



CITY COUNCIL

November 16, 2020

A regular meeting of the City of Petoskey City Council was held from virtual locations on Monday, November 16, 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, City Attorney James Murray and Executive Assistant Sarah Bek.

City Councilmember Marshall moved that, seconded by Councilmember Wagner to amend the agenda and move 8(b) to 8(c) and 9(a) to 8(b).

Said motion was adopted by the following vote:

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

NAYS: None (0)

Special Assessment Roll Public Hearing

A public hearing was held to receive comments on the proposed special assessment roll that would spread costs of downtown area programs and services during 2021, as requested by the Downtown Management Board. The DMB's recommended assessment formula is \$0.1836 per square foot of usable, first-floor space within eligible, non-residential buildings located in the Management Board's territory as the assessment district; \$0.0459 per square foot of usable space on floors other than the first floor; and \$0.0561 per square foot of area on vacant, buildable lots.

Mayor Murphy opened the public hearing at 7:05 P.M. and there were no public comments and the hearing closed.

Budget and Tax-Levy Public Hearing

A public hearing was held to receive comments concerning the City's proposed 2021 Annual Budget and recommended property tax millage rates for 2021. The City's proposed 2021 Annual Budget was initially presented and discussed at the November 2 City Council meeting. At the November 2 meeting, a public hearing was scheduled for November 16, as required by City Charter and State statute provisions, to receive comments about the recommended budget and property tax millage rates that have been proposed as part of the budget recommendation. (Actual millage rates would be set in 2021.)

Mayor Murphy opened the public hearing at 7:06 P.M. and there were no public comments and the hearing closed.

Consent Agenda - Resolution No. 19471

Following introduction of the consent agenda for this meeting of November 16, 2020, 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 confirms that the draft minutes of the November 2, 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 November 2, 2020 for contract and vendor claims at \$438,489.46, intergovernmental claims at \$0, and the November 12 payroll at \$202,895.34, for a total of \$641,384.80 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 all political signs need to be removed by November 19 per the local ordinance; that at a recent budget presentation there was discussion regarding code enforcement as it relates to the IPMC and nuisance ordinance and it appears that City Council wants a more proactive approach that is not necessarily driven by complaints and that he would work with the Public Safety Director to develop a more comprehensive, systematic, community-wide approach; that staff and the Mayor met with Emily Meyerson of Little Traverse Bay Housing Partnership regarding the role the City could play in creating more affordable or workforce housing within the community and will be further discussed at a meeting in January; that City Hall is open to the public by appointment only to combat a recent spike in local COVID-19 cases; that representatives from Resort Township, Emmet County, MDOT and the City met for the initial meeting regarding the development of conceptual drawings for a detour around the slope failure area on the Little Traverse Wheelway with anticipation for public discussion in late January 2021; that the City Hall solar project is still scheduled to be completed this year and anticipate contractor mobilization within the next 1-2 weeks; that MDHHS issued a new Order regarding gatherings and face masks usage because of a sharp rise in COVID cases statewide and reviewed notable information from the Order and implored all residents to strictly follow the new Order especially the regulations regarding small social gatherings and limiting social contacts; and that the City received substantial shoreline and marina damage from the weekend's wind storm including Pier A, playground area and Ed White Field.

City Councilmembers commented that the City Planner should be involved in the code enforcement pertaining to zoning issues and expressed excitement on the progress of future affordable and workforce housing.

Confirm Special Assessment Roll – Resolution No. 19472

The City Manager reviewed the proposed special assessment roll, programs and services and the 2% rate increase for 2021. No comments were received during the public hearing earlier in the meeting.

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

WHEREAS, the City Council on October 5, 2020, reviewed a report of September 30, 2020, that had been prepared by the City Manager that listed programs and services that had been proposed to be provided property owners and tenants within the Downtown Management Board's territory along with the proposed special-assessment roll that could be implemented to finance such programs and services; and

WHEREAS, following that review, the City Council conducted a public hearing on October 19, 2020, to receive comments concerning recommended programs and services as proposed 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, after having received no comments at its October 19 public hearing, the City Council then approved the programs and services as had been recommended by the Downtown Management Board, as well as approved the costs for such programs and services that had been estimated by the Downtown Management Board; and

WHEREAS, in addition to approving proposed downtown programs and services and costs of such programs and services, City Council directed 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 on November 2, 2020; and

WHEREAS, after receiving a proposed special-assessment roll, City Council accepted the assessment roll, ordered that it be placed on file with City staff and made available for inspection by the public, scheduled a public hearing for November 16, 2020, to receive comments concerning the proposed special-assessment roll, and directed City staff to publish a notice of the November 16, 2020 public hearing and to notify potentially affected property owners of said hearing; and

WHEREAS, the City Council conducted its November 16 public hearing and is satisfied with the assessment roll as prepared by the City staff and believes that assessments are in proportion to the benefits to be received:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby accepts the special-assessment roll as prepared by City staff and as presented to the City Council and is satisfied with the roll and believes that assessments are in proportion to the benefits to be received; and

BE IT FURTHER RESOLVED that City Council does and hereby confirms the special-assessment roll as prepared by City staff and as presented to City Council; and

BE IT FURTHER RESOLVED that the City Council does and hereby orders that a certified copy of said special-assessment roll be placed on file at the City Hall and that the staff be and is hereby directed to spread the assessments and collect the various sums and amounts that appear on said special-assessment roll.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Discuss Elected Officials' Salaries as Recommended by the Compensation Commission

Compensation Commission Chairperson Gordon Bourland reviewed that the Commission met on October 21 and November 9 and discussed compensation for the Mayor and Councilmembers; reviewed that recommended salaries were based upon surveys of communities that staff completed earlier in the year; that there were five proposed approaches; that pay raises be included in the 2021 Annual Budget; that salaries become effective unless 2/3 of the Councilmembers reject it; and the annual salary for the Mayor was set at \$4,827 and set at \$3,605 for Councilmembers based on criteria in the salary survey regarding population, taxable value, general fund revenues, annual pay and that salaries for elected officials have not changed since the last City Charter revision.

Further Discuss 2021 Annual Budget

The City Manager reviewed that the 2021 proposed Annual Budget was presented on November 2 and a public hearing was held earlier in the meeting with no comments; that there were two outstanding questions concerning revenue projections for 2021 for parking meter and lot meter revenue and what the proposed increase in electric, water and sewer rates would generate in additional revenue for 2021; reviewed additional annual revenues that would be generated by the proposed increase in utility rates; that estimated property tax millage rates will total 13.5958 mills; that the budget includes a provision for a 2% raise for non-union employees and the City Manager; and that he was not recommending official approval of the 2021 Budget at this meeting and will further be discussed at the December 7 City Council meeting.

City Councilmembers further inquired on how 2021 parking meter and lot revenues were projected and that revenues still seem over estimated.

The Downtown Director briefly reviewed how 2021 revenue projections were calculated for parking meters and lot meters; that there is not a good base model of comparison for the increased fees and fines that were implemented in July of 2019; that 2020 year-end figures will be skewed by the pandemic and cannot be used for comparisons; and that 2019 and 2020 numbers were set aside and used the exact same numbers projected for 2020 which were the known numbers from 2018 as a baseline.

The proposed 2021 Annual Budget will be further discussed at the December 7 meeting.

Hear Presentation on Midway Event Resolution and Downtown Dining Decks

The Downtown Director gave a presentation and reviewed that in March of 2020 City Council adopted a resolution that approved several strategies proposed by the DMB that were intended to support economic development in the central business district during the summer months; that the strategies were all designed to assist businesses and welcome customers during the pandemic and were approved as a group as part of an event called Midway Summer; and reviewed the effectiveness and pros and cons of the implemented strategies specifically in regards to downtown dining decks.

The Downtown Director further reviewed that the dining decks offered outdoor dining opportunities to the public and additional square footage to restaurants that were mandated to comply with limited seating requirements; that the DMB determined that the dining decks were an advantage to the entire downtown community and has shown an interest in recommending that the ordinance be changed to allow the decks in downtown on a permanent, seasonal basis; that before the DMB moves ahead to develop proposed design guidelines and other operational regulations for the decks, such as how many should be allowed, pricing, hours, etc. the Board requested that Council give direction regarding whether this could be an acceptable concept and any comments or opinions be considered in creating a draft policy that would accompany an ordinance change.

City Councilmembers commented that the dining decks were well done and heard from community members that were in favor and against allowing decks in the future; that dining decks have a European feel and Petoskey is more car centered vs walking; inquired on how many parking spaces could be given up; if additional expansion on sidewalks were discussed to expand outdoor dining; heard a suggestion to implement another pilot ordinance for 2021 rather than a permanent ordinance; inquired on how many businesses were surveyed; that there needs to be a bigger vision of downtown and dining decks is one piece of the picture; heard from those concerned about parking issues if decks are allowed on a permanent basis; and that a timeline needs to be established in order to provide time for businesses to build decks and purchase furniture.

The Downtown Director reported that staff received 39 responses that were all over the spectrum from downtown businesses concerning dining decks and the DMB Board voted 4-3 to move forward with a permanent solution.

Mayor Murphy asked for public comments and heard from those in favor of the decks and hopes they are part of Petoskey's downtown future; that Birmingham allows decks; and dining decks are a positive economic impact for restaurants.

Approve Emmet County Interlocal Agreement for County Designated Assessor – Resolution No. 19473

The City Manager reviewed that the Property Assessing Reform Act (PA 660) passed in 2018 requires each county notify the State Tax Commission no later than December 31, 2020 of the individual that will serve as the County's Designated Assessor; that each county and local assessing units are required to enter into an Interlocal Agreement that designates the individual who will serve in that position; that it's not the role of the Designated Assessor to take the place of the local Assessor, but instead essentially be available in waiting, in case an assessing unit is deemed to not comply with the General Property Tax Act, specifically the Audit of Minimum Assessing Requirements (AMAR); that the County Equalization/GIS Deputy Director recommended Jamie Houserman, Michigan Master Assessing Officer, to serve as the County's Designated Assessor; that the City Assessor feels that she is well-qualified and is comfortable with City Council passing the agreement; that the term of the agreement is for five years; and to date seven governmental entities have approved with another five committed to approving the agreement.

City Councilmember Wagner moved that, seconded by City Councilmember Marshall to approve the Emmet County Interlocal Agreement for County Designated Assessor.

Said motion 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 commented that diplomacy and civil discourse is great in Petoskey. Mayor Murphy also thanked citizens for being civil and reminded the community to respect others.

Adjourn to Closed Session – Resolution No. 19474

City Council was being asked to adopt a resolution that would adjourn to a closed session pursuant to Section 8(h) of the Michigan Open Meetings Act, to consider material exempt from disclosure.

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(h) of the Michigan Open Meetings Act, to consider material exempt from disclosure, at the City Council's regular meeting of November 16, 2020:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to adjourn to a closed session, to consider material exempt from disclosure.

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 16, 2020, meeting of the City Council adjourned at 8:45 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer