



**CITY COUNCIL**

February 15, 2021

A regular meeting of the City of Petoskey City Council was held from virtual locations on Monday, February 15, 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, Parks and Recreation Director Kendall Klingelsmith, Public Works Director Michael Robbins and Executive Assistant Sarah Bek.

**Consent Agenda - Resolution No. 19506**

Following introduction of the consent agenda for this meeting of February 15, 2021, City Councilmember Wagner 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 February 1, 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 February 1, 2021 for contract and vendor claims at \$1,296,565.34, intergovernmental claims at \$14,773.80, and the February 4 payroll at \$207,306.16, for a total of \$1,518,645.30 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 representatives from Resort Township, Emmet County, MDOT, Top of Michigan Trails Council and the City met to discuss the conceptual plans for the Little Traverse Wheelway detour and staff anticipates a presentation on conceptual plans at a meeting in March; that City staff and the DMB Director met with Emmet County administration to discuss potential partnership to construct a one-story parking platform at Lake and Division Streets; that the U.S. Census Bureau recognized the City's efforts to "Get out the Count" on the 2020 Census with a self-response rate of 69.8% as compared to the national average of 67%; that the City completed a MML survey describing the scope and estimated costs of damaged shoreline areas in the community to quantify the severity of the issue after the Governor presented her budget last week which included \$40 million in grants to local governments to fund water resilient infrastructure designed to tackle storm water management, coastal erosion and flooding; that he has been working on a status update of the current Action Plan and was looking for direction from City Council on how to proceed; that the City Assessor is estimating a 3.2% increase in personal and real property taxes for 2021 which was not forecasted in the 2021 budget; that City staff finalized the refinancing of water and sewer bonds locking in an interest rate of 3% saving the City over \$600,000 in debt service payments; and that he was asked by the Groundworks Center for Resilient Communities to assist in reviewing proposals in the selection of a qualified firm to develop a "group buy" solar program for residents and businesses within the City of Petoskey and individuals/businesses within 30 miles of the Petoskey City Hall with the goal of the program to increase public education and photovoltaic installation while aggregating demand for more advantageous solar pricing for residents and businesses.

City Councilmembers discussed reviewing the action plan and heard from those in favor of having a special meeting and reviewing at a few regular scheduled meetings. Councilmembers concurred to schedule a special meeting with City staff via Zoom at 5:30 P.M., Tuesday, March 9 to review the Action Plan.

City Councilmembers inquired on the difference between a parking platform and parking deck; heard from those supporting the "group buy" solar program and education component; inquired if Councilmembers should talk to County Commissioners to show the need for a parking platform; and thanked Census workers.

The City Manager reviewed the platform concept vs. parking deck and that it is typically a one-story covered parking structure rather than multiple stories making up a parking deck and that discussing with Commissioners is fine as long as you are representing your personal opinion.

### **Approve Greenwood Cemetery Board Appointment – Resolution 19507**

Mayor Murphy reviewed that City Council consider the following appointment.

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 Amy Tweeten, 814 Jennings Avenue, to the Greenwood Cemetery Board to fill a vacated term ending May 2021.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

### **Annual Review of Economic Development Strategy**

The City Planner reviewed that City Council adopted an updated Economic Development Strategic Plan on May 4, 2020 when 502 Michigan Street was added as a priority redevelopment site; that an annual review of progress toward achieving the identified goals is a requirement of the Redevelopment Ready Communities (RRC) certification process; reviewed 2020 goals and progress including the City's first-class park system and downtown area, partnering with other units of government and non-profit organizations to improve regional transportation system and address regional housing issues and status on working with developers on priority redevelopment sites to address needed housing and infrastructure such as a parking structure; reviewed annual data on home sales in the City proper and Bay Harbor, building permits, business starts and closings, updated Census Data on population, income, poverty rates and housing data; reviewed the four current priority sites including 200 East Lake Street, 900 Emmet Street, 502 Michigan Street and the Darling Lot with anticipation of 900 Emmet Street being developed into the Lofts at Lumber Square with the assistance of low income tax credits; reviewed potential sites including 316/318 East Lake Street, 319 State Street and 1420 Standish Avenue, former Michigan Maple Block site; and reviewed that staff was looking for direction and input from City Council on possible changes to the priority redevelopment sites and whether more information is wanted on how incentives could be structured to assist redevelopment of priority sites.

City Councilmembers inquired on the number of home sales of year-round vs. summer residents; inquired on the number of mortgages vs. full ownership; discussed the possibility of making a portion of downtown Mitchell Street a priority site that would include some of Mr. Redding's properties; inquired why Kmart property wasn't included as a potential site; heard a comment that it is unclear the value of placing a property on priority list; heard a suggestion to remove Darling Lot as a priority site; further discussed current and possible new sites; and that developers should have a more complete plan prior to coming to City Council for approval and if information from other business leaders could be beneficial in process.

The City Planner reviewed that half of Kmart is going to be Big Lots so site was not included and that former Maple Block and News-Review properties are large sites for potential development.

City Councilmembers concurred that staff reach out to owners of current and potential sites to see interest in being part of the RRC program to create a revised strategy to be discussed at a future meeting.

Mayor Murphy asked for public comments and read aloud written comments received prior to the meeting to consider rejoining Northern Lakes Economic Alliance (NLEA) without County involvement and to consider the Kmart site, Kilwin's property, former Tallberg's site and J.C. Penny site for potential redevelopment.

### **Approve Winter Sports Park Hockey Pavilion Grant Application – Resolution No. 19508**

The Parks and Recreation Director reviewed the grant application for the development of a pavilion over the hockey rink at the Winter Sports Park and would allow the City to utilize the space year-round; that the project was chosen as the Noon Rotary Club's 100-year project and the club has already committed \$225,000 towards the \$300,000 match; that the project is referenced in the Parks and Recreation Master Plan and scheduled in the 2022 Capital Improvement Plan; reviewed total project cost of \$600,000, grant request of \$300,000 with Rotary matching \$225,000 and \$75,000 to come from other donations and fundraising efforts.

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

WHEREAS, the City of Petoskey Parks and Recreation Commission desires to enhance recreational opportunities by constructing a pavilion covering the hockey rink at the Winter Sports Park; and

WHEREAS, the Winter Sports Park will include a 115' x 215' pavilion covering the existing hockey rink, and site work at an estimated project cost of \$600,000; and

WHEREAS, the Winter Sports Park hockey rink pavilion would contribute to the goals and objectives identified in the 2018-2022 City of Petoskey's Parks and Recreation Master Plan, outlining the need and the desire to develop this recreational opportunity; and

WHEREAS, the State of Michigan Department of Natural Resources is accepting applications for funding assistance through the Michigan Natural Resources Trust Fund for park development projects contributing to the goals and objectives identified within the municipality's approved Parks and Recreation Master Plan; and

WHEREAS, the City of Petoskey Parks and Recreation Commission supports the development of the Winter Sports Park hockey rink pavilion and recommends that the Petoskey City Council resolve to sponsor a Michigan Natural Resources Trust Fund Application for this project and commit to undertake this project, if funded, and commit to the project match and authorize Robert Straebel, City Manager, or his designee to serve as the City's representative for this project; and

WHEREAS, the Parks and Recreation Commission further requests that the City Council consider committing up to a 50% local match, that being \$300,000, toward these improvements which are estimated at \$600,000:

NOW, THEREFORE, BE IT RESOLVED, that the City of Petoskey Parks and Recreation Commission, acting as appointed officials, request that the City of Petoskey City Council adopt a resolution to authorize Robert Straebel, City Manager, or his designee to serve as the City's representative for this project, authorize the submission of the application and request that Michigan Department of Natural Resources Trust Fund Board consider approval of the grant application for the Winter Sports Park hockey rink pavilion project and provide grant funding in the amount of \$300,000.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

**Discuss Grant Application for Property Acquisition Adjacent to Skyline Property**

The Parks and Recreation Director reviewed the grant application for the acquisition of 55 acres adjacent to the Skyline property owned by the City; that the property is offered by Doug and Pam Boor, who have worked with the City to manage the area; that the Little Traverse Conservancy will be proposing to their Board of Trustees for approval up to \$25,000 towards the purchase of the property and the Boor family has committed \$5,000 towards the match of \$62,500; that staff met with the North Country Trail Association who has expressed an interest in working with the City; reviewed that this is a great opportunity for the City to encumber additional land for preservation and provide more needed recreational opportunities that could include expanded hiking trails, mountain biking, equestrian trails or rustic camping; and reviewed total project cost of \$250,000, grant request of \$187,500 and a City match of \$62,500.

City Councilmembers inquired why the City owns property in the township; that price of property seems high and inquired if an appraisal had been completed; that the City hasn't done anything with this property and what is the advantage of adding to it; and asked for staff to send appraisal to review and discuss further at the next meeting.

Councilmember Shiels asked if he should recuse himself from discussion since he is employed by the Little Traverse Conservancy but has no personal gain. The City Manager responded that there did not seem to be a conflict.

The Parks and Recreation Director reviewed that an appraisal was completed and property was appraised at \$206,000 which is the seller's asking price.

City Councilmembers tabled discussion and will revisit at the March 1, 2021 Council meeting.

**Approve Marina Fuel Storage Replacement Grant Application – Resolution No. 19509**

The Parks and Recreation Director reviewed that the City Marina is operating with 30-year old fuel storage tanks and have exceeded their useful life and no longer meet the needs and demands of the boaters on Little Traverse Bay; that the Petoskey Marina is the only public marina available to administer fuel on the bay; reviewed the change in fuel needs and that diesel is now more in demand; reviewed total project cost of \$250,000, grant request of \$125,000 and the City utilizing Marina Reserve Funds matching the remaining 50% of the project which would be \$125,000; and that proposed work would be completed after the 2021 boating season has commenced and the Marina is officially closed.

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

WHEREAS, the City of Petoskey City Council hereby recognizes the need to keep the Petoskey Municipal Marina and its infrastructure a safe, functional facility and supports the need to upgrade the fuel storage system; and

WHEREAS, the Michigan Department of Natural Resources is accepting Waterways Grant Program applications for marina infrastructure improvement projects that include upgrades and improvements; and

WHEREAS, the City of Petoskey Parks and Recreation Commission has reviewed the proposed \$125,000 Waterways Grant Program application request for fuel system replacement at the Petoskey Marina, conducted a public hearing on the proposed \$250,000 project; and

WHEREAS, the City of Petoskey Parks and Recreation Commission supports the proposed grant application and requests that City Council consider authorizing the submission of the Waterways Grant application to the Michigan Department of Natural Resources for \$250,000, agree to provide a 50% of the grant match of \$125,000, and designate the City Manager or his designee as project representatives:

NOW, THEREFORE, BE IT RESOLVED, that the City of Petoskey City Council does and hereby confirms its intent to submit to the Michigan Department of Natural Resources, a Waterways Grant Program application in the amount of \$250,000 to upgrade and replace the fuel storage system at the Petoskey Municipal Marina and further commits to provide a 50% grant match of \$125,000 toward the project; and

BE IT FURTHER RESOLVED, that the City of Petoskey City Council hereby confirms its intent to authorize the City Manager, or his designee, to serve as the City of Petoskey's representative for the Waterways Grant Program for the marina electrical upgrade project.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

**Authorize Tree Planting Contract – Resolution No. 19510**

The Parks and Recreation Director reviewed that the 2021 Annual Budget included monies for planting of trees and shrubs within street green lawns and public spaces as new or replacement trees; that the tree planting initiative is part of the City's overall Forestry Program that includes trimming, maintenance and tree and stump removal of City owned trees; and reviewed bids.

City Councilmembers asked that staff send the list of tree species.

City Councilmember Marshall moved that, seconded by City Councilmember Shiels to authorize to contract with David Hoffman Landscaping and Nursery, Inc., Petoskey, in the amount of \$43,620, for planting of trees throughout the City.

Said motion was adopted by the following vote:

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

NAYS: None (0)

**Authorize Street Resurfacing Project & Concrete Repairs Contract – Resolution No. 19511**

The Public Works Director reviewed that the 2021 Annual Budget included \$258,000 for street resurfacing and repairs to curb-lines, drive approaches and sidewalk ramps for ADA compliance; that this project will involve a “mill and fill” type process that essentially removes the top course of asphalt and replaces it with new and the process revitalizes the street surface and extends the life of the street for approximately 10-12 years; reviewed that staff conducted an extensive assessment of all city streets last year using a rating system known as PASER (Pavement Surface Evaluation and Rating); reviewed streets and segments of streets proposed for 2021 including Washington, Franklin, Harvey, Lookout, Connable and West Jefferson from Ingalls Avenue to Connable Avenue and other street segments under consideration for 2021, but only will be considered based on funding availability include Tall Pines Court and a small segment of Rush near Harvey; and reviewed bids.

City Councilmember Walker moved that, seconded by City Councilmember Wagner to authorize to contract with Payne & Dolan, Inc., Gaylord, in the amount of \$137,321.90 for street resurfacing projects and miscellaneous concrete repairs.

Said motion was adopted by the following vote:

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

NAYS: None (0)

**Approve Concrete Unit-Price Bids – Resolution No. 19512**

The Public Works Director reviewed that the 2021 Annual Budget again called for routine replacements and construction of concrete sidewalks, curb-and-gutter structures and related installations mainly associated with the Street Resurfacing Project; reviewed other concrete replacements anticipated for 2021 including deck repairs to Pier A at the City Marina and miscellaneous as-needed repairs citywide, including work within the Central Business District; and reviewed bids.

City Councilmember Shiels moved that, seconded by City Councilmember Marshall to authorize staff to contract with all three concrete firms that submitted proposals, though some would be preferred over others based upon unit prices.

Said motion was adopted by the following vote:

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

NAYS: None (0)

**Authorize West Jefferson Street Sanitary Main Replacement Contract – Resolution No. 19513**

The Public Works Director reviewed that the 2021 Annual Budget included \$125,000 for miscellaneous water and sanitary sewer repairs along residential streets that are part of the 2021 Street Resurfacing Project; that City crews and a televising contractor cleaned and visually inspected all sewer lines identifying potential failures or needed repairs and that most inspected were in good shape except for a segment along West Jefferson Street between Ingalls and Connable Avenues; reviewed project and that main line installations will include sewer lateral replacements only within the street right-of-way along with cleanouts provided in green lawn areas; and reviewed bids.

City Councilmember Wagner moved that, seconded by City Councilmember Walker to authorize to contract with Dunkel Excavating Services, Petoskey, in the amount of \$65,619.95 for West Jefferson sanitary main replacement project.

Said motion 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 Walker commented that she has been trying to share the Livable Petoskey Master Plan with others to increase public engagement. Mayor Murphy encouraged citizens to get outdoors and enjoy winter activities with the upcoming warmer weather.

There being no further business to come before the City Council, this February 15, 2021, meeting of the City Council adjourned at 9:15 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer