



CITY COUNCIL

October 2, 2017

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 2, 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, Director of Public Safety Matt Breed, Director of Parks and Recreation Kendall Klingelsmith and City Attorney James Murray.

Hear Fire Reserve Officer
Retirement Presentation

Director of Public Safety Matt Breed gave a brief presentation thanking Bill Hansen for his 51 years of service to the Petoskey community. Mr. Breed reviewed that Mr. Hansen started March 3, 1966 as a volunteer firefighter for the Petoskey Fire Department; that he worked his way up the ranks to the position of Captain in 1973; that his retirement became effective August 7, 2017; and that the Department of Public Safety and City staff thanked him for his dedication and commitment to the community.

Resolution No. 19101
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of October 2, 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 September 18, 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 September 18 for contract and vendor claims at \$1,180,993.44, intergovernmental claims at \$294,122.90, and the September 21 payroll at \$199,880.95, for a total of \$1,674,997.29 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

a seasonal resident and the development doesn't help economies of the area and it may not be the right thing to do in a neighborhood the City is trying to revitalize. Jeff Grantham, 801 Baxter Street, inquired on the status of the Harbor Hall project. The City Manager responded that staff is reviewing and will be proposing zoning amendments to Council in the near future.

Mayor Murphy asked for public comments and heard from Cliff Best, 120 State Street, concerning Harbor Hall and that he moved to the area about three years ago as

Hear City Manager Updates

spaces and community places" and crowdsourcing cannot be used for the development of a sustainability plan; that the Director of Parks and Recreation is proposing to submit an application to the Tree City USA program to become certified and a member of the organization and that a ceremony will be held in early spring 2018 if approved; and that a Property Assessed Clean Energy (PACE) meeting is being held Thursday, October 5 from 8:30 A.M. to 10:00 A.M. in Bay View.

The City Manager reported that 2018 draft budget work continues; that according to MEDC website, crowdsourcing projects focus on the "activation of public

Resolution No. 19102 Approve
2018-2023 Capital Improvements Plan

adoption of the following resolution:

The City Manager reviewed that this was the third discussion of the proposed 2018-2023 CIP and reviewed 2018 proposed projects. City Councilmember Wills moved that, seconded by City Councilmember Marshall

WHEREAS, as part of the City's annual budget-preparation process, the City Planner submitted to the Planning Commission August 17, 2017 the City staff's proposed update to the City's six-year capital improvements program; and

WHEREAS, the Planning Commission reviewed this proposed 2018-2023 Capital Improvements Program on August 17, 2017, and recommended its adoption by the City Council; and

WHEREAS, the City Council reviewed the proposed plan on August 21, September 18 and October 2, 2017 and concurs with the recommendation of the Planning Commission:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves the 2018-2023 Capital Improvements Program as submitted by the City Manager dated October 2, 2017 and approved by the Planning Commission August 17, 2017.

Said resolution was adopted by the following vote:

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

Resolution No. 19103 – 1% Property
Tax Administration Fee Opposition

budget. The City Manager reviewed that the City is required to collect and distribute property taxes on behalf of five other taxing jurisdictions; reviewed the Michigan General Property Tax Law and that it allows a local property tax collecting unit to add a property tax administration fee of not more than 1% of the total tax bill per parcel; reviewed past histories of when the fee was implemented and removed; reviewed annual administrative expenses from various departments; reviewed information on whether or not other northern Michigan communities charge the 1% fee; and reviewed that if approved, the revenue could help pay for other City General Fund expenses.

The City Manager reviewed that City Council directed staff at the August 21 meeting to schedule a discussion on a 1% property tax administration fee and whether to include it as part of revenue projections in the 2018

City Councilmembers discussed the public safety equipment millage; heard concerns with moving forward with the fee when the Public Safety millage was just recently passed; heard from those opposed as a tax on a tax; and heard this is a cost of doing business that like in the private sector would be passed on.

Mayor Murphy asked for public comments and heard from a representative of Bay Harbor community and that they oppose the property tax administration fee and urged Council to not approve; heard that savings could be made from a sustainability study; and heard from those opposed to raising taxes.

City Councilmember Marshall moved that, seconded by City Councilmember Wills to approve the 1% property tax administration fee.

Said motion was not adopted by the following vote:

AYES: Marshall (1)

NAYS: Lyman, Dittmar, Wills, Murphy (4)

Resolution No. 19104 - Approve Little Traverse Wheelway Contract

The Director of Parks and Recreation reviewed that the 2017-2022 CIP identified trail repairs along the Little Traverse Wheelway to be completed in 2017. The specifications required the bidders to provide all labor, materials, tools and equipment necessary to replace as many linear feet as possible not to exceed \$50,000 along the Little Traverse Wheelway non-motorized trail beginning at West Park towards the Preserve entrance to Bay Harbor in Resort Township. The Director reviewed that work includes side trenching, pulverizing of asphalt paving, fine grading and compaction of aggregate base, installation of root control measures, bituminous paving and restoration. The Director of Parks and Recreation further reviewed that three bids were received; that bids were reviewed for completeness by staff and Beckett and Raeder, Inc., Petoskey; and that the low bidder, Rieth-Riley Construction Co., Charlevoix, had a higher per linear foot cost, which resulted in less trail repair than the second low bid, Payne and Dolan, Inc., Gaylord.

Mayor Murphy asked for public comments and heard an inquiry if materials will be toxic since they will be located next to the lake. Director Klingelsmith responded that roots will be cut and nontoxic fabric used for root control.

City Councilmember Lyman then moved that, seconded by City Councilmember Wills to authorize contracting with Payne and Dolan, Inc., Gaylord, for renovations to the Little Traverse Wheelway at a cost not to exceed \$50,000.

Said motion was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19105 – Approve Support Letter for PHSACF Grant Funding

The City Manager reviewed that staff has had several meetings with Petoskey Harbor Springs Area Community Foundation (PHSACF) officials about grant funding in the development of a sustainability plan; that the Foundation has limited grant funding for a sustainability plan at this time but is currently working with the Charles Stewart Mott Foundation on submitting an RFP for a clean energy/sustainability grant; and that the Foundation felt that a support letter from the City would strengthen their efforts to receive Mott grant funding. The City Manager further reviewed that if the Foundation is awarded grant funding through the Mott Foundation, the City could pursue a grant from the PHSACF in the near future.

City Councilmembers commented that it would be beneficial to have more time to review.

Mayor Murphy asked for public comments and heard a comment that if it is not tax funded then the City should support matter; heard from those in favor of the City moving forward and supporting the Foundation's request; inquiries on what the PHSACF does for the community; and if the grant funds is state money. The City Manager responded that the grant monies are not state money and are private contributions.

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

WHEREAS, on June 19, 2017 the City Council directed the City Manager to pursue grant funding for a community sustainability plan; and

WHEREAS, the Petoskey/Harbor Springs Area Community Foundation currently has limited grant funding for a sustainability plan; and

WHEREAS, the Petoskey/Harbor Springs Area Community Foundation is working on a Request for Proposal for possible grant funding for clean energy initiatives and/or sustainability plans through the Charles Stewart Mott Foundation; and

WHEREAS, a Mott Foundation grant awarded to the Petoskey/Harbor Springs Area Community Foundation may assist the City in future funding for a sustainability plan:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey's City Council approves a support letter for the Petoskey/Harbor Springs Area Community Foundation's efforts to solicit Charles Stewart Mott Foundation grant funding for clean energy initiatives and/or sustainability plans.

Said resolution was adopted by the following vote:

AYES: Marshall, Dittmar, Wills, Murphy (4)

NAYS: Lyman (1)

Resolution No. 19106
Accept Special Assessment
Report; Schedule Hearing

The City Manager next reported that at its September 19, 2017, meeting, the City's Downtown Management Board reviewed its proposed budget for downtown area programs and services for 2018 and recommended City Council: (1) Levy a special assessment against all eligible, non-residential properties within the Management Board's jurisdictional territory, the proceeds from which would be used to finance costs of such programs and services; and (2) Set the amount for the proposed special assessment based upon assessment-levy amounts that were used in 2017. The City Manager also reported that the Management Board's budget proposal would be included within the City's recommended 2018 Annual Budget, but City Code provisions required that the special-assessment process be done annually by City Council.

The City Manager further reported that the City Council was being asked to adopt a proposed resolution, a draft of which was included with the report, that would: confirm that costs of proposed downtown-area programs and services would be offset by special-assessment revenues; designate the special-assessment district; approve the recommended special-assessment formula; and schedule an October 16 public hearing to receive comments concerning the proposed programs and services. The City Manager also reported that a second public hearing to receive comments concerning the proposed special-assessment roll was tentatively scheduled for the November 20, 2017, City Council meeting.

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

WHEREAS, the City Council in 1994 appointed members of the City's Downtown Development Authority Board as a "Downtown Management Board" under provisions of Act 120 of the Public Acts of Michigan of 1961, as amended by Act 146 of 1992; and

WHEREAS, at its September 19, 2017, meeting, the Downtown Management Board discussed the need to continue to provide certain programs and services that are believed to be beneficial to the City's principal shopping area; and

WHEREAS, the Downtown Management Board has developed a recommended formula by which properties within the Board's district could be specially assessed as a means of obtaining revenues to offset costs of the Board's proposed programs and services for the year 2018; and

WHEREAS, the City Council has reviewed a report dated September 26, 2017, by the City Manager that lists those proposed programs and services as recommended by the Downtown Management Board and the proposed roll that would spread special assessments against properties within the Management Board's district:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby determines that a portion of the expense of these proposed programs and services shall be defrayed by special assessments upon those properties especially benefited; and

BE IT FURTHER RESOLVED that the nature of these proposed programs and services shall include such activities as special events, economic enhancement, beautification, marketing and promotions, and administration for costs estimated at \$182,100; that all portions of such costs shall be paid by special assessments and other related revenues, without a general obligation of the City; that such special-assessment revenues shall be collected in a single-installment payment; and that such assessments shall be levied in a district with boundaries that are to be coterminous to those of the Downtown Management Board's jurisdictional territory; and

BE IT FURTHER RESOLVED that the City Council does and hereby sets forth the basis of this special assessment by use of a formula that has been recommended by the Downtown Management Board to set the amount for the proposed special assessment based upon the recommended 2017 formula and that has been calculated by the City staff based upon square footage of useable, non-residential building area and vacant properties, which the City Council has determined to be the most equitable to the greatest number of property owners concerned; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, October 16, 2017, to receive comments concerning these proposed programs and services; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to notify all property owners within the proposed assessment district of potential property assessments and the October 16, 2017, public hearing to receive comments concerning these proposed programs and services.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19107
Recess to Closed Session

City Council was being asked to adopt a resolution that would recess to a closed session pursuant to Section 8(h) of the Michigan Open Meetings Act, to consider material exempt from disclosure.

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

WHEREAS, the City Manager has requested that the City Council recess to a closed session, pursuant to Section 8(h) of the Michigan Open Meetings Act, to consider material exempt from disclosure, at the City Council's regular meeting of October 2, 2017:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to recess to a closed session, to consider material exempt from disclosure.

Said resolution was adopted by the following vote:

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

Recessed to closed session at 8:17 P.M. and reconvened into open session at 9:30 P.M.

First Reading of a Proposed
Ordinance Creating Article XXXI
H – Hospital Districts & Amend the
Zoning District Map

The City Planner reviewed that the Planning Commission began discussions on a hospital-specific district in January 2016 to ensure uses necessary for the future success of McLaren Northern Michigan were accounted for, and to plan for longer term facility expansions given the hospital-owned land along Charlevoix Avenue. The

Planning Commission conducted a public hearing on September 21 and recommended the ordinance language to create a new H – Hospital District and to amend the zoning map to incorporate properties to be zoned H – 1 and H – 2 Hospital. The City Planner further reviewed the reasons for creating a new district; reviewed the H – 1 District which is proposed for the area that currently houses the Demmer Wellness Pavilion and Hiland Cottage, Hospice of Little Traverse Bay; reviewed H – 2 District which is proposed for the main hospital campus, including the new West Colleague Lot and parking lot on the south side of Jackson Street; reviewed structure standards; allowable uses in each district; and surface parking.

City Councilmembers discussed maximum height of 710 elevation which could allow up to 80' high buildings; inquired on what the elevation is on Ring Road; that residential care and treatment facilities be removed from the H – 1 District and change name to something more compatible to State licenses such as substance abuse health treatment facilities; and discussed maximum surface parking.

Mayor Murphy asked for public comments and heard an inquiry if the master facility plan will show potential building sites and that the hospital could build on the old Road Commission site but that it would need parking.

City Councilmembers deferred action since it was the first reading of the proposed ordinance, but could approve at the next regular scheduled meeting after a second reading.

Hear Council Comments

Mayor Murphy asked for Council comments and Councilmember Wills commented he would not be at the October 16 meeting.

There being no further business to come before the City Council, this October 2, 2017, meeting of the City Council adjourned at 10:10 P.M.

John Murphy, Mayor

Alan Terry, City Clerk-Treasurer