



CITY COUNCIL

February 1, 2021

A regular meeting of the City of Petoskey City Council was held from virtual locations on Monday, February 1, 2021. 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
Derek Shiels, 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 Planner Amy Tweeten, Downtown Director Becky Goodman and Executive Assistant Sarah Bek.

Consent Agenda - Resolution No. 19501

Following introduction of the consent agenda for this meeting of February 1, 2021, 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 January 18, 2021 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 January 18, 2021 for contract and vendor claims at \$1,279,774.69, intergovernmental claims at \$2,573.87, and the January 21 payroll at \$203,250.90, for a total of \$1,485,599.46 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Shiels, 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 the City reduced energy consumption at City Hall by an estimated 27% in 2020 from the previous year which equated to an estimated \$4,300 in energy savings due to conservation measures implemented at City Hall; that the Planning Commission is currently reviewing a second medical marijuana provisioning center application located at 1111 Charlevoix Avenue and approval was tabled due to drawings being incomplete and concerns related to parking due to two easements on either side of the proposed building; that Tip of the Mitt Watershed Council is currently working on a grant to pay for more detailed engineered drawings and to estimate costs for a new design of the Lake Street Dam; that the City is submitting a grant to pay for native vegetation improvements on the coastline near the playground at Bayfront Park; that stakeholders are meeting February 3 to discuss the proposed conceptual plan for the Little Traverse Wheelway detour and the draft plan will be discussed at the February 15 Council meeting; that representatives from the Petoskey Curling Club met with staff to discuss a potential partnership in constructing an indoor curling facility at the Winter Sports Park and staff directed the Club to approach the Parks and Recreation Commission to determine if discussions should continue; that Emmet County officials and City staff will meet next week to discuss the conceptual drawings and estimated costs of a parking platform at Division and Lake Streets; reviewed options on how citizens can pay tax bills with the upcoming deadline approaching; that COVID-19 cases have dropped by 30% nationwide since mid-January with local cases also trending lower, reiterated the importance of mask wearing, social distancing and limit congregating in large numbers and that approximately 1,170 weekly vaccinations will occur in the four counties; and expressed kudos to the City of Petoskey for being named the sixth best city in the United States to work from home by PC Magazine which was based on affordability and use of gigabit speeds in the community, median home values, whether a city is near a coastline or mountains, coffee shops, number of parks and non-chain restaurants in the area.

City Councilmembers inquired on specifics of the proposed conceptual plan for the Little Traverse Wheelway detour, expressed enthusiasm on the energy savings at City Hall and that collection of data to track use and savings is an invaluable tool.

The City Manager reviewed one of the proposed Wheelway plans which crosses the highway and that City staff is tracking data by using the Energy Star Portfolio program.

Approve Distribution of Draft Livable Petoskey Master Plan – Resolution no. 19502

The City Planner reviewed that all proposed changes to-date were included in the Council packet and staff was looking for any additional changes or acceptance of revisions.

City Councilmembers inquired on the process and how changes were being made and approved and the City Planner responded that revisions were made to chapters that had been previously discussed, but changes to the implementation table had not been completed yet.

City Councilmembers discussed strategy (s) within Climate Resilience and Natural Resource Management concerning creating a sustainability task force and heard from those opposed to having the strategy and that it could increase more staff time; heard from those in favor of keeping some type of group, but rewording the strategy; and that community stakeholders such as the college, hospital, schools, etc. be more engaged as well as the general public in City's sustainability efforts.

The City Manager suggested new language for strategy (s) including advocating for broader community engagement and participation in the City's resiliency and sustainability efforts. City Councilmembers concurred with proposed language. City Councilmembers concurred to add "whenever practical" to strategy (t) within Climate Resilience and Natural Resource Management concerning using herbicides and pesticides on City property and approved all other revisions to-date.

City Councilmembers continued review of the draft Livable Petoskey Master Plan specifically Chapter 4 Local Economy, Chapter 5 Land Use and Zoning Plan and Chapter 6 Implementation.

The City Planner briefly reviewed the goals and strategies within Chapter 4 community assets and opportunities and redevelopment and infill development.

City Councilmembers discussed proposed new goals and strategies for assets and opportunities including developing community assets in ways that build local wealth; develop policies and/or initiatives that support worker ownership through outreach, education and incentives; support local investing initiatives and community finance collaborations; and to alter strategy (t) language to convene and forge strategic connections between local institutions and local businesses/food producers to increase local procurement networks and opportunities; heard from those that opposed some of these recommendations and that it is beyond scope of government work; and inquired whether the Chamber of Commerce is already doing some of these strategies.

The City Manager suggested language for a new goal to read “community assets are developed in a manner that builds local wealth” and language for a new strategy to “advocate for and encourage community discussion and education regarding local wealth building business models (i.e. cooperatives and profit sharing programs)”. City Councilmembers concurred with the City Manager’s recommended language; that no changes be made to strategy (t); that a new strategy be added to support local investing initiatives and community finance collaborations; and suggested adding the word “evaluate” to strategy (c) in redevelopment and infill development section.

The City Planner briefly reviewed the implementation table.

City Councilmembers inquired if the local historic district would be completed within the year; inquired on the status of a dog park; and heard the need to designate locations for a bus and/or autonomous vehicle drop-off in the short-term rather than medium-term.

The City Manager responded that City staff is communicating with Bear Creek Township officials on a potential dog park on property near River Road Sports Complex.

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

WHEREAS, the Petoskey City Council adopted the current Blueprint Petoskey Master Plan in January, 2015; and

WHEREAS, the Michigan Planning Enabling Act P.A. 33 of 2008, as amended, M.C.L. 125.3801 *et seq.* requires a master plan to be reviewed every five years for possible updates; and

WHEREAS, the Act requires that a master plan update be approved by the governing body for distribution to adjacent municipalities, utilities, and railroad companies for comment; and

WHEREAS, the Petoskey Planning Commission completed its update to the master plan and forwarded the plan at its December 17, 2020 meeting to City Council for its review and distribution; and

WHEREAS, the Petoskey City Council reserves the right of final plan approval:

NOW, THEREFORE BE IT RESOLVED that the City of Petoskey City Council does hereby authorize the distribution of the Livable Petoskey Master Plan pursuant to the Michigan Planning Enabling Act P.A. 33 of 2008, as amended, MCL 125.3845.

Said resolution was adopted by the following vote:

AYES: Marshall, Shiels, Wagner, Walker, Murphy (5)
NAYS: None (0)

Approve Dining Decks in Parking Spaces for 2021 – Resolution No. 19503

The Downtown Director gave a brief presentation on proposed dining decks in parking spaces for 2021 and that it is very similar to what was approved in 2020; that the concept of allowing dining decks in parking spaces has long been a topic of discussion at the DMB level and allowing last summer was not only a solution to COVID restrictions, but also as an experiment to test their functionality under regular circumstances; that the DMB approved moving ahead with a plan that would allow dining decks and/or expanded outdoor dining in public right-of-ways to be included as a part of the streetscape on a permanent basis; that a permanent change will take time to prepare; that any future legislation recommended by the DMB to allow dining decks on a permanent basis would need to be approved by City Council; reviewed 2021 regulations proposed in resolution including what businesses can participate, parking spaces will be limited to one space unless special petition to the DMB, hours of operation, design standards, cost of renting a parking space and application process; and that the DMB unanimously recommended to City Council that the resolution be approved to allow dining decks in parking spaces at their January meeting.

City Councilmembers inquired on how many spaces businesses would be allowed to use for a dining deck; if there was significant interest from more businesses compared to last year; discussed why there was low interest from businesses; and what the costs are per parking space.

The Downtown Director responded that businesses were allowed up to two parking spaces last year and in 2021 will be allowed one space unless an applicant petitions the DMB for more; that two businesses installed dining decks in 2020 and that the same businesses are interested in installing in 2021 with a possibility of another business; that there are a number of reasons why there is low interest, but a significant reason could be the large expense in construction of a deck; and that there will be no charge to the restaurants if COVID seating capacity restrictions are in place, but if restrictions are lifted then the charge would be \$200 per month which is the approximate revenue that would be lost if the metered space was occupied full time.

Mayor Murphy read aloud public comments that were emailed prior to the meeting regarding dining decks and heard concerns on public safety, design considerations including upscale design elements and ADA accessibility, economic considerations and loss of parking capacity and location of proposed platforms should be considered.

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

WHEREAS, the novel coronavirus (COVID-19) is a respiratory disease that caused temporary shut downs and restricted dining capacities in local restaurants, contributing to economic hardship for them and their employees during 2020; and

WHEREAS, the Downtown is transitioning out of the economic hardship of COVID-19 due to public health initiatives, including vaccines to control the disease, but public health officials advise and may potentially mandate several more months of social distancing; and

WHEREAS, as evidenced by the success of the decks installed throughout the summer of 2020, the DMB is currently working on a recommendation for City Council's consideration to change the City ordinance in an effort to allow dining decks to be permitted on the streets permanently on a seasonal basis beginning in 2022; and

WHEREAS, the decks were found to be popular, manageable, and profitable during the summer of 2020, with no recorded incidents of mismanagement; and

WHEREAS, the concerns of retailers regarding the parking supply, as well as the overall vitality of all of Downtown have been considered and the Downtown Management Board has determined that all segments of Downtown need to work shoulder to shoulder to ensure vibrancy and vitality for all; and

WHEREAS, the City of Petoskey is committed to encouraging economic activity and assisting downtown businesses impacted by the COVID-19 pandemic; and

WHEREAS, the City of Petoskey wishes to ensure that establishments permitted to open to the public have the ability to accommodate social distancing guidelines desired by the public and possibly mandated by State organizations; and

WHEREAS, the City of Petoskey regulates use of its streets, sidewalks, and other public places through Chapter 18 of the Code of Ordinances, and allows outdoor dining pursuant to Chapter 8 of the Petoskey Code of Ordinances Businesses and Business Regulations:

NOW THEREFORE BE IT RESOLVED, that restaurants will be permitted to operate dining decks in public parking spaces during 2021 according to the following temporary measures:

- Businesses that serve alcohol and/or provide full service dining will be allowed to operate a dining deck.
- Dining decks will be limited to one space per participant, unless by special petition to the DMB.
- Decks will be allowed to do business on the street between May 12 through November 14, with the potential for extra time for construction and removal to be negotiated with the Parking Services Office.
- The design of the decks will be negotiated and established by City staff and the applicant in coordination with the County Building Department as they were in 2020.
- There should be no charge to the restaurants if COVID seating capacity restrictions are still in place and, if COVID seating capacity restrictions are lifted, the charge should be \$200 per month. (the approximate amount of revenue that would be lost if the metered space was occupied full time).
- An Open-Air Food-Beverage Service Application and fee must be submitted to City staff before commencing construction of a dining deck. License issuance will occur after all permits, site plans and approvals are on file with the City.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Acknowledge Receipt of 2020 Planning Commission Annual Report – Resolution No. 19504

The City Planner reported that required by the Michigan Planning Enabling Act, the City Council had been provided a copy of the 2020 Planning Commission Annual Report and Council was being asked to acknowledge receipt of this annual report. The City Planner gave a brief presentation highlighting 2020 accomplishments, statistics and answered questions and concerns.

City Councilmember Marshall moved that, seconded by City Councilmember Shiels to accept the 2020 Planning Commission Annual Report.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Approve Poverty Exemption Policy & Guidelines – Resolution No. 19505

The Director of Finance reviewed that the MCL 211.7u of the General Property Tax Act allows a property tax exemption for the principal residence of persons who, in the judgement of the Board of Review, by reason of poverty, are unable to contribute to the public charges; that the Act requires a local governing body to adopt guidelines including income and asset tests for possible poverty exemption of local property tax assessments; that the State is requiring the policy be approved annually; that the proposed policy and guidelines is essentially the same as the policy approved in 2020, with updated poverty income levels established annually by the Federal Poverty Income Guidelines; that language was eliminated in which a Board of Review can no longer deviate from the standards regardless of the reason; and that the City received 7 applications from three owners over the last five years of which 4 were granted.

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

WHEREAS, the annual adoption of guidelines for poverty exemptions is required of the City Council; and

WHEREAS, the principal residence of persons, who the Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Petoskey, Emmet County, adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year:

To be eligible, a person shall do all the following on an annual basis:

1. The primary applicant must own and occupy the property as their principle residence for a minimum of three full calendar years and shall satisfy all requirements of P.A. 390 of 1994 (Principle Residential Exemptions) and State Tax Commission bulletin No. 5 of 1995. Property placed in a trust does not qualify as owned for poverty exemption purposes. All owners and occupants are required to sign Waivers of Confidentiality, Authorizations to Inspect the Property and permission to interview the applicants and verify the application.
2. All owners must include signed Federal and State Income Tax Returns for the most recent filing period, including supporting schedules, if the applicant is required to file an income tax return. If the applicant did not file Federal or State Tax Return, Michigan Department of Treasury Form 4988 must be filed.

- Income and asset information is required for all owners and occupants of the property. Potential income and asset sources are (non-inclusive):

| | |
|------------------------------------|------------------------------|
| Income from all sources | Interest and dividends |
| Salaries & wages before deductions | Pensions |
| Net receipts from self-employment | Supplemental Security Income |
| Veteran payments | Net rental income |
| Royalties | Scholarships & grants |
| Unemployment compensation | Insurance |
| Workers compensation | Retirement accounts |
| Alimony | Child support |
| General assistance | IRA/Keogh annuities |
| Social Security | New or reverse mortgages |
| Cash | Stocks & bonds |
| Checking & savings accounts | Investments |
| Money market accounts | Gifts |
| Assets in trust accounts | Deferred compensation |

- The property's state equalized value (SEV) cannot be more than the City's averaged state equalized value for residential properties adjusted annually. For 2021 the City's average residential SEV is \$172,600, which represents a market value of \$345,200.
- Applicants must meet the Income Test and Asset Test to be eligible to apply to the Board of Review for a partial exemption of the property tax on their principle residence. Applications will be reviewed by the Board of Review in making a determination to grant or deny an exemption and if an exemption is granted, what percentage (100%, 50%, or 25%) of the taxable value will be exempted.

Income Test

Eligible applicants will not exceed the income levels listed below and as a minimum, will pay a property tax equal to three percent (3%) of their Total Annual Household Income.

- Total Annual Household Income shall not exceed the following amount applicable to the number of persons living in the household:

| <u>Number of Persons</u> | <u>2021 Poverty Guidelines</u> |
|-----------------------------|--------------------------------|
| - 1 (owner) | \$12,760 |
| 2 | \$17,240 |
| 3 | \$21,720 |
| 4 | \$26,200 |
| 5 | \$30,680 |
| 6 | \$35,160 |
| 7 | \$39,640 |
| 8 | \$44,120 |
| Each additional person, add | \$ 4,480 |

- Total Annual Household Income shall be based on Federal Poverty Income Guidelines and will be adjusted annually to agree to the federally established amount.

Asset Test

Eligible applicants will have total assets at or below the asset limit listed below for the claimant and household.

1. Total assets, excluding the principle residence and personal property located therein and a primary vehicle, may not have a total value that exceeds:

| | <u>Asset Limit</u> |
|-----------|--------------------|
| Claimant | \$2,500 |
| Household | \$5,000 |

Evaluation Procedures

1. The Board of Review shall follow the above policy and guidelines when making poverty exemption decisions. The same standards shall apply to each claimant for the assessment year.
2. Medical and extraordinary hardship situations may be used to qualify applicants who do not otherwise meet the above income and asset tests.
3. The applicant should be prepared to answer questions regarding their financial affairs, health, status of people living in the household, and any other question relevant to the exemption request.
4. All information is subject to verification. The verification process can be used to determine future ineligibility.
5. The Assessor and Board of Review must agree as to the disposition of the poverty claim for the exemption to be granted.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Assessor and Board of Review shall follow the above and attached stated policy and federal guidelines in granting or denying an exemption, unless the Assessor and Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these reasons are communicated in writing to the claimant.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Council Comments

Mayor Murphy asked for Council comments and Councilmember Wagner commented on the successful master plan discussions and that innovation is needed. Councilmember Shiels commented that he attended MML's Newly Elected Officials Training and that it was a beneficial program. Councilmember Marshall commented that she had received her first vaccine and the process went well. Mayor Murphy encouraged the community to continue to be patient and that the health department is doing their best to get everyone who is interested vaccinated as fast as possible.

There being no further business to come before the City Council, this February 1, 2021, meeting of the City Council adjourned at 9:05 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer