

**REGULAR CITY COUNCIL MEETING**  
**March 9, 2016**

The Regular City Council Meeting was called to order by Mayor Bronson in the Council Chambers at City Hall at 7:00 p.m.

**Roll Call:**

Present: Lavender, Bronson, Temple, King, Riddle, Couture and Kwiatkowski

Councilman Lavender led the Pledge of Allegiance to the Flag.

**Proclamation – William Laverne Shea, 100<sup>th</sup> Birthday:**

Mayor Bronson read a Mayor Birthday Proclamation for William Laverne Shea's 100<sup>th</sup> Birthday into the record, as follows:

**CITY OF CHEBOYGAN**  
**WILLIAM LAVERNE SHEA**  
**100<sup>TH</sup> BIRTHDAY**  
**MAYORAL BIRTHDAY PROCLAMATION**

**WHEREAS**, William Laverne Shea was born on March 13, 1916 and celebrates his 100th birthday this year; and,  
**WHEREAS**, William Laverne Shea lives 6 months of the year at 9064 Anna Drive in Cheboygan, Michigan, as well as 6 months of the year at 203 Flamingo Road, Clearwater, Florida; and

**WHEREAS**, William Laverne Shea owns a home and business at 6922 N. Straits Hwy., Cheboygan, Michigan, the well-known business of Mullett Lake Upholstery, having done cushions and tops for boats until three (3) years ago; and

**WHEREAS**, William Laverne Shea has seen the turn of a new century, witnessing the most eventful century in this world's history and has earned the respect and affection of people from all walks of life; and

**WHEREAS**, on Saturday, March 12, 2016 in the Clubhouse of Ranch Mobile Home Park, 218 Lake Road, Clearwater, Florida, William's milestone birthday will be celebrated and he will be honored by his friends and relatives who share in the joy of this wonderful occasion.

**NOW THEREFORE**, I, Mark C. Bronson, Mayor, on behalf of all the residents of the City of Cheboygan, extend sincerest congratulations to William Laverne Shea on the occasion of his 100<sup>th</sup> Birthday, and wish him peace, happiness and good health in the years to come.

Signed this 9th day of March 2016

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Mayor Mark C. Bronson  
City of Cheboygan

**Approval of Agenda, and Receive and File all Communications:**

Mayor Pro Tem Couture moved to approve the Agenda and receive and file all communications; supported by Councilman Temple. Motion carried unanimously.

**Approval of Prior Meeting Minutes:**

▪ **Regular City Council Meeting Minutes – February 23, 2016.**

Councilman King moved to approve the Regular City Council Meeting Minutes of February 23, 2016 as presented; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

**Bills and Disbursements:**

▪ **Prepaid Bills and Disbursements for the Month of February 2016.**

Councilman King inquired as to a status update with Carlisle/Wortman Associates (no. 9). City Manager Eustice replied the Planning Commission has completed review of the Zoning

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Ordinance, noting Mr. Dick Carlisle will be here yet this month to finalize the Ordinance with the committee of David Kronberg, James Granger and himself. This will be followed by work on the Master Plan. He is hopeful of having a finalized Zoning Ordinance for review at the March Planning Commission meeting and then move it on to City Council for approval.

Ms. Trudy Lofgren inquired on the Water Street parking lot title work expense of \$250.00. City Manager Eustice stated he ordered the title work through his investigations of the port and the entire Riverfront Development Plan. He always thought the Water Street parking lot could only be used for public purposes and should the City try to use it for anything else other than a public parking lot or a park the property would revert back to the State of Michigan. Through his investigation he found this restriction only on the southern 177 feet (next to BK&C Insurance); the rest of the property, which is close to 700 feet, either was donated to the City of Cheboygan in the 1940's and 1950's or the City purchased a piece in 1955 for \$8,500.00. The deeds concerning this 700 feet do not have any restrictions, so it is possible that the City of Cheboygan could put the property into a private investor hands, either by auction or outright sale. City Manager Eustice explained he asked Cheboygan Title to do title work on this property to verify what he thought. There are options that we can utilize the property better than a parking lot.

Ms. Trudy Lofgren then asked on the \$2,866.91 payment to GES Properties, LLC, port property debt, asking if the vendor name was correct. Clerk/Treasurer Kwiatkowski replied this is correct. City Manager Eustice noted this is the monthly land contract payment, which has a five-year balloon.

Ms. Trudy Lofgren then inquired on the payment to Matts Underground Utility Construct in the amount of \$10,954.28 for sewer main repair at Walgreens, asking if they are a local company. Clerk/Treasurer Kwiatkowski replied this company is out of Kalkaska, noting the sewer collapsed at Walgreen's and because of the type of material that was needed to repair it there was no one local that could do the work.

Ms. Trudy Lofgren asked on the annual service contract with Otis Elevator Co. for the footbridge, inquiring if everything came out okay on the inspection. Clerk/Treasurer Kwiatkowski stated inspections are done quarterly, which is required by the State of Michigan, noting the City does the same for the elevator at the City Hall. Ms. Lofgren asked what the result of the inspection was. Clerk/Treasurer Kwiatkowski stated an inspection has not been done recently, so no results are available.

Councilman Lavender moved to approve the prepaid bills and disbursements for the month of February 2016 in the amount of \$566,845.37; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

### ▪ **Unpaid Bills and Disbursements for the Month of February 2016.**

Councilman King inquired on the expense to Dornbos Sign, Inc. for barricade lights and safety cones. Clerk/Treasurer Kwiatkowski explained every few years we get parts for barricades, which is what this expense is.

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Councilman King moved to approve the unpaid bills and disbursements for the month of February 2016 in the amount of \$31,098.58; supported by Mayor Pro Tem Couture. A roll call vote was taken; motion carried unanimously.

### **Department, Board and Commission Reports:**

- **Port Commission Meeting, February 1, 2016** - *(Received and filed.)*
- **Planning Commission Meeting, February 15, 2016** - City Manager Eustice stated he is not sure we can have a finalized Zoning Ordinance for the Planning Commission to review in March, but it should be available for Council to approve at their first meeting in April. Mayor Bronson stated it appears the Commission has a long discussion on the Capital Improvement Plan. City Manager Eustice replied Council also needs to have a Capital Improvement Planning and Strategic Planning session. He noted that the Planning Commission talked at length about the possibility of a campground in Major City Park, which is contained in the Recreation Plan. He stated funding is available through the MDNR Land Trust for this type of project and feels it is a feasible thing that can be done and thinks it will help bring people downtown in the summertime by utilizing the pedestrian bridge. We would easily put in a 50-site campground in. City Manager Eustice stated he will try and organize a Capital Improvement Planning and Strategic Planning session very soon and will get input on meeting from Council. Mayor Bronson mentioned the MSU Study that was done. City Manager Eustice commented the former Consumer Energy property is contaminated and they do not want to sell it to the City. Mayor Bronson asked if the extension of the boardwalk along the Consumers property would be affected by the contamination. City Manager Eustice replied no.

### **General Business:**

Councilwoman Riddle stated she feels we should address the oldest purchase agreement first, which would be the agreement from Bois Blanc Township. City Manager Eustice stated this would be up to the entire Council. Mayor Bronson commented there is a reason for the order of these agenda items. City Manager Eustice added he feels the order is much more easily manageable for what Council hopes to do. Mayor Bronson then noted that the Council has a copy of the Purchase Agreement.

- **Consideration of Purchase Agreement from Ryba Marine Construction (Port Property)** - City Manager Eustice stated the City has received a Purchase Agreement between the City of Cheboygan and Ryba Marine Construction, which has been sent by Mr. Zac Morrish, President, Ryba Marine. It is a valid offer and City Attorney Steve Joppich has thoroughly reviewed it, as well as the attorney(s) for Ryba Marine. There have been some subtle changes made to the Agreement, but both parties agree that this document is acceptable. City Manager Eustice commented he thinks it is a very good option for the City of Cheboygan going forward with the Port of Cheboygan project. Ryba Marine and Kokosing/Durocher Marine are both economic drivers in our community. They have good jobs, want to expand, and are taxpayers. City Manager Eustice stated as the Port of Cheboygan evolves these are two businesses that are critical to our economy going forward. He feels the Ryba Marine offer is a very fair offer and is an offer at basically the appraisal price (City's appraisal), stating he feels the Council should seriously look at this offer. According to City Attorney Steve Joppich there are no legal ramifications and is a pretty clean document. City Manager Eustice noted there is a deed restriction that Ryba has agreed to for ten (10) years to use this property for port intended purposes. Ryba does intend to develop it for port related activities. As we develop this port economically, the deed restriction is

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there so we have port related activities on this site and Ryba has agreed to partner with us to help build the Port of Cheboygan. They are a very viable entity, that has a good reputation on the Great Lakes and they will do some services here that will help the Port itself and bring business here. It is a great opportunity going forward.

Councilwoman Riddle asked where in the Purchase Agreement is the footprint of the parcel of property that is being purchased. City Manager Eustice stated the last page is the survey and a legal description, which is almost two (2) acres with 300 feet of frontage and designated as Parcel “A”.

City Manager Eustice then informed Council there is another agreement on the table with Bois Blanc Township. The Port Action Team and Port Commission have had a lot of discussion about how to develop the Port going forward and he is of the opinion, as are some members of the Port Commission, that utilizing an existing business that’s been here for 35 years is going to bring us more port related activity versus a passenger/car ferry service in the middle of the port property, because the City’s intention is to build this more as a commercial/industrial type facility and working with Kokosing/Durocher Marine and Ryba Marine are the entities that are going to bring us a stronger base and we will have better development opportunities. The Port of Cheboygan project is two-fold at this point; yes we have \$680,000.00 of debt in a land contract and Council and management of the City realize we need to pay that off, but we also are very conscious that this project was to create jobs, to bring good paying jobs to the community by attracting industrial manufacturers to locate here that need water transportation. City Manager Eustice stated Ryba Marine will expand, they are a taxpayer and will help us pay the land contract, and they are an entity that can provide services to manufacturers. In the case of the Township, once we sell that property it is in the Township’s hands and they are not going to partner with us to develop the industrial/commercial side of those activities, which is a concern. The Township wants 25% of the port property, which might handcuff us to attract a private investor that might need the property for a lay down area for storage, and we might find a manufacturer that wants to locate or build in the Industrial Park but needs waterfront storage area. Many, many manufacturers will accumulate product for a month before they are able to ship and we need places for them to do that. It might deter an investor if they don’t have waterfront property to utilize. City Manager Eustice stated from a strategic standpoint this is his opinion that Ryba and Kokosing/Durocher Marine are two entities that we need to partner with going forward.

Councilwoman Riddle asked if the Township is looking at the MDNR piece of property at the mouth of the River. City Manager Eustice stated they are looking at it, but have some concerns about it. Councilwoman Riddle commented it is a better location for them rather than being in the middle of the Port. City Manager Eustice agreed, stating the MDNR property is located more in a recreational area so it won’t interfere with commercial/industrial type things in and around the Port. The Township is pursuing this, but they don’t like that it is 35% wetlands and the wind direction (closer to the mouth of the River and Lake Huron), noting it is pretty well protected by Duncan Bay. Councilwoman Riddle stated City Manager Eustice should be congratulated on coming up with another viable option for the Township. City Manager Eustice replied thank you, stating it is important to work with the Township as they were in this from the beginning so that was an option he thought would help them along, because he feels the highest and best use for the Port property is anything but a passenger ferry service, noting we want heavy industrial type activity, shipping and receiving. He added we will be bringing freighters in, which Kokosing

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does now, and will continue to do that. Mayor Bronson commented one of the things that has changed since this discussion began was the interest in the County Garage, which changes a lot of the dynamics in that area as to the possibilities. Mayor Bronson then asked for any public comments.

Councilman Lavender moved to approve the Purchase Agreement for Port Property with Ryba Marine Construction, contingent upon confirmation from Cheboygan Title of the deposit of \$11,250.00, allowing the City Manager to then sign the Purchase Agreement; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Purchase Agreement from Bois Blanc Township (Port Property) –**

Mayor Pro Tem Couture moved to disapprove the Purchase Agreement for the Port property from Bois Blanc Township. Mayor Bronson asked if we do not want to make a motion to table this. City Manager Eustice stated that would be his recommendation.

Councilwoman Riddle moved to table the Purchase Agreement still in consideration from Bois Blanc Township. No support.

Clerk/Treasurer Kwiatkowski recommended “laying it on the table”, which is delaying it indefinitely. He would have to look it up as to whether or not it requires a motion. City Manager Eustice stated he thinks Council could make a motion to disapprove the Agreement as written and ask the Township to make another proposal, noting this Agreement cannot be approved because we just approved the sale of the same property to Ryba Marine.

Councilman King moved to disapprove the Purchase Agreement for Port property from Bois Blanc Township as written. Councilman Temple asked if Council can place a time limit. City Manager Eustice replied yes, you can ask the Township to revisit and bring the City a new proposal within 30 days or 2 weeks.

Councilman King moved to disapprove, as written, the Purchase Agreement for Port property from Bois Blanc Township, and ask the Township for a counter-offer within 10 business days; supported by Councilman Lavender. A roll call vote was taken. Yes votes: Bronson, Lavender, Temple, King and Kwiatkowski; No votes: Riddle and Couture. Motion carried.

▪ **Consideration of Appointment of Ronald M. Williams to Downtown Development Authority with a Term to Expire January 27, 2020** - Mayor Bronson asked if Mr. Williams has ever served on the DDA Board. City Manager Eustice replied he does not believe so, noting Mr. Williams is a local business owner of Williams Office Equipment and there is an opening on the DDA Board and Mr. Williams satisfies the requirements, as his business is located within the DDA District and he has a real interest in serving and feels he would add some very valuable input.

Mayor Pro Tem Couture moved to approve the appointment of Ronald M. Williams to the Downtown Development Authority Board of Directors with a term to expire January 27, 2020; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

**Public Comments:** *(None.)*

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### City Clerk/Treasurer's Comments:

- **Certification of Six Month Delinquent Water'/Sewer Bills** – Clerk/Treasurer Kwiatkowski commented Council has a listing of the delinquent water/sewer accounts, which is for information purposes. An updated certification will be brought back to Council the first meeting in April for approval to place the same on the July 2016 tax roll. In the meantime, his clerk will be sending out notices to all these individuals and typically we will get 25% to 30% paid in full before they go to the County and on the tax roll.
- **Presidential Primary Election** – Clerk/Treasurer Kwiatkowski stated we had a very good Presidential Primary. The turnout was 27%, which is actually pretty good for the City of Cheboygan. Our citizens do not like a closed Primary, so typically the turnout is low. A closed Primary requires that you vote for one particular party. He went on to state since he has been running elections we have never had two ballots for a Presidential Primary. This allowed Lansing to know who voted and what party you voted for, but do not know the candidate. They have tried for years to get an open Primary, but because of who was in charge in Lansing, it has always been a closed Primary. Clerk/Treasurer Kwiatkowski informed Council the August Primary will contain the County offices and voting can only be one-party. Councilwoman Riddle asked how to change this. Clerk/Treasurer Kwiatkowski replied talk to your politicians in Lansing. Mayor Pro Tem Couture asked if there are states with an open Primary. Clerk/Treasurer Kwiatkowski replied yes. Councilwoman Riddle stated Massachusetts has an open Primary. A brief discussion was held on the August Primary and November General Elections. Councilman King asked what materials are allowed to be out? Clerk/Treasurer Kwiatkowski replied we cannot give anything to the public that would try and persuade them. Councilman King stated some voters think they have to vote the same side in the General Election that they voted in the Presidential Primary. Clerk/Treasurer Kwiatkowski replied no, adding he cannot, as Clerk, and his election workers can't give anyone advice on how to vote. We can tell them about the process. He then noted there is no longer a straight ticket option and one must vote every position.

Ms. Trudy Lofgren asked for the total of the delinquent water/sewer bills. Clerk/Treasurer Kwiatkowski replied \$119,120.64, which is fairly typical. Mayor Bronson commented the County will make us whole of these.

### City Manager's Report:

- **Ice Rinks** - City Manager Eustice stated the ice rink at Festival Square is now out of service. It was not an ideal winter to build an ice rink, but it did get some use. Mr. Scott Hancock and his crew did their best in building and maintaining it. The ice rink at the pavilion will have ice until March 26 or 27.
- **Circus** – City Manager Eustice stated there is a circus planned for the ice rink/pavilion in early April.

### Messages and Communications from Mayor Pro Tem and Council Members:

- **Tires at Festival Square** - Councilman Temple asked if we can get the tires removed at Festival Square. City Manager Eustice stated yes, it is an eyesore and will ask Mr. Hancock on this.
- **Evergreen Tree at Festival Square** - Councilwoman Riddle inquired on the recent DDA minutes, noting at the last DDA meeting there was discussion about the evergreen tree at the front

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of Festival Square and there was the desire of the DDA to remove the tree and move it somewhere else. She stated she drove by there and the tree looks healthy. Councilwoman Riddle then stated there should be a poll taken of the citizens on what they would like to have; she knows some of the concern is that it blocks the view of Festival Square, as will the other planter trees as they get larger. City Manager Eustice stated he can ask Kirsten Guenther to send out a questionnaire. He noted there was not a March 1, 2016 DDA meeting. Councilwoman Riddle stated instead of having a live tree placed in the hole each year, a permanent tree was planted to avoid this.

▪ **Strategic Planning** – Councilman Lavender stated Council talked a while back about strategic planning sessions, asking for the status. City Manager Eustice stated with regard to planning sessions for both the Capital Improvement Plan (CIP) and Strategic, the Mayor would like a longer session than his thought of one hour before a Council meeting, such as a morning or afternoon session (4 hours). It is difficult to get all of Council there. City Manager Eustice then asked for the wishes of Council because he is dependent on Council as far as their schedules. Mayor Bronson stated some work day jobs so it is difficult to meet during the day, noting he sent the City Manager the doodle.com to help with scheduling. City Manager Eustice stated he did not see this. Councilwoman Kwiatkowski stated she would like meeting before a Council meeting. Mayor Bronson and others commented that meeting two hours before a Council meeting is better, because one hour is not long enough. Councilman Lavender stated it would be nice to get some goals in place and plans together so we can prioritize as there are a lot of things going on. City Manager Eustice replied absolutely, especially when preparing the budget for next year this needs to be done as soon as possible. Mayor Bronson asked if Council is available at 5:00 p.m. before a Council meeting, with maybe more than one session needed. City Manager Eustice stated the Council will meet for a strategic planning session at 5:00 p.m. March 22, 2016. He will schedule this and send out notification.

▪ **Recognition of Parks & Recreation Department** - Councilwoman Kwiatkowski applauded Mr. Scott Hancock and his crew because she feels they have a pretty thankless job and are out there in snowstorms, shoveling bridges, etc., adding she feels they do a great job and it always looks nice. City Manager Eustice stated he will let them know that, adding they do a lot of work because we have a lot of public property they maintain with a very small crew.

**Adjournment:**

Councilman King moved to adjourn the meeting at 7:55 p.m.; supported by Mayor Pro Tem Couture. Motion carried unanimously.

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Mayor Mark C. Bronson

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Clerk/Treasurer Kenneth J. Kwiatkowski

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Councilman Joseph Lavender

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Councilwoman Winifred L. Riddle

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Councilman Vaughn Temple

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Councilman Nathan H. King

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Mayor Pro Tem Nicholas C. Couture

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Councilwoman Betty A. Kwiatkowski