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Public meetings are being monitored and violations of statutes will be prosecuted.

CITY COUNCIL

March 9, 2021

Special Meeting

1. Call to Order - 5:30 P.M. – Virtual meeting from remote locations
2. Recitation - Pledge of Allegiance to the Flag of the United States of America
3. Roll Call
4. New Business – Discussion on status of 2020 Action Plan and possible identification of future City goals
5. Adjournment



BOARD: City Council

MEETING DATE: March 9, 2021 – 5:30 P.M. **PREPARED:** February 25, 2021

AGENDA SUBJECT: Status Report and Discussion on 2020 Action Plan

RECOMMENDATION: That the City Council discuss with specific direction on how to revise the current 2020 Action Plan

Background On February 15, 2021 City Council agreed to meet in a special meeting at 5:30 P.M. on March 9 to discuss a status report of the 2020 Action Plan adopted by City Council in December of 2019. The status updates are **bolded** in the far right column under Estimated Timeline/Status for your review. Please see enclosed.

Upon review, Councilmembers will note a number of the Strategies have been accomplished or significant progress is currently underway.

In past discussions regarding updating the approved Action Plan, the City Manager reviewed the status of each Strategy. Council then discussed whether to:

1. Maintain the Strategy as is.
2. Maintain but revise the Strategy.
3. Strike the Strategy completely.
4. Identify new Strategies per Council's direction.

After discussion and direction from City Council, staff will revise the Action Plan accordingly and bring back to City Council for more discussion and possible adoption.

Action Discussion with specific direction from City Council on how they would like to revise the 2020 Action Plan.

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Enclosure

**City of Petoskey
2020 Action Plan
Status Update March 9, 2021**

Goal One Insure a Long-Term Sustainable City Budget

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline/ Status</u>
<u>Highest priority strategies</u>			
<p>1. Create a parks/trails/shorelines and City buildings maintenance plan including cost estimates for repair and upkeep. Consider potential new revenue sources to be used to fund future maintenance and upkeep associated with parks/trails/shorelines and City buildings.</p>	<p>City Council City Manager Clerk-Treasurer Director of Parks and Recreation City Planner</p>	<p>Over the past several decades, the City has constructed a comprehensive network of high quality community amenities leading to Petoskey's reputation as a premier northern Michigan community in which to live, work and recreate. Some of these amenities include a historic downtown, renovated City Hall, award-winning pedestrian/bicyclists trail system, Winter Sports Park, and City Marina. These valuable amenities are in need of on-going maintenance and repair in the coming years. To maintain the highest standards for our local infrastructure and community amenities an additional revenue source may need to be identified and pursued.</p> <p>City Council should consider a funding mechanism and work with Staff to pursue a long-range plan for funding maintenance and upkeep for City parks/trails/shorelines and buildings.</p>	<p>Status – Capital Needs Assessment Study did not get completed given shoreline erosion damage that started in early 2020. Nevertheless, the City is currently working on resolving Little Traverse Wheelway (LTW) erosion issues with Resort Township and Emmet County. Conceptual drawings for the LTW detour adjacent to the highway have been completed. Once more progress is made on overall cost estimates for trail repairs both in the City and along the trail detour area, staff recommends a comprehensive Capital Needs Assessment Study be undertaken.</p> <p>Damaged shoreline areas near the Bayfront Park promenade and playground area have been repaired. City working with Tip of the Mitt Watershed Council to plant native vegetation in this area promoting “living shorelines” to better control erosion.</p>

Goal One

Insure a Long-Term Sustainable City Budget Continued

<p>2. Achieve 90% funding for all employee divisions pertaining to the Michigan Municipal Employment Retirement System (MMERS) defined benefit plans. On an annual basis, review the MMERS Actuarial Valuation Report for funding levels to further reduce the Unfunded Accrued Liability (UAL). Identify options to further reduce the UAL until 90% funding is achieved.</p>	<p>City Council City Manager Clerk-Treasurer</p>	<p>Over the last 3-4 years, MMERS has made adjustments to mortality rates, amortization periods and the assumed rate of return on investments leading to substantial increases in annual defined benefit payments for the City.</p>	<p>Status – The City continues to make great strides in reducing the MMERS Unfunded Accrued Liability (UAL) through changes in the defined benefits program as well as substantial contributions towards the UAL over the last four years. A fifth \$1 million contribution is anticipated in 2021. According to the 2019 MMERS Actuarial Report, the current funding level is at 85%. Dependent upon the rate of return of MMERS investments in 2021, the additional \$1 million contribution could bring the funding levels to 86%. In 2015, the percent funded was at 73%. As long as MMERS does not adjust mortality rates, amortization periods and rate of return assumptions, the City’s funding rate should trend upward.</p>
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Goal Two

Plan for New Infrastructure as well as Maintenance of Current Infrastructure to Accommodate the Future

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline/ Status</u>
<u>Highest priority strategies</u>			
<p>1. Identify and extend the Capital Improvement Plan (CIP), the long term infrastructure needs of city departments, indicating both new and replacement needs as well as long-term infrastructure maintenance requirements. Identify long-term capital replacement and maintenance needs for long-term planning.</p>	<p>City Council City Manager Director of Public Works Clerk-Treasurer Director of Parks and Recreation City Planner</p>	<p>Currently, City officials develop a six-year CIP annually for City Council's approval. Extending analysis an additional 10 years into the future may provide a clearer picture for City officials of the City's infrastructure needs over the long-term. A routine process has been developed whereby the CIP is publicly presented to the Planning Commission for their review and approval, and detailed public presentations are done for City Council on a project-by-project basis.</p>	<p>Status – The 2021-2026 Capital Improvement Plan (CIP) has been expanded to include “Projects/Capital Items Lacking Funding” that includes a backlog of maintenance items such as building repairs, new roofs, HVAC systems, trails, etc.</p>
<p>2. Aggressively pursue grants to support specific infrastructure needs, including Bureau of Indian Affairs funding for streets where appropriate. Identify operation costs when applying for grants.</p>	<p>City Council City Manager Director of Public Works Clerk-Treasurer Director of Parks and Recreation City Planner</p>	<p>A master list of past awarded grants along with deadline dates assists Staff in maximizing grant dollars awarded to the City.</p>	<p>Status – Through City staff's aggressive pursuit of grant dollars the City has been very fortunate to receive approximately \$1.5 million in grant funding in the past two years.</p>

Goal Three

Diversify and Strengthen the City’s Economic Base

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline/ Status</u>
<u>Highest priority strategies</u>			
<p>1. On an annual basis, review and assess the properties identified and the process used for evaluating properties in the City’s Redevelopment Ready Communities (RRC) Program for redevelopment viability. Redevelopment sites should focus mainly on City-owned properties or properties where the landowner is committed to redevelopment.</p>	<p>City Council City Manager City Planner</p>	<p>Through the RRC Economic Development Plan, the City has identified three sites in which to focus economic redevelopment efforts. The sites include 200 East Lake Street, the Darling Lot and 900 Emmet Street.</p> <p>The City will consider not only the economic development viability for each site, but also whether economic development incentives included in the Economic Development Strategy are appropriate. City Council may revise the list of redevelopment sites accordingly.</p>	<p>Status – On-going with annual discussions of RRC sites occurring the past 3 years. Discussion on RRC sites currently underway.</p> <p>RRC recertification will occur in the summer of 2021.</p>

Goal Four

Identify and Address Downtown Development Issues

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline/ Status</u>
<u>Highest priority strategies</u>			
<p>1. Using past studies and conceptual drawings on the Lake Street/Division Street parking lot as well as the Darling Lot Study completed in 2017, consider several specific strategies to increase parking in the downtown area. When planning downtown infrastructure projects, consider different street parking options to maximize downtown parking.</p>	<p>City Council City Manager City Planner Director of Public Works DMB Director</p>	<p>Focus is to increase the number of covered parking spots as well as optimize downtown street parking options.</p>	<p>Status – City and County administrative staff currently in discussions regarding a joint effort to construct a parking platform on City and County-owned land at Lake and Division Streets. Emmet County and City elected officials to determine if there is political support and whether the project is financially feasible to merit further research and discussion.</p>
<p>2. Examine and remove to the extent feasible obstacles to upper floor downtown residential uses and other residential/commercial zoning districts.</p>	<p>City Council City Manager City Planner DMB</p>	<p>Developers have identified a lack of covered parking as a critical impediment to renovating second and third story floors in the downtown area for residential uses. Additionally, current height restrictions in the Emmet Street corridor area (RRC priority site) preclude developers from building a three-story mixed use development.</p>	<p>Status – Greatest obstacle to expanding downtown residential units is a lack of covered parking. City currently discussing a parking platform with Emmet County at the Lake and Division Street site. City also explored development of a parking platform on the Saville Lot as part of a hotel development at Bay and Howard Streets. The Livable Petoskey Master Plan includes a strategy of reviewing the zoning ordinance for possible changes.</p>

Goal Four

Identify and Address Downtown Development Issues Continued

<p>3. Expand the participation rate (currently 30%) of downtown businesses for the voluntary fire code self-inspection program using social media and the DMB's email data base.</p>	<p>City Council City Manager Public Safety Director DMB Director</p>	<p>Every other year Public Safety Officers visit all downtown commercial businesses regarding fire safety issues. Business owners are given a self-inspection fire safety check list form with approximately 30% of the forms returned to the City. The program is completely voluntary. Implementing a mandatory commercial fire inspection program would require additional staff and may not be politically supported by commercial businesses. Through educational efforts, City Staff will develop promotional items that emphasize the importance of fire code inspections for the overall safety of the entire downtown area. Social media including the Public Safety Department's Facebook page will be used to promote more participation for the building safety program.</p>	<p>Status – The self-inspection program should have occurred in Spring of 2020; however, with the COVID restrictions it did not happen. Dependent upon COVID conditions in the coming months, the Public Safety Director plans on working with the local DMB Office to promote the voluntary fire code self-inspection program. The Public Safety Department will also develop an informational page and post it to their Facebook page as well. Emphasis will be placed on persuading business owners to participate for the safety of their business, their employees, and their neighboring businesses. It is also critical to highlight that the program is about safety and preservation of our downtown, not about enforcement.</p>
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Goal Five

Develop and Promote Community Sustainability Measures Including the Transition to Renewable Energy Sources

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline/ Status</u>
<u>Highest priority strategies</u>			
<p>1. In 2020, pursue Gold Certification through the Michigan Municipal League’s Michigan Green Community (MGC) Challenge Program. Maintain Gold Certification levels for future years.</p>	<p>City Council City Manager City Planner Director of Public Works Parks and Recreation Director</p>	<p>The Michigan Green Communities Challenge is an annual program that serves as a guide to help local communities measure their progress towards sustainability. Currently, the City has achieved Silver certification in the program. Benefits of participating in the Michigan Green Community Challenge include:</p> <ul style="list-style-type: none"> • Roadmap for sustainability initiatives; • Earn bronze, silver or gold certification for community efforts; • Benchmark progress towards sustainability initiatives; • Compare and compete with other communities. <p>To achieve Gold Certification, the City will need to pursue a Forestry Plan with an urban tree canopy inventory or install a solar demonstration project on City Hall in 2020.</p>	<p>Status – The City has achieved Silver Certification in 2018 and 2019. Gold Certification will be pursued in 2021 and maintained in future years should the program continue.</p>

Goal Five

Develop and Promote Community Sustainability Measures Including the Transition to Renewable Energy Sources Continued

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline/ Status</u>										
<u>Highest priority strategies</u>													
<p>2. To further assist the City in achieving 100% renewable energy by 2035, the City will install rooftop solar electric panels on City Hall. The efforts will not only decrease the City's dependence upon fossil fuels, but also demonstrate to the community the affordability and return on investments of new solar panel technology.</p>	<p>City Council Clerk-Treasurer City Planner City Manager Public Works Director Parks and Recreation Director</p>	<p>The project will serve as a community catalyst to encourage business owners and homeowners to explore small scale solar panels on buildings within the City. The City Hall demonstration project will highlight both the environmental benefits as well as the overall economics of installing solar panels on homes and businesses.</p> <p>City Council may direct Staff in future years to pursue other solar projects for City buildings.</p>	<p>Status – Solar panels installed on rooftop of City Hall with electrical wiring connections being completed. Solar system should be operational in the next 2-3 weeks.</p> <p>Solar panels are also identified as a scope item for the Winter Sports Park Hockey Rink Pavilion. The panels will help offset the use of lighting inside and outside of the structure.</p>										
<p>3. Work with environmental groups, non-profits, municipalities and the Michigan Public Power Agency (MPPA) in the development of large scale solar array projects in Michigan.</p>	<p>City Council City Manager Clerk-Treasurer City Planner Director of Public Works</p>	<p>Transitioning to 100% renewable energy by 2035 will require the creation of a multitude of unique public/private partnerships. To maintain affordable electric rates through new renewable energy sources, the City should encourage partnerships that promote large-scale solar and wind projects to achieve beneficial economies of scale.</p>	<p>Status – City currently at 22% renewable energy with MPPA pursuing two large scale solar projects that the City will consider investing in. Next milestone of 30% by 2025 should be attainable. Costs of solar panels and battery technology decreasing substantially each and every year.</p>										
<p>4. Using Energy Star Portfolio, achieve a 10% reduction in electrical energy usage for City Hall, Lake Street Fire Station, Curtis Building, and Bay Harbor Fire Station.</p>	<p>City Manager Parks and Recreation Director City Treasurer</p>	<p>Reducing the City's dependence on fossil fuel will take a two-fold approach that includes the transition to renewable energy sources but also implementing energy conservation measures for City Buildings. City Staff will track energy usage on four City buildings that have been benchmarked for energy usage through the Energy Star Portfolio. Specific energy savings projects will be consistent with recent energy audits on City buildings. Future energy savings will be used to establish a revolving energy loan fund in 2021.</p>	<p>Status – Comparing 2020 costs for natural gas, electricity and water usage with 2019, the City reduced energy consumption by the following percentages:</p> <table border="0"> <tr> <td>Bay Harbor Fire Station-</td> <td>33.8%</td> </tr> <tr> <td>City Hall</td> <td>27.1%</td> </tr> <tr> <td>Lake Street Fire Station</td> <td>16.9%</td> </tr> <tr> <td>Curtis Building (P&R Building)</td> <td>10.3%</td> </tr> <tr> <td>Public Works Bldg. Sheridan</td> <td>7.3%</td> </tr> </table> <p>Overall energy costs savings in 2020 for these five buildings totaled \$12,881.</p>	Bay Harbor Fire Station-	33.8%	City Hall	27.1%	Lake Street Fire Station	16.9%	Curtis Building (P&R Building)	10.3%	Public Works Bldg. Sheridan	7.3%
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Goal Five

Develop and Promote Community Sustainability Measures Including the Transition to Renewable Energy Sources Continued

5. Increase participation in the City's Voluntary Green Pricing Program.	City Council City Manager Clerk-Treasurer Public Works Director	The City currently has 138 participants in the Voluntary Green Pricing Program. Residents and businesses can choose to participate at a 25%, 50%, 75% or 100% level. The City will increase our marketing efforts for the program through social media, utility billing and email data bases.	Status – As of early February, 2021, the City has 183 participants, a 33% increase in just over 1 year. City staff to increase promotion of VGP program through utility bills, website, Facebook page and Chamber weekly newsletter.
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Goal Six

Promote Affordable/Workforce Housing within the Community

<u>Strategies</u>	<u>Responsibility</u>	<u>Notes</u>	<u>Estimated Timeline/ Status</u>
<u>Highest priority strategies</u>			
1. Work with housing organizations to identify and address obstacles to affordable housing in the City's zoning codes.	City Council City Manager City Planner Planning Commission	To meet a growing demand for affordable/workforce housing needs, the City in partnership with local housing organizations, will undertake a full review of the local zoning codes. These efforts will assist City Council and Staff in identifying any obstacles that may impede the creation of additional affordable/workforce housing units within the community.	<p>Status – The City Planner is a member of the Little Traverse Bay Housing Partnership and works with members and their new staff coordinator to identify possible locations and tools for the creation of housing.</p> <p>Staff has suggested some zoning ordinance changes to the Planning Commission that are consistent with the new master plan strategies. Now that the master plan is in review, work on ordinances will follow.</p>
2. Identify incentives or measures to promote affordable/workforce housing.	City Council City Manager City Planner Clerk-Treasurer	<p>Resolving affordable/workforce housing issues will require a multi-pronged approach through strong private/public partnerships. Some measures that the City could consider include but are not limited to:</p> <ul style="list-style-type: none"> • Considering donating obsolete City-owned parcels in the development of long-term affordable/workforce housing units for low-to moderate income families; • Revising City codes to allow additional dwelling units (ADUs) in certain neighborhoods or zoning districts; • Promote the establishment of a regional housing authority; • Study increasing density in certain zoning districts; • Develop a Payment in Lieu of Taxes (PILOT) policy that City Council could adopt. 	<p>Status – Municipally-owned lots have been identified and direction is needed on desired method of disposal. That is, put out a request for proposals to all builders (as was done previously), or donate lots to the Emmet County Land Bank or a housing non-profit with timing stipulations.</p> <p>In 2020, City Council adopted a PILOT ordinance to allow a low-income tax credit application for the Lofts at Lumber Square project.</p> <p>Based on information provided by the Little Traverse Bay Housing Partnership, Emmet County will be considering a request to form a county housing commission.</p> <p>The City Planner has a draft PILOT policy and a generic ordinance based on the process followed by Traverse City that would allow for new PILOTs to be adopted by resolution, rather than a new ordinance for each PILOT.</p>