



CITY COUNCIL

October 18, 2021

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 18, 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

Absent: Lindsey Walker, City Councilmember

Also in attendance were Interim City Manager/Clerk-Treasurer Alan Terry, City Planner Amy Tweeten, Downtown Director Becky Goodman, Finance Supervisor Audrey Plath and Executive Assistant Sarah Bek.

Conduct Public Hearing on 2022 Downtown Programs & Services & Assessment Rate Increase

A public hearing was held to receive comments on the proposed 2022 downtown programs and services. The City Manager and Downtown Director reviewed process and that the DMB recommended an assessment formula at a 2% rate increase compared to the 2021 formula and that the DMB concurred to increase the annual rate by 2% each year to align with the increase in cost of living.

City Councilmembers inquired if any public comments had been received and the City Manager responded that no correspondence had been received.

Mayor Murphy opened the public hearing at 7:03 P.M. and there were no comments.

The public hearing closed at 7:04 P.M.

Consent Agenda - Resolution No. 19594

Following introduction of the consent agenda for this meeting of October 18, 2021, City Councilmember Wagner moved that, seconded by City Councilmember Marshall adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the September 27, 2021 special session, October 4, 2021 regular session and October 6, 2021 special session City Council meetings 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 4, 2021 for contract and vendor claims at \$484,063.03, intergovernmental claims at \$0, and the September 30 and October 14 payrolls at \$454,405.63, for a total of \$938,468.66 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Shiels, Wagner, Murphy (4)

NAYS: None (0)

Hear Public Comment

Mayor Murphy asked for public comments and heard a complaint regarding the lack of street parking on Division Street due to the street only being able to accommodate three lanes of traffic; that parking across the street from a residence is limited due to cars using it for long periods of time; that a citizen cannot register a complaint for extended parking that is not on their side of the street and in front of their home per City ordinance; asked City Council if current regulations seem right; heard concerns that parking issues per the ordinance are complaint driven which is a poor and uncomfortable way to manage issues; and that Emmet County, downtown visitors and other businesses near Division and Bay Streets park longer than the three hour limit and there is lack of enforcement.

City Councilmembers commented that employees from businesses in the area are taking up parking spaces in residential areas knowing that there is a three hour limit and discussed parking limits; inquired if Division Street residents could request additional parking on the east side of the street; and commented that there is a retaining wall on one side of Division Street and is limited due to three travel lanes.

The City Manager commented on the unfortunate parking issues for residents located near the Central Business District and cited the parking ordinance pertaining to concerns near Division and Bay Streets.

The City Planner reviewed the history of the business on Bay Street and that it was previously a residence and was converted to office space; that the property is located within the parking exempt district; and the property owner provides some parking but does not have to provide parking.

City Councilmembers discussed the ordinance and limited options and suggested City staff research a possible solution and work with residents.

Hear City Manager Updates

The City Manager reviewed that Halloween hours are scheduled for 6:00 P.M. to 8:00 P.M., Sunday, October 31, 2021 and East Mitchell Street will be closed between Kalamazoo and Waukazoo Avenues; that 300+ people attended the Rotary Fall Festival at the Winter Sports Park last Saturday to promote Parks and Recreation with focus on the Hockey Rink Pavilion project which featured a pumpkin rolling contest, live band and food trucks; and that the non-motorized trail replacement began today and the trail will be closed from Townsend Road about a half mile towards Preserve Drive which should be completed by Friday, weather permitting.

City Councilmembers inquired if money was being reserved for the trail to replace the asphalt and commended Parks and Recreation staff for their efforts on the Fall Festival.

The City Manager responded that the wheelway project is funded by the General Fund and monies are not set aside and discussed the need for a special millage to provide funding for the parks for future replacements and for ongoing operating to continue the current level of services.

Approve 2022 Downtown Programs & Services – Resolution No. 19595

The City Manager reviewed that a public hearing was previously held earlier in the meeting and that the DMB recommended an assessment formula at a 2% rate increase compared to the 2021 formula.

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

WHEREAS, at its meeting of October 4, 2021, the City Council reviewed a report by the City Manager dated September 28, 2021, as required of City Code provisions, that listed proposed programs and services to be provided to property owners and tenants within the Downtown Management Board's territory during 2022 and a proposed roll of special assessments to be spread against properties within the Management Board's district at a 2% rate increase compared to the 2021 formula, as a means of financing such proposed programs and services; and

WHEREAS, following its review of that September 28 report, the City Council scheduled a public hearing for 7:00 P.M., Monday, October 18, 2021, as required of City Code provisions, to receive comments concerning proposed Downtown Management Board programs and services; and

WHEREAS, the City Council now has conducted this October 18 public hearing to receive comments concerning proposed programs and services as recommended by the Downtown Management Board:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby approves proposed programs and services as recommended by the Downtown Management Board 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% rate increase compared to the 2021 formula that are coterminous to those of the Management Board's territory; and

BE IT FURTHER RESOLVED that the City staff be and is hereby directed to prepare a special-assessment roll in accordance with the City Council's determination and to provide such a roll with the recommended formula rate for the City Council's review at its regular meeting of November 1, 2021.

Said resolution was adopted by the following vote:

AYES: Marshall, Shiels, Wagner, Murphy (4)

NAYS: None (0)

Discuss Draft Economic Development Incentive Policy

The City Manager reviewed that this was a continued discussion of a draft policy meant to begin a discussion on what City Council would like included in a policy; that incentives towards projects could be used that focus on certain outcomes such as jobs, affordable housing, and redevelopment of older buildings; and that staff can develop other proposals such as a narrative policy that does not include a point rating system or a policy that may incorporate both.

City Councilmembers commented that the OPRA request which would have received 13 points with the draft policy, a medium priority, was a win for the City; heard from those in favor of the revisions that the project provides economic, environmental, and social benefits consistent with the goals of the City Master Plan; heard from those that creating a policy is a lengthy process and concerned with moving to quickly and not prioritizing and that it should be a collaborative effort; heard concerns that the policy is only addressing Redevelopment Ready sites, but others in the community could be worthy of incentives; that there is some confusion on what would be evaluated; if a property would only be considered if mixed-use or residential; concurred to expand to more than Redevelopment Ready sites; heard from those not in favor of giving tax abatements to everyone; and heard from those in favor and against using a point rating scale.

The City Planner reviewed that the Master Plan sets out a vision and a policy could help fulfill the vision and gave an example that solar panels on roof tops could be an incentive which would help the City's 100% renewable energy goal.

City Councilmembers concurred to continue discussion of a draft policy.

Approve City Manager Recruitment Proposal – Resolution No. 19596

The City Manager reviewed that with a vacancy in the City Manager position, proposals for an executive search to fill the position were requested from The Mercer Group, Inc., Michigan Municipal League (MML) and GovHR USA; that these three vendors appeared to be ones that were most viable for the Director of Finance position so they were contacted for the City Manager position; and that the hiring of the City Manager is solely the responsibility of City Council and providing proposals is meant to help with the process.

City Councilmembers reviewed proposals; inquired how internal candidates would apply and if there was an internal posting first; heard from those on past experience who were not inclined to select The Mercer Group; heard from those in favor of GovHR or MML; that MML focuses on Michigan and impressed with client list; heard that The Mercer Group was responsive to Council wishes and delivered in the past; heard from those concerned on the lack of searches from The Mercer Group from 2015 to-date; and discussed the possibility of calling references or interviewing MML and GovHR but that it would delay the process.

City Councilmember Shiels moved that, seconded by City Councilmember Wagner to approve contracting with Michigan Municipal League in the amount of \$19,000 for an executive search for the vacant City Manager position.

Said motion was adopted by the following vote:

AYES: Marshall, Shiels, Wagner, Murphy (4)

NAYS: None (0)

Discuss Continuation of Zoom Meetings

The City Manager reviewed that with the City's return to in-person meetings, the meetings have also continued to be held through Zoom; that there has been comments regarding the continuation of teleconferencing and whether meetings should return to in-person only; that the meetings require additional staff on hand to manage the Zoom meetings and there has been some issues with making presentations to Council and to in-person and remote participants; that the City is not required to record audio or video portions of any meetings, but may do so voluntarily; and that staff estimated about 10 Zoom participants per Council meeting which fell off significantly as business returned to normal.

City Councilmembers commented that the COVID-19 pandemic has not ended and is still an immediate concern in the community; recognized technology challenges; that Zoom meetings make civic engagement easier; and heard a suggestion to track number of users at City meetings and potentially reconsider in early 2022.

The City Manager responded that staff is currently working on upgrading the technology in the Council Chambers but there have been challenges with equipment delivery and installation.

City Councilmembers concurred to continue using Zoom for City Council meetings.

Approve Interim City Manager Wage Request – Resolution No. 19597

Mr. Terry reviewed that with the appointment of Interim City Manager, he was requesting an additional wage of \$1,000 per week during this period and that in 2015 while in this position, the rate was an additional \$750 per week and lasted 25 weeks.

City Councilmember Marshall moved that, seconded by City Councilmember Wagner to approve the Interim City Manager compensation of an additional \$1,000 per week during the appointment.

Said motion was adopted by the following vote:

AYES: Marshall, Shiels, Wagner, Murphy (4)

NAYS: None (0)

Council Comments

Mayor Murphy asked for City Council comments and City Councilmember Wagner thanked Mr. Terry for putting the City first before his retirement. City Councilmember Shiels congratulated Councilmember Walker on becoming a grandma, suggested tabling and not pursuing the University of Michigan deer management project since graduate students are too busy to take on project and inquired on establishing an Ad-Hoc Committee to help move along items faster to the Planning Commission. City Councilmember Marshall commented on the raised flowerbeds in front of the J.C. Penny building and inquired who owns the bed since there has been public comments that it may be removed.

The City Manager responded that staff would look in to issue and report back to City Council.

There being no further business to come before the City Council, this October 18, 2021, meeting of the City Council adjourned at 8:27 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer