



CITY COUNCIL

May 15, 2017

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, May 15, 2017. This meeting was called to order at 7:05 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, Director of Public Works Michael Robbins and Director of Public Safety Matthew Breed.

Hear Clean City Initiatives
Presentation by George Heartwell

The City Manager reviewed that former City Councilmember Ron Marshall requested City Council to hear a presentation from George Heartwell regarding a program called "Clean City Initiative". Some Michigan municipalities including Grand Rapids and Traverse City are undertaking clean energy initiatives.

Mr. Heartwell gave a brief presentation on his background and that he was the former Mayor of Grand Rapids for 12 years and left in 2015; that he is now the Sustainability Coordinator for Grand Valley State University; reviewed all of the goals in Grand Rapids such as reducing paper, electricity, water, planting trees, etc.; that Grand Rapids was recognized by the federal government as the nation's most sustainable mid-sized city; that community education is needed to promote sustainability measures; and that he encourages the City of Petoskey to move forward on sustainable practices.

City Councilmembers inquired on specific programs Mr. Heartwell implemented in Grand Rapids; that the City Manager review successes to date for the City; that the City's action plan be revisited and discussed; and that staff could look into energy and sustainability opportunities.

Mr. Heartwell responded that projects included removing single pane windows and upgrades to old building HVAC system.

The City Manager reviewed MML Green Communities program and the City's bronze certification.

Mayor Murphy asked for public comments and heard from a representative from a group of citizens called Positive Energy Petoskey who are initiating a process of 100% renewable energy for the City; heard from those against the United Nations; heard references from a book on environmental movements; that it is going to take a lot of people and money to go forward with these initiatives; thoughts that the City has done a great job with things thus far; that people behind these energy movements make a lot of money; inquiries on how Mr. Heartwell implemented impermeable

parking and any zoning changes; concerns about liberal people behind these plans and would like to see programs run by the City; heard from those interested in generating local energy savings and doing it locally; and heard from those in favor of and excited about renewable energy.

Mr. Heartwell responded that he incorporated impermeable parking lanes and changed some zoning, but that it was voluntary and not mandated.

City Councilmembers further discussed the next steps and directed the City Manager to review this subject with staff and bring ideas back to City Council at a future meeting for discussion.

Hear 2016 Audit Presentation

Trina Edwards and Julie Burks of Dennis, Gartland & Niergarth, Traverse City, were in attendance and presented information concerning the City's Financial Statements and Report of Independent Certified Public Accountants as the annual audit for the City's fiscal year ended December 31, 2016. Representatives also reviewed and answered questions on the audit-related communications letter and pension footnote.

Resolution No. 19069
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of May 15, 2017, City Councilmember Marshall moved that, seconded by City Councilmember Wills adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the May 1, 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 May 1 for contract and vendor claims at \$457,575.59, intergovernmental claims at \$7,937.70, and the May 4 payroll at \$192,082.82, for a total of \$657,596.11 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 concerns and opposition from Mario Sanchez, Boyne Falls, on the proposed railway from Ann Arbor to Petoskey and that it is not cost effective.

Hear City Manager Updates

The City Manager reported that the Festival Beach area landscaping project was complete to deter geese from accessing grassy areas; that staff will review snow storage at Magnus Park with a representative from MDEQ and storage determination for 2017/2018 will be made after discussions; that there was an apartment fire yesterday at 1304 Emmet Street with no injuries; reviewed status of Emmet Street construction project and that Phase I should be completed by end of June; that the Bayfront Park water main is operational and the project should be completed and open in two days; that the Bear River Lift Station is on schedule; that the City received a DNR Waterways Commission grant for \$99,415 to update marina pedestals with GFI technology; and that Petoskey's Lake Street was identified by USA Today as one of the Top 10 shopping streets in the nation.

The City Planner reviewed that the Planning Commission

First Reading of Proposed Ordinance
Amending Appendix A of the
Zoning Ordinance

continues to review the Zoning Ordinance for needed changes and updates and has been discussing possible amendments to the multiple family zoning districts (RM-1 and RM-2) since late summer 2016. The discussion of

these districts is important because there are a lot of neighborhoods with this zoning, but also because they are districts that allow a wide-range of housing types. The Commission awareness of demographic changes and inadequate workforce housing has framed the discussions of the district uses and standards. The City Planner further reviewed the proposed changes including the following:

The following definitions are proposed to be added or modified due to changes in other ordinance sections.

Block face: That portion of a block or tract of land facing the same side of a single street and lying between the closest intersecting streets.

- This definition is being added for inclusion into the calculation of front yard setbacks in Section 1600(1)(b)(c) Schedule of Regulations.

Boarding House: A dwelling unit with a single kitchen facility where lodging is provided and meals may be provided to occupants for compensation either directly or indirectly for no less than a 30-day period.

- The definition is being modified to include the minimum 30 day stay and the indirect payment of rent, if the compensation is withheld from an employees paycheck.

Residential Care and Treatment Facility: A facility, licensed by the State of Michigan, that provides services, programs and temporary shelter for residents who are undergoing alcohol or substance abuse rehabilitation.

- We currently have such a facility, but it is not defined in the ordinance.

RM-1 Multiple Family District

The changes are being proposed to address issues identified in the RM-1 District include setting a maximum height for hospitals (they are currently a special condition use with no height limit), changing language from “housing for the elderly” to “assisted living facilities”, reducing restrictions on their development, and eliminating regulations for “convalescent/rest homes” that would fall under the new “assisted living facility” category.

RM-2 Multiple Family District

The changes are being proposed to increase the flexibility of creating a “boarding house” as a means of providing workforce housing because businesses are increasingly purchasing homes to house their employees due to the difficulty of finding a place to live, particularly of seasonal workers. The change would move boarding houses from special condition uses to permitted uses in the RM-2 District, changes the criteria by which the number of boarders is calculated, and adding a requirement of licensing to insure inspections occur to protect occupants and the neighborhood. A sample license application is also enclosed to illustrate how the inspection and notification requirements would be administered.

Finally, “sheltered housing” and “residential care and treatment facilities” are being added as special condition uses in the RM-2 District, which is where these facilities currently exist in the community. Any future facilities or facility expansions would have to follow the special condition use process.

B-2A Transitional Business and B-2B Mixed Use Corridor

The changes in these two sections replicate what is proposed for the RM-2 District.
Notes to Schedule of Regulations Section 1600(1) Notes to Schedule of Regulations

The calculation of front-yard setback was recently modified, but the Commission is proposing further changes based on feedback from the Zoning Board of Appeals.

Section 1600(1)(b) The minimum front-yard setback is the average of the front-yard setbacks of any three (3) adjacent houses on the same block face, or 25 feet, whichever is less.

Section 1600(1)(c) The minimum corner front-yard setback is the average of the front-yard setbacks of any three (3) adjacent houses on the same block face, or 25 feet, whichever is less.

Required Number of Parking Spaces by Use Section 1704(6)

The category of “Residential Care and Treatment Facility” and “Sheltered Housing” will be added to the table with the requirement of 1 space per 3 beds.

The requirement for Boarding Houses is being recommended to be reduced from “1 space per rental room” to “2 spaces per dwelling” to make it consistent with single family requirements.

City Councilmembers discussed parking requirements and inquired if there were enough spaces with proposed changes.

Mayor Murphy asked for public comments and heard from a downtown employer that they have 85 off-season employees and it increases to 150 employees in the summer; that there is a need to purchase property to house staff; reviewed why there is the need for parking since staff is mostly from overseas with no cars.

The City Planner reviewed that additional information will be provided and discussed at the next meeting during the second reading and possible adoption of the proposed ordinance.

Discussion on Possible Ordinance
Revisions Regulating Storage of
Trailers and Boats

The City Manager reviewed current issues with storage of boats and trailers within the City and the possibility of further regulating these items. The City Manager was asking City Councilmembers if there was a need for regulations or not; how ordinance could be changed to fix problems; that potentially the ordinance could state owner of boat or trailer must live at residence; and if they desired to further explore revisions to the nuisance codes, and if so, to discuss general policy options to assist the City Attorney and staff in drafting future legislation for Council consideration.

City Councilmembers concurred to have staff make contact with individual for removal of trailers and that the City Attorney and City Manager come up with language for enforcement for further discussion at a future meeting.

Resolution No. 19070
Approve WWTP Construction Contract

The City Manager reviewed that the City’s 2017 Annual Budget and CIP included \$4,478,611 for much needed improvements and renovations to the Wastewater Treatment Plant. Constructed in 1972, the WWTP has undergone two previous improvement projects in years 2001 and 2011, but due to financial considerations certain aspects of those renovations were either scaled back or deleted from the original scope of work. Current improvements as proposed would be the third and final phase for the plant. The City Manager reviewed proposed improvements and renovations including replacement of the primary tank mechanisms; upgrades to the aeration tank and secondary process; renovations to the laboratory and administration building; improvements to the disinfection building; and upgrades to system operation controls. It is anticipated that such improvements could begin mid-summer and be substantially complete by years-end 2018.

Detailed plans and specifications for this project were prepared by Hubbell, Roth & Clark, Inc., Grand Rapids, and approved by the MDEQ. Five bids were received at a public opening on April 25, 2017 and there were three close bids. Grand Traverse Construction, Traverse City, was the lowest bidder at \$3,772,175.

In October, City Council confirmed its intent to issue revenue bonds at a cost not to exceed \$5,000,000 and in April adopted an ordinance that provides for the issuance of bonds and established procedures and regulations associated with the proposed sale. The bonds are scheduled to be sold on May 24, 2017 with a closing date of June 6, 2017. Upon approval by City Council, the construction contracts would be formally signed following the sale of the bonds.

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

WHEREAS, the City's 2017 Annual Budget and Capital Improvements Plan included upgrades, improvements and renovations to the City's Wastewater Treatment Plant (WWTP) that is nearly forty five years of age and has undergone two previous improvement projects in years 2001 and 2011; and

WHEREAS, improvements and renovations to the WWTP include; replacement of the primary mechanisms, upgrades to the aeration tank and secondary process, renovations to the laboratory and administration building, improvements to the disinfection building, upgrades to system operating controls and other miscellaneous upgrades; and

WHEREAS, plans and bid specifications for the WWTP Improvements and Renovations Project were prepared by the City's consultant Hubbell, Roth and Clark, Inc., Grand Rapids, and made available to contractors on March 23, 2017 and were due April 25, 2017; and

WHEREAS, City staff is recommending that the City Council award the bid to the lowest bidder; and

WHEREAS, Grand Traverse Construction Company, Traverse City, provided the low bid in the amount of \$3,772,175 for the WWTP Improvements and Renovations Project; and

WHEREAS, on October 3, 2016 the City Council confirmed its intent to issue revenue bonds at a cost not to exceed \$5,000,000 to fund improvements, renovations and upgrades to the WWTP and the Bear River East Lift-Station; and

WHEREAS, on April 17, 2017 the City Council adopted a bond ordinance for these projects as prepared by special legal counsel Miller, Canfield, Paddock and Stone, PLC., Detroit, that would provide for the issuance of bonds and would establish procedures and regulations associated with the proposed sale that is scheduled for May 24, 2017 with a closing date of June 6, 2017:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves contracting with Grand Traverse Construction Company, Traverse City, in the amount of \$3,772,175 for the WWTP Improvements and Renovations Project and authorizes the City Clerk to sign all necessary contract documents.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19071 City Ward and
Convention Schedule and Dates

The City Manager reviewed that as required by City Charter provisions, Council was being asked to approve schedule times and designate locations for conducting annual Ward and City Conventions. In order to comply with the State's filing deadlines for candidates, the City Manager recommended that the four Ward Conventions be scheduled simultaneously for 8:00 P.M., Monday, July 10, and that the City Convention be called for 8:00 P.M., Wednesday, July 12.

The City Manager recommended that Ward Conventions be conducted at the City Hall Council Chambers (First Ward), Ottawa Elementary Media Center (Second Ward), Lincoln Media Center (Third Ward) and Spitler Administration Building Board Room (Fourth Ward). New this year, the City Convention would convene at the Petoskey High School Auditorium, as the NCMC Conference Center will be closed for renovations.

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

WHEREAS, in accordance with provisions of the City Charter, the City Council must establish dates and places for annual Ward Conventions and the annual City Convention:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby calls the annual 2017 Ward Conventions to be held at 8:00 P.M., Monday, July 10, at the City Hall Council Chambers for the First Ward, Ottawa Elementary Media Center for the Second Ward, Lincoln School Media Center for the Third Ward, and Spitler Administration Building Board Room for the Fourth Ward; and

BE IT FURTHER RESOLVED that the City Council does and hereby calls the annual 2017 City Convention to be conducted at 8:00 P.M., Wednesday, July 12, at the Petoskey High School Auditorium.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Hear Council Comments

Mayor Murphy asked for Council comments and Councilmember Wills commented that the Farmer's Market location is the same as last year, noting the 2017 construction project on Emmet Street. Mayor Murphy also commented that long-time City resident, Dick Harbaugh, passed away this winter and his family posthumously received the Glenn H. Casey award on his behalf.

There being no further business to come before the City Council, this May 15, 2017, meeting of the City Council adjourned at 9:25 P.M.

John Murphy, Mayor

Alan Terry, City Clerk-Treasurer