



CITY COUNCIL

November 2, 2020

A regular meeting of the City of Petoskey City Council was held from virtual locations on Monday, November 2, 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 and Executive Assistant Sarah Bek.

Consent Agenda - Resolution No. 19465

Following introduction of the consent agenda for this meeting of November 2, 2020, 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 19, 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 October 19, 2020 for contract and vendor claims at \$547,862.33, intergovernmental claims at \$0, and the October 15 and October 29 payrolls at \$401,169.12, for a total of \$949,031.45 be and is hereby acknowledged.

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 staff has participated in meetings with MPPA representatives regarding construction of a potential large scale solar project downstate which is in the conceptual stages, and that the City is interested in possibly participating financially in the project to meet benchmark of 30% renewables by 2025; that staff is reviewing a Tetra-Tech draft study of placing solar panels on the Howard Road landfill site; that both staff and the Downtown Management Board were in agreement to cancel the Winter Open House and Holiday Parade due to rising COVID cases in Emmet County and the tree lighting ceremony will be evaluated in the coming weeks; that there will be a dining deck discussion at the November 16 Council meeting to discuss whether to allow downtown dining decks in 2021; that the Planning Commission by a 5-1 vote approved a medical marijuana dispensary special condition use permit for 215 West Mitchell Street; reviewed final leaf pickup dates for the community;

that COVID cases are surging and the Michigan Department of Health and Human Services revised and extended its epidemic order to contain the spread of COVID-19 and reviewed indoor gathering restrictions and that Region 6, which includes our region, has been moved into Phase 4 of the MI Safe Start system; and that there is unprecedented high numbers of absentee voting at the local level and thanked the Clerk's staff and many poll workers assisting the election tomorrow for their efforts during these challenging times.

City Councilmembers discussed safety concerns and measures at tomorrow's election and that dining decks seem to have a positive effect in downtown, but that there are some business owners that do not favor them.

Approve Board Appointments – Resolution 19466-19467

Mayor Murphy reviewed that City Council consider the following appointments.

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Rose Fitzgerald, 514 Elizabeth Street, to the Planning Commission to fill a vacated term ending August 2022.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

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

BE IT RESOLVED that the City Council does and hereby approves the appointment of Kent Warner, 701 Kalamazoo Avenue, to the Planning Commission for a three-year term ending August 2023.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Postponed Second Reading of a Proposed Ordinance to Conditionally Rezone Properties at 501 and 523 East Mitchell Street, 311 Division Street and 502 and 508 East Lake Street from O-S Office Service B-2A Transitional Business

Mayor Murphy reported that the applicant, Roger Tallman, requested to wait on this decision following further discussions with surrounding property owners.

Mayor Murphy postponed discussion until a future meeting.

2021 Annual Budget Presentation and Schedule Public Hearing – Resolution No. 19468

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 2021 Annual Budget as part of November 2 meeting-agenda materials, that totaled \$31,470,800 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 16 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 16 was suggested.

The City Manager reviewed a summary of the 2021 budget and that there were no new taxes; reviewed 2021 capital outlay items; reviewed the General Fund in depth and the City's status concerning MERS Unfunded Accrued Liability (UAL); and reviewed fund by fund highlights of projects, fund balances and operating revenue and expenses.

City Councilmembers discussed the need for a code enforcement officer and that perhaps Public Safety Officers could be more involved; discussed utility rate increases and inquired as to the amount of additional revenue that would be received from the proposed rate increases; and that downtown parking revenues seem over projected.

City Councilmember Marshall moved that, seconded by City Councilmember Walker 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 2021; 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 2021; 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 16, 2020, at the City Hall, to receive comments concerning the City's proposed 2021 Annual Budget and property-tax-millage rates that will be recommended to be levied during 2021 as part of the proposed budget.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Confirm Special Assessment Roll & Schedule Public Hearing – Resolution No. 19469

The City Manager reported that, following City Code provisions that regulated the City's special-assessment procedure, the City Council on October 19 conducted a public hearing, and received no comments concerning a September 30 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 2021. Such revenues and expenditures have been included within the City's proposed 2021 Annual Budget. Following the October 19 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 2 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 18 recommendation that a 2% increase special-assessment formula be used for financing downtown-area programs and services, with \$0.1836 being the amount that would be assessed per square foot of useable, first-floor, non-residential building area; \$0.0459 being charged useable, non-residential area on floors other than the first floor; and vacant, unimproved lots being charged \$0.0561 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 16, to receive comments concerning this proposed special assessment.

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

WHEREAS, at its regular meeting of October 5, 2020, the City Council reviewed a report by the City Manager dated September 30, 2020, 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 2021; and

WHEREAS, following that review, the City Council on October 5, 2020, scheduled a public hearing for October 19, 2020, 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 19, 2020, approved proposed programs and services as recommended by the Downtown Management Board at their September 18, 2020 meeting and costs as estimated by the Management Board to be assessed eligible property owners within the boundaries of the proposed assessment district at a 2% 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 3, 2020; 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 16, 2020, 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 16, 2020, 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, Wagner, Walker, Murphy (5)

NAYS: None (0)

Council Comments

Mayor Murphy asked for Council comments and Councilmember Wagner reminded citizens to vote tomorrow. Councilmember Shumway also encouraged citizens to vote and expressed patience in allowing for the results to be tabulated. Councilmember Walker commented that she attended the 6th Annual Housing Summit virtually. Councilmember Marshall also commented on tomorrow's election and that she hopes there is a safe environment with a lot of people energized to vote. Mayor Murphy expressed that some citizens will be happy with the election results and others unhappy, but that the community should come together like many did after the large summer storm and be positive and neighborly.

Adjourn to Closed Session – Resolution No. 19470

City Council was being asked to adopt a resolution that would adjourn to a closed session pursuant to Section 8(c) of the Michigan Open Meetings Act, to consider strategy and negotiations of a collective bargaining agreement.

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

WHEREAS, the City Manager has requested that the City Council adjourn to a closed session, pursuant to Section 8(c) of the Michigan Open Meetings Act, to consider the strategy and negotiations of a collective bargaining agreement, at the City Council's regular meeting of November 2, 2020:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to adjourn to a closed session, to consider strategy and negotiations of a collective bargaining agreement.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

There being no further business to come before the City Council, this November 2, 2020, meeting of the City Council adjourned at 8:47 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer