



CITY COUNCIL

November 6, 2017

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, November 6, 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, City Planner Amy Tweeten, Downtown Director Becky Goodman and City Attorney James Murray.

Resolution No. 19112
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of November 6, 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 October 16, 2017 regular session City Council meeting be and are hereby approved with revised language under Council Comments; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since October 16 for contract and vendor claims at \$1,088,870.85, intergovernmental claims at \$10,212, and the October 19 and November 1 payrolls at \$390,125.50, for a total of \$1,489,208.35 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 there were no comments.

Hear City Manager Updates

The City Manager reported on water damage and leaks at City Hall after the recent rain storm; that there is erosion issues along the Little Traverse Wheelway by the

Wastewater Treatment Plant and Bayfront Park softball diamonds from the same storm; that the employee handbook is progressing through non-union staff and will be brought forward for City Council review and approval in December; and that staff is reviewing and testing the new website for a go-live date in the next 3-4 weeks.

City Councilmembers inquired if leaf pickup would be extended and the City Manager responded that pickup will be extended through next week as leaves are still not down due to the unseasonable weather.

First Reading of Proposed Ordinance
Amending Appendix A of
Zoning Ordinance

The City Planner reviewed that based on research undertaken on previous approvals for an existing residential care and treatment facility, City Council at its October 16 meeting directed staff to make several changes to a proposed Zoning Ordinance amendment. The City Planner reviewed the changes that included: removal of all regulations referencing hospitals in the RM-1 and RM-2 Districts; clarification of the "boarding house" definition to include what such a facility is not; establishment of a maximum number of boarding house roomers at 8; establishment of a maximum number of occupants of sheltered housing at 10; removal of "residential care and treatment facilities" as special condition uses in the RM-2, B-2A and B-2B Districts; and based on Council and public comments, staff clarified that "Assisted Living" does not include residential care and treatment facilities.

City Councilmembers discussed the sheltered housing limit of 10 occupants and compared to what currently is happening at various shelters, which may occasionally exceed the proposed allowable limit, in emergency situations.

Representatives from the Nehemiah House commented on housing situations and that the facility will work with the proposed new ordinance provisions.

City Councilmembers deferred action on the proposed ordinance until the next regularly scheduled City Council meeting.

Resolution No. 19113
Confirm Special Assessment
Roll; Schedule Hearing

The City Manager next reported that, following City Code provisions that regulated the City's special-assessment procedure, the City Council on October 16 conducted a public hearing and received comments concerning a September 26 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 2017. Such revenues and expenditures have been included within the City's proposed 2018 Annual Budget.

Following the October 16 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 the City staff and presented to the City Council for its review at the November 6 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 19 recommendation that the same special-assessment formula that had been used last year for financing downtown-area programs and services again be used, with \$0.16 being the amount that would be assessed per square foot of useable, first-floor, non-residential building area; \$0.04 being charged useable, non-residential area on floors other than the first floor; and vacant, unimproved lots being charged \$0.05 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 20, to receive comments concerning this proposed special assessment.

City Councilmembers inquired if undeveloped property costs increased; and the Downtown Director responded that costs did not increase and that 200 East Lake Street property would probably be the only property affected.

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

WHEREAS, at its regular meeting of October 2, 2017, the City Council reviewed a report by the City Manager dated September 26, 2017, 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 2018; and

WHEREAS, following that review, the City Council on October 2, 2017, scheduled a public hearing for October 16, 2017, 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 16, 2017, approved proposed programs and services as recommended by the Downtown Management Board at their September 19, 2017 meeting and costs as estimated by the Management Board to be assessed eligible property owners within the boundaries of the proposed assessment district at the same rate as 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, the City Council directed the City staff to prepare a special-assessment roll in accordance with the City Council's approval of recommended programs and services and costs of such programs and services for presentation to the City Council at its meeting of November 6, 2017; and

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

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

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

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 20, 2017, to receive comments concerning this proposed special-assessment roll; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to publish a notice of the November 20, 2017, public hearing and notify potentially-affected property owners of said public hearing as required by City Code provisions that regulate the City's special-assessment procedures.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19114
2018 Annual Budget Presentation:
Schedule Public Hearing

The City Manager reported that, as required of City Charter provisions, and as part of the City's routine, yearly process, the City Council had been presented with the City's proposed 2018 Annual Budget as part of November 6 meeting-agenda materials, that totaled

\$36,423,500 in proposed operating and capital expenditures; and that, except to acknowledge its receipt, no action concerning the proposed budget now would be required of the City Council, but that, in addition to the City Manager's summary of the proposal, the City Council could 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 20 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 the City Council could schedule the public hearing for any date that it chose, but that November 20 was suggested.

The City Manager provided an overview of the budget and that there are no new taxes or utility rate increases; reviewed capital outlay items; reviewed financial challenges; and reviewed fund by fund highlights of projects, fund balances and operating revenue and expenses.

City Councilmembers inquired on the number of electric customers and revenues generated within the City vs. customers that live outside of the city limits; concurred to a 2% wage increase for the City Manager; and inquired if the tow rope still worked at the Winter Sports Park.

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

WHEREAS, as required by City Charter provisions, the City Manager has presented for the City Council's consideration the City's recommended budget for fiscal 2018; and

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

WHEREAS, this proposed budget includes certain recommendations by the City Manager concerning the amounts of property-tax millage to be levied to partially finance City operations, programs, services, and projects during 2018; 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 that the City of Petoskey City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 20, 2017, at the City Hall, to receive comments concerning the City's proposed 2018 Annual Budget and property-tax-millage rates that will be recommended to be levied during 2018 as part of the proposed budget.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Hear Public Comment

Purple Heart City; that there is no cost to the City; that a Purple Heart City can bring interest from veteran community to the City; and that the City could be more of a veteran-friendly community.

Mayor Murphy offered additional public comments and Fred Fettig, 1530 Maxwell Road, and Dave Krause, 1501 Willis Avenue, are interested in having the City become a

Resolution No. 19115
Recess to Closed Session

agreement and to consult with its attorney regarding strategy in connection with specific pending litigation.

City Council was being asked to adopt a resolution that would recess to a closed session pursuant to Section 8(c) and 8(e) of the Michigan Open Meetings Act, to consider strategy and negotiations of a collective bargaining

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

WHEREAS, the City Manager has requested that the City Council recess to a closed session, pursuant to MCL 15.268(c) and (e) of the Michigan Open Meetings Act, to consider strategy and negotiations of a collective bargaining agreement and to consult with its attorney regarding strategy in connection with specific pending litigation, at the City Council's regular meeting of November 6, 2017:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to recess to a closed session, to consider strategy and negotiations of a collective bargaining agreement and to consult with its attorney regarding strategy in connection with specific pending litigation.

Said resolution was adopted by the following vote:

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

Recessed to closed session at 8:45 P.M. and reconvened into open session at 10:13 P.M.

Hear Council Comments

Mayor Murphy asked for Council comments and Councilmember Marshall encouraged everyone to vote at tomorrow's General Election.

There being no further business to come before the City Council, this November 6, 2017, meeting of the City Council adjourned at 10:15 P.M.

John Murphy, Mayor

Alan Terry, City Clerk-Treasurer