



CITY COUNCIL

November 1, 2021

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, November 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, Petoskey, Emmet County, MI (remote)
Lindsey Walker, City Councilmember

Absent: None

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

Consent Agenda - Resolution No. 19598

Following introduction of the consent agenda for this meeting of November 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 October 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 October 18, 2021 for contract and vendor claims at \$359,876.66, intergovernmental claims at \$0, and the October 28 payroll at \$216,818.85, for a total of \$576,695.51 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 reviewed that Downtown Trick or Treat and Halloween festivities had a lot of participation and went well; that the City received its first installment from ARPA of \$301,236 and that monies must be spent by December 31, 2026; that there are two interested parties for property at 620 Ingalls Avenue and that the same RFP will be sent that was used with other City-owned parcels; that leaf pickup begins next week; that a special joint City Council and Planning Commission meeting is scheduled for 5:30 P.M., Monday, November 8, and a light dinner will be served; that the short-term vacation rental bill passed the House and will move to the Senate and Governor for final approval which could eliminate some local controls and properties cannot be zoned out of residential districts; and that the General Election is tomorrow and polls will be open from 7:00 A.M. to 8:00 P.M. at the Grand Unity Event Center on Charlevoix Avenue.

City Councilmembers inquired on the joint meeting and who was setting the agenda and if the City Attorney would be in attendance to discuss the relationship of City Council to the Planning Commission and how each board functions. The City Manager responded that the City Planner and himself would be setting the agenda and that the City Attorney will be in attendance.

Confirm Special Assessment Roll & Schedule Public Hearing – Resolution No. 19599

The City Manager reported that, following City Code provisions that regulated the City's special-assessment procedure, the City Council on October 18 conducted a public hearing, and received no comments concerning a September 28 report by the City Manager that had recommended the levy of special assessments against eligible, non-residential properties within the Downtown Management Board's territory to offset costs of programs and services that would be provided by the Downtown Management Board during 2022. Such revenues and expenditures have been included within the City's proposed 2022 Annual Budget. Following the October 18 public hearing, the City Council, again in accordance with City Code special-assessment procedures, conditionally approved the proposed programs and services and their costs as they had been presented, established boundaries of the special-assessment district, and requested that an assessment roll be prepared by City staff and presented to the City Council for its review at the November 1 City Council meeting.

The City Manager reported that the City Council had been provided a proposed special-assessment roll based upon the Downtown Management Board's September 21 recommendation that a 2% increase special-assessment formula be used for financing downtown-area programs and services, with \$0.1873 being the amount that would be assessed per square foot of useable, first-floor, non-residential building area; \$0.0468 being charged useable, non-residential area on floors other than the first floor; and vacant, unimproved lots being charged \$0.0572 per square foot for lot area. To meet City Code requirements, the City Council was being asked to adopt a proposed resolution that would confirm the City Council's acceptance of the roll, order that the roll be placed on file at the City Hall for inspection, and schedule a public hearing for 7:00 P.M., Monday, November 15, to receive comments concerning this proposed special assessment.

City Councilmembers inquired if anyone had contacted City staff regarding the proposed assessments and the Downtown Director responded that she had not received any correspondence.

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

WHEREAS, at its regular meeting of October 4, 2021, City Council reviewed a report by the City Manager dated September 28, 2021, as required of City Code provisions, that listed programs and services that had been proposed to be provided to property owners and tenants within the Downtown Management Board's territory along with a proposed assessment formula that could be implemented to finance such programs and services during 2022; and

WHEREAS, following that review, City Council on October 4, 2021, scheduled a public hearing for October 18, 2021, to receive comments concerning proposed programs and services as intended 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, City Council, on October 18, 2021, approved proposed programs and services as recommended by the Downtown Management Board at their September 21, 2021 meeting 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% increased rate compared to last year that are coterminous to those of the Management Board's territory; and

WHEREAS, in addition to approving proposed downtown-area programs and services and costs of such programs and services, City Council directed City staff to prepare a special-assessment roll in accordance with City Council's approval of recommended programs and services and costs of such programs and services for presentation to City Council at its meeting of November 1, 2021; and

WHEREAS, in response to City Council's direction, and in accordance with City Code provisions that regulate special-assessment procedures, City staff has provided a proposed special-assessment roll:

NOW, THEREFORE, BE IT RESOLVED that City of Petoskey City Council does and hereby accepts the assessment roll as prepared by the City staff and as presented to City Council; and

BE IT FURTHER RESOLVED that City Council does and hereby orders that said special-assessment roll be placed on file with City staff and made available for inspection by the public; and

BE IT FURTHER RESOLVED that City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 15, 2021, to receive comments concerning this proposed special-assessment roll; and

BE IT FURTHER RESOLVED that City Council does and hereby directs City staff to publish a notice of the November 15, 2021, public hearing and notify potentially-affected property owners of said public hearing as required by City Code provisions that regulate City's special-assessment procedures.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Approve CCE/911 Board of Director Appointments – Resolution No. 19600

The City Manager reviewed that cities within each of the three Counties belonging to CCE appoint a representative and an alternate to serve as their representatives to the CCE Board of Directors; that for Emmet County that includes Petoskey and Harbor Springs with the City Councils approving both members; that appointees have always been a City Manager and have switched between the two cities as City Managers come and go; that City staff recommends appointing Victor Sinadinoski, City Manager of Harbor Springs, as representative and Alan Terry, Interim City Manager of Petoskey, as alternate to the CCE Board of Directors; and if approved the Harbor Springs City Council will be asked to approve the same resolution at their next regularly scheduled meeting.

City Councilmembers commented that the process demonstrated one great example of intergovernmental partnerships and cities working together.

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

WHEREAS, the CCE agreement provides for the Cities within each participating County to appoint a representative and alternate to the Board of Directors representing all of the cities within the county; and

WHEREAS, there is currently a vacancy in the position with the departure of the City Manager of Petoskey:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council appoints Victor Sinadinoski, City Manager of Harbor Springs, as representative and Alan Terry, Interim City Manager of Petoskey, as alternate to the CCE Board of Directors.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

2022 Annual Budget Presentation and Schedule Public Hearing – Resolution No. 19601

The City Manager reported that as required of City Charter provisions, and as part of the City's routine, yearly process, City Council had been presented with the City's proposed 2022 Annual Budget as part of November 1 meeting agenda materials, that totaled \$33,687,600 in operating and capital expenditures; and that, except to acknowledge its receipt, no action concerning the proposed budget now would be required of City Council, but that, in addition to the City Manager's summary of the proposal, City Council should begin discussions on the proposed budget.

The City Manager also reported that as the first step in the budget-preparation process, the City Council was being asked to acknowledge receipt of the budget proposal and to adopt a proposed resolution that would schedule a November 15 public hearing to receive comments concerning the proposed budget and property tax millage rates that would be recommended as part of the proposed budget; and that City Council could schedule the public hearing for any date that it chose, but that November 15 was suggested.

The City Manager reviewed a summary of the 2022 budget and that there were no new taxes; reviewed 2022 capital outlay items; reviewed the General Fund in depth and the City's status concerning MERS Unfunded Accrued Liability (UAL); reviewed fund by fund highlights of projects, fund balances and operating revenue and expenses; that water and sewer rates will increase 3.4%, but no electric rate increase; and that there were record sales for the Marina and Magnus Park Campground.

City Councilmembers inquired on the current UAL percentage and if a 90% goal was feasible; inquired that due to increased property values and second homes if property tax values increased; commented that Marina revenues are restricted and remains in the Marina Fund rather than contributing to the General Fund; inquired on a Parks and Recreation millage for long-term improvements and maintenance; requested to meet the City Assessor and have him give a presentation to City Council concerning taxable values; discussed sidewalk clearing in the winter and that improvement is necessary to continue to be a walkable city; inquired on the valve turning program within the Water and Sewer Fund; inquired if monies were budgeted for a Code Enforcement Officer to help assist the City Planner; heard from those in favor of having a full-time person doing half code enforcement and half economic development; commented on downtown parking and changes in ticketing; and inquired if there were monies for a forestry management plan to evaluate health of forest since the last plan was completed in 2010 and that there is a need for fencing or rock where trees have been removed on North Country Trail on the Brewbaker side.

The City Manager responded that 90% UAL funding is possible, but depends on MERS assumptions and actuaries; that the increase in home sales has generated an increase in property taxes and additional revenue to the City; that long-term projects and maintenance needs were not included in the proposed budget and that discussions should occur soon concerning possible Parks and Recreation and/or Public Safety millage requests to sustain the General Fund and to continue to offer services at the current level; that he recommended the City Assessor present to Council in March before millage rates and taxable values are set; that the DMB is currently discussing the possibility of a sidewalk snowmelt system and that it is very expensive; that the valve turning program is replaced at the street and not associated with residents; that monies are included in the 2022 Budget for a part-time Code Enforcement Officer and that restructuring is occurring in the Office of the City Planner; and that he would discuss with the Parks and Recreation Director concerning the timing for a new forestry management plan and look into issues on the North Country Trail.

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

WHEREAS, as required by City Charter provisions, the City Manager has presented for City Council's consideration the City's proposed budget for fiscal 2022; and

WHEREAS, City Charter provisions also require a public hearing be conducted to receive comments concerning the proposed annual budget; and

WHEREAS, the proposed budget includes certain recommendations by the City Manager concerning amounts of property-tax millage to be levied to partially finance City operations, programs, services, and projects during 2022; and

WHEREAS, the Michigan Truth-in-Taxation Act requires that public hearings be conducted to receive comments concerning proposed property-tax-millage rates, if such rates result in increased tax revenues, when compared with those of the previous year:

NOW, THEREFORE, BE IT RESOLVED the City of Petoskey City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 15, 2021, at City Hall, to receive comments concerning the City's proposed 2022 Annual Budget and property-tax-millage rates that will be recommended to be levied during 2022 as part of the proposed budget.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Council Comments

Mayor Murphy asked for City Council comments and City Councilmember Walker encouraged citizens to attend the November 8 special joint meeting with City Council and Planning Commission. City Councilmember Shiels wished the best of luck to candidates as part of tomorrow's election. City Councilmember Marshall commented on speeding issues particularly on Woodland and Michigan Streets and feel it is unsafe and encouraged staff to look at intersection and be open to a different solution. City Councilmember Wagner thanked the various organizations that interviewed candidates and that he appreciated that all voices were heard. Mayor Murphy encouraged citizens to get out and vote tomorrow to keep democracy alive.

There being no further business to come before the City Council, this November 1, 2021, meeting of the City Council adjourned at 8:17 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer