



## CITY COUNCIL

November 4, 2019

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, November 4, 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, Downtown Director Becky Goodman, Petoskey District Library Director Val Meyerson and City Attorney James Murray.

### **Consent Agenda - Resolution No. 19337**

Following introduction of the consent agenda for this meeting of November 4, 2019, City Councilmember Marshall 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 October 21, 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 October 21, for contract and vendor claims at \$524,811.33, intergovernmental claims at \$16,305.60, and the October 31 payroll at \$203,851.54, for a total of \$744,968.47 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 concerning the Harbor Hall project and that improvements seem to be in the City's right-of-way and that telephone pole on parkway is now within property.

### **Hear City Manager Updates**

The City Manager reported that an HVAC unit was replaced at City Hall; that he met with Jason Allen who is with the United States Department of Agriculture and that the City doesn't qualify for many funding opportunities; that the Planning Commission ad-hoc committee reviewed the Kalamazoo Avenue design at the intersection of Kalamazoo and Jennings, there was unanimous support for the new layout and Planning Commission will review at their November 7 special meeting; that the City Clerk verified through the canvassing process that both a referendum petition and initiative petition met the required number of signatures per the City Charter concerning medical and recreational marijuana and that this matter will be on the November 18 City Council agenda to discuss; that the 2018 Action Plan is being revised based on comments from City Council and will be discussed at a future Council meeting; that staff is working with MPPA in organizing an educational session with City Council to review portfolio; and reviewed the Bayfront Park erosion and sewer line issue and that temporary shoreline repairs were completed and the sewer line does not seem to be in immediate danger, but still needs to be moved away from the bay as soon as possible.

City Councilmembers inquired if the shoreline repairs were a temporary fix and that the replacement main is not very far from the current line; heard from those in favor of meeting with MPPA and that it is a long-term commitment and better to be proactive than reactive; inquired on the USDA programs; and heard comments that ALICE in Petoskey conflicts with USDA standards for Petoskey.

The City Manager responded that staff is looking for a long-term fix on erosion issue and hopes to relocate the sewer line permanently in the next 2-3 weeks; that the City is setting marching orders with MPPA and economies of scale is better with more participants; and that there are many types of USDA programs and is uncertain how USDA determines factor.

Mayor Murphy asked for public comments and heard an inquiry if the Belle Avenue sewer line is the City's responsibility.

### **Confirm Special Assessment Roll & Schedule Public Hearing – Resolution No. 19338**

The City Manager reported that, following City Code provisions that regulated the City's special-assessment procedure, the City Council on October 21 conducted a public hearing, and received no comments concerning a September 23 report by the City Manager that had recommended the levy of special assessments against eligible, non-residential properties within the Downtown Management Board's territory to offset costs of programs and services that would be provided by the Downtown Management Board during 2020. Such revenues and expenditures have been included within the City's proposed 2020 Annual Budget. Following the October 21 public hearing, the City Council, again in accordance with City Code special-assessment procedures, conditionally approved the proposed programs and services and their costs as they had been presented, established boundaries of the special-assessment district, and requested that an assessment roll be prepared by City staff and presented to the City Council for its review at the November 4 City Council meeting.

The City Manager reported that the City Council had been provided a proposed special-assessment roll based upon the Downtown Management Board's September 17 recommendation that an increase special-assessment formula be used for financing downtown-area programs and services, with \$0.18 being the amount that would be assessed per square foot of useable, first-floor, non-residential building area; \$0.045 being charged useable, non-residential area on floors other than the first floor; and vacant, unimproved lots being charged \$0.055 per square foot for lot area. To meet City Code requirements, the City Council was being asked to adopt a proposed resolution that would confirm the City Council's acceptance of the roll, order that the roll be placed on file at the City Hall for inspection, and schedule a public hearing for 7:00 P.M., Monday, November 18, to receive comments concerning this proposed special assessment.

Mayor Murphy asked for public comments and heard an inquiry on how much the increase would generate and the Downtown Director responded an estimated \$10,000.

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

WHEREAS, at its regular meeting of October 7, 2019, the City Council reviewed a report by the City Manager dated September 23, 2019, as required of City Code provisions, that listed programs and services that had been proposed to be provided to property owners and tenants within the Downtown Management Board's territory along with a proposed assessment formula that could be implemented to finance such programs and services during 2020; and

WHEREAS, following that review, the City Council on October 7, 2019, scheduled a public hearing for October 21, 2019, to receive comments concerning proposed programs and services as intended to be provided by the Downtown Management Board, as well as costs that had been estimated by the Downtown Management Board for providing such programs and services; and

WHEREAS, City Council, on October 21, 2019, approved proposed programs and services as recommended by the Downtown Management Board at their September 17, 2019 meeting and costs as estimated by the Management Board to be assessed eligible property owners within the boundaries of the proposed assessment district at an increased rate compared to last year that are coterminous to those of the Management Board's territory; and

WHEREAS, in addition to approving proposed downtown-area programs and services and costs of such programs and services, the City Council directed the City staff to prepare a special-assessment roll in accordance with the City Council's approval of recommended programs and services and costs of such programs and services for presentation to the City Council at its meeting of November 4, 2019; and

WHEREAS, in response to the City Council's direction, and in accordance with City Code provisions that regulate special-assessment procedures, the City staff has provided a proposed special-assessment roll:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby accepts the assessment roll as prepared by the City staff and as presented to the City Council; and

BE IT FURTHER RESOLVED that the City Council does and hereby orders that said special-assessment roll be placed on file with the City staff and made available for inspection by the public; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 18, 2019, to receive comments concerning this proposed special-assessment roll; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to publish a notice of the November 18, 2019, public hearing and notify potentially-affected property owners of said public hearing as required by City Code provisions that regulate the City's special-assessment procedures.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

**Approve Shoreline Erosion Study – Resolution No. 19339**

The City Manager reviewed that the City continues to experience substantial erosion along the 1.5 miles of shoreline within the community; that critical concern is the Bayfront East property which has eroded very quickly over the past several weeks with a major 12', clay sewer main line in close proximity to the shoreline erosion areas; that the issue is being addressed immediately; reviewed areas of concern; that staff recommended contracting with W.F. Baird and Associates, Madison, WI, to complete a comprehensive Schematic Shoreline Design Assessment for the entirety of the City's coastline; and discussed the process after the initial study is completed.

City Councilmembers inquired if this activity will affect the 2020 CIP or budget; inquired on areas that were served by the sewer line; inquired if other areas could be stalled where it's not so costly and without using rock; discussed funding options; and inquired if there are other communities with similar issues.

The City Manager responded that emergency issues could affect 2020 CIP projects and budget; that the sewer line served Kilwins area and Beaubien Avenue; and that there are several communities experiencing the same issues and that the Bear River water levels have also increased.

City Councilmember Marshall moved that, seconded by City Councilmember Shumway to contract with W.F. Baird and Associates, Madison, WI, and approve the Schematic Shoreline Design proposal dated October 29, 2019 for \$54,580.

Said motion was adopted by the following vote:

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

NAYS: None (0)

**2020 Annual Budget Presentation and Schedule Public Hearing – Resolution No. 19340**

The City Manager reported that as required of City Charter provisions, and as part of the City's routine, yearly process, City Council had been presented with the City's proposed 2020 Annual Budget as part of November 4 meeting-agenda materials, that totaled \$32,788,300 in proposed operating and capital expenditures; and that, except to acknowledge its receipt, no action concerning the proposed budget now would be required of City Council, but that, in addition to the City Manager's summary of the proposal, City Council could begin discussions on the proposed budget.

The City Manager also reported that, as the first step in the budget-preparation process, the City Council was being asked to acknowledge receipt of the budget proposal and to adopt a proposed resolution that would schedule a November 18 public hearing to receive comments concerning the proposed budget and property tax millage rates that would be recommended as part of the proposed budget; and that City Council could schedule the public hearing for any date that it chose, but that November 18 was suggested.

The City Manager reviewed a summary of the 2020 budget and that there were no new taxes; reviewed 2020 capital outlay items and discussed that some capital outlay projects may be eliminated or postponed due to funding difficulties due to shoreline issues including possibly putting the Kalamazoo Avenue project on hold; reviewed the General Fund in depth and the City's status concerning MERS unfunded accrued liability; reviewed motor pool capital outlay purchases including funding on two rescue pumper truck replacements; and reviewed fund by fund highlights of projects, fund balances and operating revenue and expenses.

City Councilmembers discussed the addition and need of a code enforcement officer and that perhaps Public Safety Officers could be more involved rather than hiring a new staff member.

Mayor Murphy asked for public comments and heard a comment concerning Rush Street and who's responsibility for electrical services near Harbor Hall.

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

WHEREAS, as required by City Charter provisions, the City Manager has presented for the City Council's consideration the City's recommended budget for fiscal 2020; and

WHEREAS, City Charter provisions also require that a public hearing be conducted to receive comments concerning the proposed annual budget; and

WHEREAS, this proposed budget includes certain recommendations by the City Manager concerning the amounts of property-tax millage to be levied to partially finance City operations, programs, services, and projects during 2020; and

WHEREAS, the Michigan Truth-in-Taxation Act requires that public hearings be conducted to receive comments concerning proposed property-tax-millage rates, if such rates result in increased tax revenues, when compared with those of the previous year:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 18, 2019, at the City Hall, to receive comments concerning the City's proposed 2020 Annual Budget and property-tax-millage rates that will be recommended to be levied during 2020 as part of the proposed budget.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

### **Council Comments**

Mayor Murphy encouraged citizens to vote in tomorrow's General Election.

### **Recess to Closed Session – Resolution No. 19341**

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 November 4, 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 9:00 P.M. and reconvened into open session at 9:25 P.M.

**Approve City Manager Evaluation – Resolution No. 19342**

The City Manager reviewed that his evaluation was discussed in closed session and the final evaluation document was produced for City Council approval.

City Councilmember Walker moved that, seconded by City Councilmember Shumway to approve the final form of the City Manager evaluation.

Said motion was adopted by the following vote:

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

NAYS: None (0)

There being no further business to come before the City Council, this November 4, 2019, meeting of the City Council adjourned at 9:28 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer