



## CITY COUNCIL

June 15, 2020

A regular meeting of the City of Petoskey City Council was held from virtual locations on Monday, June 15, 2020. 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  
Brian Wagner, City Councilmember  
Lindsey Walker, City Councilmember

Absent: None

Also in attendance were City Manager Rob Straebel, Clerk-Treasurer Alan Terry, Downtown Director Becky Goodman, City Attorney James Murray and Executive Assistant Sarah Bek.

### **Hear Proclamation Against Systemic Racism**

Mayor John Murphy read aloud the following proclamation:

**WHEREAS**, the City of Petoskey City Council is outraged and appalled by the recent murders of George Floyd, Ahmaud Arbery, Breonna Taylor, Tony McDade and countless other African Americans that have lost their lives to racial violence and police brutality; and

**WHEREAS**, the City of Petoskey grieves with the families and communities across this nation and calls for accountability of those who perpetuate violence; and

**WHEREAS**, historic, systemic and pervasive racism and lack of civil rights make people of color, particularly African Americans and our Indigenous communities in our country, fear for their families' health, safety and opportunities others enjoy; and

**WHEREAS**, racism unfairly disadvantages specific individuals and communities, while unfairly giving advantages to other individuals and communities, and saps the strength of the whole society through the waste of human resources; and

**WHEREAS**, racism causes persistent discrimination and disparate outcomes in many areas of life, including housing, education, employment and criminal justice; and

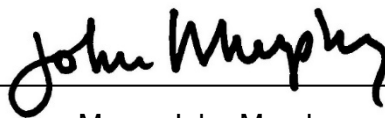
**WHEREAS**, no change will be realized until white citizens of this country stand beside those demanding justice:

**NOW THEREFORE BE IT RESOLVED** that the City of Petoskey will assert that racism is a public health crisis affecting our entire country; and

**BE IT FURTHER RESOLVED** that the City of Petoskey will work to solidify alliances and partnerships with other organizations that are confronting racism and encourage other local, state, regional and national entities to recognize racism as a public health crisis; and

**BE IT FURTHER RESOLVED** that the City of Petoskey City Council encourages racial equity training among all City officials, community partners, grantees, vendors and contractors.

Dated this 15<sup>th</sup> day of June, 2020



Mayor John Murphy

**Consent Agenda - Resolution No. 19416**

Following introduction of the consent agenda for this meeting of June 15, 2020, City Councilmember Walker moved that, seconded by City Councilmember Wagner adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the June 1, 2020 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 June 1, 2020 for contract and vendor claims at \$457,587.62, intergovernmental claims at \$0, and the June 11 payroll at \$214,813.48, for a total of \$672,401.10 be and is hereby acknowledged, with the City Clerk providing information on voided checks to City Council.

Said resolution was adopted by the following vote:

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

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 Kid's Camp began today and will be opened to a maximum of 30 campers and reviewed safeguards and guidelines for campers and staff; that the Emmet County Administrator contacted staff last week about requesting the City to partially fund the regional EMGO Bus Service and that a formal request for City Council review will be forthcoming; that the ferry service between Bay Harbor, Harbor Springs and Petoskey is slated to begin June 25 with tentative schedules that may change based on passenger demand; reviewed downtown initiatives approved by the DMB to help businesses during the pandemic and that the DMB would be discussing sidewalk sales at their meeting tomorrow night; that City Hall opened to the public today and staff encourages continued use of drop-box, face masks will be required for public entry and social distancing regulations will need to be followed; reviewed seiche impacts to the marina associated with a tropical storm which increased water levels on Little Traverse Bay by an estimated 14" last week; that there was a solar pre-bid meeting last Friday to discuss the City Hall solar project and eight vendors attended; that the promenade street trees replacement project is complete and 22 trees were replaced; and reviewed Kalamazoo Avenue reconstruction updates.

City Councilmembers inquired on the downtown curbside pickup status, if electrical lines will be underground as part of the Kalamazoo Avenue reconstruction project and inquired on a Go Fund Me campaign for the ferry service.

The Downtown Director clarified that curbside pickup parking spaces would end June 19 due to the number of cars waiting in spaces and double-parking.

The City Manager responded that electrical lines will be underground and was unaware of a fundraising campaign for the ferry service.

**Approve Board Appointments – Resolution 19417-19418**

Mayor Murphy reviewed that City Council consider the following appointments to the District Library Board and Greenwood Cemetery Board.

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Kimberly Block, 502 Grove Street, to the District Library Board to fill a vacated term ending January 2021.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Susanne Fantini, 109 Division Street, to the Greenwood Cemetery Board to fill a vacated term ending May 2022.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

**Approve Request from Bay and Howard Street Developers to Start an Act 381 Brownfield Work Plan – Resolution No. 19419**

The City Manager reviewed that the developers for the Bay and Howard Street hotel submitted a letter to City staff requesting that City Council again discuss the concept of utilizing a Brownfield to create a parking structure on the Saville Lot and for reimbursement of environmental and non-environmental eligible activities for the hotel development; reviewed initial estimates of \$1.6M in State funding, \$981,000 in City funding and \$972,000 in other local funding; that the developer paid \$7,000 for the no-build easement appraisal that should be completed in the next few weeks; that there is no commitment from the City as the Brownfield Plan is still in its conceptual stages; that the developer identified two options and reviewed details of each option; that MEDC representatives recommended option two whereby both the developer's and City's costs would be reimbursed contingent upon local and State approval; and that the developer requested that the Brownfield Plan concept be sent to the DMB for review at their next meeting.

City Councilmembers inquired on the appraisal status due to developer not paying appraiser in a timely manner; heard from those supportive of plan and option two; heard from those in favor of receiving the appraisal first before making a decision; inquired what the developer wanted first the easement or TIF approval; heard from those enthusiastic about project, but not all of the information has been provided; and heard from those that like the idea of covered parking with no internal ramp and that it is a good, healthy project for the City.

Barry Polzin, representative for developers, responded that the appraisal is underway and the developer held off payment due to confusion on purpose of appraisal; reviewed TIF Plan timeline; and that the developers were asking City Council what their interest in the project was and if not interested to say so now.

City Councilmember Wagner moved that, seconded by Mayor Murphy for the developer to commence work on an Act 381 Brownfield Work Plan with option two and direct the developer to present the Brownfield Plan concept to the Downtown Management Board at their next meeting.

Said motion was adopted by the following vote:

AYES: Shumway, Wagner, Walker, Murphy (4)

NAYS: Marshall (1)

**Discuss Charter Changes and Approve Establishing a Compensation Commission – Resolution No. 19420-19421**

The City Manager reviewed that City Council discussed changes to the City Charter on March 2 including term length for the Mayor is too short; that the Mayor and City Council's compensation is too low; that the City Attorney feels the term lengths would be considered an amendment which does not require the establishment of a Charter Commission; that compensation is an amendment but is subject to 5c of the Home Rule City Act and that typically cities create a Compensation Commission appointed by the Mayor and confirmed by a majority of City Councilmembers to determine salaries of elected officials; and that staff was asking for direction from Council whether to pursue the potential changes.

City Councilmembers inquired if changes would start for future years and not for current member terms; heard from those in favor of looking at compensation; that Councilmember terms should be considered and reviewed so 1<sup>st</sup> and 3<sup>rd</sup> Ward Councilmembers are not always on ballot in odd years and 2<sup>nd</sup> and 4<sup>th</sup> Ward Councilmembers on ballot in busier even years; and that one-year Mayoral terms have worked for many years in Petoskey.

Mayor Murphy asked for public comments and heard comments that Councilmembers in Ward 1 and 3 are always in off election years and should be staggered; that one-year Mayor term is not good; and that Mayor term should be two years and should not run every year.

City Councilmember Marshall moved that, seconded by City Councilmember Walker to have City Council establish a Compensation Commission.

Said motion was adopted by the following vote:

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

NAYS: None (0)

City Councilmember Shumway moved that, seconded by City Councilmember Marshall to direct staff to explore possibilities of changing terms of office for the Mayor and Councilmembers.

Said motion was adopted by the following vote:

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

NAYS: None (0)

**Approve Ward and City Convention Locations and Dates – Resolution No. 19422**

The Clerk-Treasurer reviewed that as required by City Charter provisions, Council was being asked to approve schedule and times and designate locations for conducting annual Ward and City Conventions; that ward and city conventions are part of an election process and as such, an essential government activity and not required to comply with current executive order of no more than 50 people congregating in an interior space; that all participants will be required to wear face masks and abide by social distancing requirements; and that the City will have masks available at each convention location.

In order to comply with the State's filing deadlines for candidates, the Clerk-Treasurer recommended that the four Ward Conventions be scheduled simultaneously for 8:00 P.M., Monday, July 13, and that the City Convention be called for 8:00 P.M., Wednesday, July 15.

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

WHEREAS, in accordance with provisions of the City Charter, the City Council must establish dates and places for annual Ward Conventions and the annual City Convention:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby calls the annual 2020 Ward Conventions to be held at 8:00 P.M., Monday, July 13, at the Petoskey Middle School Cafeteria for the First Ward, Ottawa Elementary Cafeteria for the Second Ward, Lincoln Elementary Cafeteria for the Third Ward, and Sheridan Elementary Cafeteria for the Fourth Ward; and

BE IT FURTHER RESOLVED that the City Council does and hereby calls the annual 2020 City Convention to be conducted at 8:00 P.M., Wednesday, July 15, at the Emmet County Fairgrounds Community Center.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

**First Reading of a Proposed PILOT Ordinance for Lofts at Lumber Square**

The City Manager reviewed that at the May 18 meeting, Councilmembers directed staff to develop a Payment in Lieu of Taxes (PILOT) ordinance for the proposed Lofts at Lumber Square; that the ordinance has been reviewed by the City Attorney and is acceptable to project representatives; that the ordinance provides for a service charge in lieu of ad valorem taxes for a housing project for low to moderate income persons and families; that the annual service charge is proposed at 10% of annual shelter rates; that the ordinance allows the developer to pursue Low Income Housing Tax Credits through the Michigan State Housing Development Authority and USDA Rural Development Section 515 funding; that the developer will be obligated to continue to pay ad valorem taxes on the property until the project is completed and all necessary requirements have been completed; that the developer is required to start construction on the project within 24 months of the effective date of the ordinance; and that the Planning Commission discussed the conceptual plan on May 21 and will be further discussed on June 18.

Ben Ide, Haan Development, reviewed that the site plan approval may take a while and that the PILOT ordinance is needed for submission for funding.

City Councilmembers inquired if there was another Planning Commission meeting prior to the next Council meeting. The City Manager responded that Planning Commission will discuss on June 18.

Mayor Murphy asked for public comments and heard that Planning Commission should weigh in on matter as part of due diligence process and heard from those in favor of the project and thanked Council for consideration.

City Council will conduct a second reading at their next regular meeting.

**Discuss Park Land Designation & Recommend to Parks & Recreation Commission – Resolution No. 19423**

The City Manager reviewed that Councilmember Marshall initiated this agenda item regarding potentially establishing Emmet Street right-of-way property between Mitchell Street and US-31 as official park lands; that the process to designate park lands is through a resolution; that in 1981 the City designated 12 areas in the City as park lands; reviewed City Charter Section 1.4 Power Regarding Property; reviewed that property ownership adjacent to this area includes MDOT highway right-of-way and private property owned by Bob Berg, owner of 200 East Lake Street; that the property has been used several times for protesting purposes; that diverting to another public use, any park land would require approval of the majority of voters; that establishing this area as park lands could create limitations on the future use of this land that could inhibit economic development and give little flexibility in how this downtown gateway property can be utilized; that it would require a vote of the people to utilize City park land if a highway redesign project would need to be implemented; and that the public land seems to be working well for a protest area right now and the City cannot deny public usage of this right-of-way.

City Councilmember Marshall discussed her reason for wanting to declare the property as parkland and this would allow a place for protesters.

City Councilmembers commented that there have been several citizens in favor and excited about possible designation; heard from those opposed to concept and that it could restrict future development; and heard a recommendation to send matter to the Parks and Recreation Commission for review and give the public time to weigh in.

The City Attorney reviewed that he was not here in 1981 and that parkland designation only takes passage of a resolution.

Mayor Murphy asked for public comments and heard a comment on past developers proposals of property; that property has been used for peaceful protests over the years and could be known as People's Park; heard from those strongly encouraging Council to designate; and that there are a lot of younger people involved and by designating park land will keep this trend going.

City Councilmember Marshall moved that, seconded by City Councilmember Walker to direct staff to send Emmet Street right-of-way designation as dedicated parkland to the Parks and Recreation Commission for their review and recommendation.

Said motion was adopted by the following vote:

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

NAYS: Wagner (1)

**Council Comments**

Mayor Murphy asked for Council comments and Councilmember Walker inquired if there would be an update soon on the Odawa lawsuit and the Medical Marihuana applications. The City Clerk gave an update on the medical marihuana application process. Mayor Murphy commented that there is a vacancy on the Board of Review and is seeking citizens to volunteer to serve on the board, and asked if a Councilmember was interested in serving on the SANE Board.

There being no further business to come before the City Council, this June 15, 2020, meeting of the City Council adjourned at 9:20 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer