Manager.

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 recess to a closed session, pursuant to Section 8(a) of the Michigan Open Meetings Act, to consider a periodic personnel evaluation of the City Manager, at the City Council's regular meeting of September 16, 2019:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to recess to a closed session, to consider a periodic personnel evaluation of the City Manager.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Recessed to closed session at 8:40 P.M. and reconvened into open session at 10:30 P.M.

There being no further business to come before the City Council, this September 16, 2019, meeting of the City Council adjourned at 10:31 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer