



CITY COUNCIL

July 17, 2017

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, July 17, 2017. 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
Izzy Lyman, City Councilmember
Grant Dittmar, City Councilmember
Jeremy Wills, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry and City Planner Amy Tweeten.

Hear MPPA Renewable Energy Presentation

Michigan Public Power Agency (MPPA) representatives Patrick Bowland, CEO, and Brent Henry, Bulk Power Manager, gave a presentation concerning the City's current electric power suppliers, including renewable energy. Representatives reviewed that power supply is now market driven and includes renewable energy in meeting demands; that tax credits are being phased out over the next 5 years, which is approximately 1/3 of the cost; that it is hard to tell how this will affect the City as renewables become more efficient; and that coal fired base power plants will be phased out over the next 5 to 10 years.

City Councilmembers discussed with MPPA the various power sources; what the costs/MW are to produce coal, wind and solar energy; what long-term predictions are for natural gas costs; the ability to construct renewables; the need for both long-term and short-term planning as we transition away from coal. MPPA noted the need to construct larger projects to take advantage of the economies of scale in producing competitively priced renewable energy and it requires 8 acres to produce 1MW of solar energy in Michigan. Final costs per MW can be affected significantly by costs to route energy from the plant to transmission lines.

Mayor Murphy asked for public comments and heard that a lot of birds have been killed by turbines as they migrate; discussion on landfill gases; if zoning issues in Huron County are being litigated; the ability to sell back solar power to City; inquiries on costs for various renewables; changes in carbon standards; what it would take for a local project; heard from those not concerned with efficiencies, but rather for the future; and if there are hidden costs of pollution from coal plants.

Hear Hemingway Proclamation

Mayor Murphy read the following proclamation proclaiming July 21, 2017 "Young Ernest Hemingway Day":

WHEREAS, July 21, 2017 is the birthday of the American literary giant Ernest Miller Hemingway who, in his youth, spent portions of his first 22 summers in this area of Northern Michigan; and

WHEREAS, he chose this area as the site of his first marriage, to Hadley Richardson, in 1921; and

WHEREAS, soon after leaving Northern Michigan, Ernest Hemingway published his first widely recognized writings about Northern Michigan and his alter ego, Nick Adams; and

WHEREAS, he consciously chose this area to recuperate after receiving life threatening wounds in WWI and to concentrate his full attentions on becoming a professional writer; and

WHEREAS, his acclaimed writing career ultimately led to Pulitzer and Nobel prizes; and

WHEREAS, the generosity of the late Mr. Robert Jensen Dau, a native son of Petoskey, has provided funding for the creation and manufacture of a life-size bronze statue of young Ernest Hemingway in a location in downtown Petoskey; and

WHEREAS, the City of Petoskey now wishes to honor the writer's important connection to this region; and

WHEREAS, Mr. Andy Sacksteder has now completed his sculpture of a youthful Hemingway in downtown Petoskey; and

WHEREAS, the City of Petoskey encourages and supports the understanding of our history by citizenry and visitors alike:

NOW, THEREFORE BE IT RESOLVED I, John Murphy, Mayor of the City of Petoskey, do hereby proclaim July 21, 2017, as:

"YOUNG ERNEST HEMINGWAY DAY"

and urges the citizens of the City of Petoskey and all visitors to recognize the importance of our region in the writings of Ernest Hemingway and to learn more about his contributions to the transformation of American literature in the 20th century.

Resolution No. 19083
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of July 17, 2017, City Councilmember Marshall moved that, seconded by City Councilmember Dittmar adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the June 19, 2017 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 June 19 for contract and vendor claims at \$2,120,173.89, intergovernmental claims at \$377,347.26, and the June 15, 29 and July 13 payrolls at \$648,839.43, for a total of \$3,146,360.58 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Hear Public Comment

Mayor Murphy asked for public comments and heard from Ron Marshall, 810 Howard Street, who thanked the Mayor for leadership position on climate change; Kim Wills, 204 State Street, commented that the community and staff need to look at growing number of documentaries on global warming; George Robson, 606 Grove Street, commented on renewables and climate change; and Dottie Hawthorn, thanked the Mayor for attending All Hands on Deck event.

Hear City Manager Updates

The City Manager reported that the Planning Commission approved “make ready” work for the McLaren hospital expansion project and due to the complexities of the proposed hospital regulations, City staff is recommending a joint meeting between the Planning Commission and City Council; that the City is currently seeking an opinion from a traffic engineer that will be shared with Petoskey Plastics regarding the Petoskey/Bay Street crosswalk and loading zone issue; that the City received \$3,000 from the Local Revenue Sharing Board to create a scholarship fund to assist economically challenged families pay for costs of recreation programs; that landscaping is being done as part of Phase I of Emmet Street improvements and that Phase II utility work is underway; reported that a contractor working for DTE hit two residential sanitary sewer lines on Hoffman Street and is taking full responsibility for all clean-up and restoration; that staff has been working on the 2018-2023 Capital Improvement Plan with Planning Commission first reviewing in August; reviewed that a potential sustainability plan grant is moving forward with discussions with Petoskey Harbor Springs Area Community Foundation of costs and overall scope of a plan; and that a formal unveiling of the Hemingway statue will occur 4:00 P.M., Friday, July 21 in Pennsylvania Park.

Resolution No. 19084
Confirm Appointments

Mayor Murphy reviewed that City Council consider a possible appointment to the Petoskey District Library Board.

City Councilmember Dittmar 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 Ken Winters, 250 Water Street, for a four-year term ending January 2021 filling a vacated term by Christine Gebhard due to her resignation from the Board.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)
NAYS: None (0)

Second Reading of Revised Proposed
Ordinance Amending Appendix A
of the Zoning Ordinance

The City Planner reviewed that at the second reading of a proposed ordinance on June 5, City Council asked to have density requirements added to boarding house provisions and that the only other uses that have distance restrictions are Bed and Breakfast operations (500 feet from another Bed and Breakfast) and Sexually Oriented Businesses (500 feet form a residential district or day care facility, or 1,000 feet of a church, library, school or another SOB).

City Council conducted a first reading at their June 19 meeting and there were no recommended changes to the proposed ordinance.

City Councilmembers had concerns with boarding house parking and the limited number of spaces; that there should be more spaces available; and heard from those not in favor of demolishing homes for parking spaces.

Mayor Murphy asked for public comments and heard comments that there may be issues with shared driveways and boarding houses if not identified in ordinance; that alleys would be affected; and that the bigger issue is that communities are facing problems of jobs and affordable housing.

City Councilmember Marshall moved to adopt the ordinance and to omit “licensed” when referring to any “existing licensed boarding house”.

Motion failed due to lack of support.

Proposed ordinance will be further reviewed at the next regularly scheduled City Council meeting.

Hear MERS Retirement Plan Update The City Manager reviewed that the City provides retirement benefits through the Michigan Municipal Employees’ Retirement System (MMERS), which has four separate divisions: General Nonunion, DPW Teamsters union, Public Safety Officers union, and Public Safety Lieutenants union. In late 2015, MERS announced several changes to the actuarial assumptions used in determining required contributions for defined benefit retirement programs, with the changes taking effect in 2017. The new assumptions would significantly increase the City’s Unfunded Accrued Liability (UAL), along with required annual contributions. In response to these changes, the City took several steps to mitigate these increases as well as reduce the UAL.

City Councilmembers heard update and thanked staff for their efforts.

Resolution No. 19085 – Opposition to Senate Bill 329 and House Bill 4503 Concerning Short-Term Rentals The City Manager reviewed that two bills before the Michigan legislature would amend the Zoning Enabling Act to prohibit local communities from regulating short-term residential rentals. Senate Bill 329 and House Bill 4503 would not allow communities to define a rental of less than 28 days as a commercial use, and would not allow cities to restrict them in residential districts or to license such properties.

City Council began regulating vacation rentals in the City in May 2014, due to the increased use of properties in neighborhoods using websites such as Vacation Rental by Owner (VRBO) and Airbnb. Existing vacation rentals were grandfathered, but new rentals are limited to business districts and must be licensed annually.

The City Manager further reviewed that the Michigan Municipal League is urging communities to contact legislators in opposition of these bills for several reasons including undermining local decision-making and removes the voice of residents; that the legislation would consider a dwelling purchased for the sole purpose of renting to short-term renters a permitted residential use instead of a commercial lodging use, creating an unfair advantage over the traditional lodging industry; and residential zoning exists to preserve the character of neighborhoods and protect property values for every residence, this legislation favors second home owners and non-resident investment property owners.

Mayor Murphy asked for public comments and heard from those in favor of passing this resolution.

City Councilmember Wills moved that, seconded by City Councilmember Lyman adoption of the following resolution:

WHEREAS, the City of Petoskey is a resort and tourism based economy that provides a range of lodging options for visitors; and

WHEREAS, the City of Petoskey works to protect and enhance its residential neighborhoods while balancing the needs and wants of visitors; and

WHEREAS, the City Council adopted an ordinance regulating short-term rentals in 2014 to protect the interests and quality of life for residents and businesses; and

WHEREAS, the City of Petoskey believes that local governments are best positioned to know the unique needs of a community and determine the delicate balance between residential and commercial uses, and between residents and investment property owners; and

WHEREAS, House Bill 4503 and Senate Bill 329 would eliminate the ability of local governments to regulate short-term rentals in residential neighborhoods:

NOW THEREFORE BE IT RESOLVED, the Petoskey City Council opposes House Bill 4503 and Senate Bill 329 and urges its representatives to do the same to protect our local communities.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Resolution No. 19086 – Approve
Speaker from Mackinac Center for
Public Policy Concerning Renewables

The City Manager reviewed that Councilmember Lyman requested City Council consider inviting Jason Hayes, Director of Environmental Policy for the Mackinac Center for Public Policy, to present information on renewable Energy at a future Council meeting.

City Councilmembers discussed the possible presentation by Mr. Hayes and the potential political nature of his comments and whether he should speak or not at a future Council meeting.

Mayor Murphy asked for public comments and heard that additional information on utility resources should be provided prior to moving forward with additional presentations; and that Mr. Heartwell presented a personal experience and that it is an insult to the community inviting a lobbyist to town.

City Councilmember Wills moved that, seconded by City Councilmember Lyman to approve having Jason Hayes of the Mackinac Center for Public Policy make a presentation to the City Council on renewable energy.

Said motion was adopted by the following vote:

AYES: Lyman, Wills, Murphy (3)

NAYS: Marshall, Dittmar (2)

Hear Council Comments

Mayor Murphy asked for Council comments and Councilmember Wills voiced concerns over the Mayor joining the Paris Agreement without prior City Council input; Councilmember Lyman commented that she appreciated the coupons for free ice cream from Scoops passed out over July 4; and Mayor Murphy supported his decision to join the Paris Agreement.

There being no further business to come before the City Council, this July 17, 2017, meeting of the City Council adjourned at 9:55 P.M.

John Murphy, Mayor

Alan Terry, City Clerk-Treasurer