

**REGULAR CITY COUNCIL MEETING**  
**June 14, 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: Kwiatkowski, Lavender, Bronson, Temple, King, Riddle and Couture

Councilwoman Kwiatkowski led the Pledge of Allegiance to the Flag.

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

Councilman Lavender moved to approve the Agenda, as amended, being No. 9A, the addition of James Granger's reappointment, and receive and file all communications; supported by Councilman King. Motion carried unanimously.

**Approval of Prior Meeting Minutes:**

▪ **Special City Council Meeting Minutes – May 24, 2016.**

Councilwoman Kwiatkowski moved to approve the Special City Council Meeting Minutes of May 24, 2016 as presented; supported by Mayor Pro Tem Couture. Motion carried unanimously.

▪ **Regular City Council Meeting Minutes – May 24, 2016.**

Mayor Pro Tem Couture moved to approve the Regular City Council Meeting Minutes of May 24, 2016 as presented; supported by Councilman Temple. Motion carried unanimously.

**Communications and Petitions:**

▪ **Update on North Central Michigan College** – City Manager Eustice stated Mr. Bud Darnell and Mrs. Michelle Andrews are in attendance for the presentation. Mr. Bud Darnell stated the Community College is located there, in addition to Digital Works and Head Start. The Center is a pretty successful event at this point and they have been able to do this without imposing on taxing, etc. Mr. Darnell then introduced Ms. Christi Cross, Coordinator for the Digital Works Program, which is an employment program. Ms. Cross stated she spoke with the Council last October or November, adding she is a new member of the community. She then presented a PowerPoint presentation, noting that Digital Works was a pilot program sponsored by the MEDC, Cheboygan Community Foundation and the Cheboygan Economic Development Group. Since September they have had 119 people apply to their website showing interest; 84 people attend an orientation about the program; 48 candidates enrolled; 43 have been trained; and 18 graduated between September and now. Ms. Cross went on to state that they think these figures are pretty significant for less than one year and are hoping to continue that. She explained this is a nation-wide program sponsored by Connected Nation, which is a non-profit organization.

Mr. Bud Darnell commented for call center operators, if the person has high speed internet at home they answer the calls and work at home and are employees of the company they are taking telephone calls for. Right now the pool seems to be drying up; they are getting fewer and fewer people. The potential for these jobs is significant because there is upward mobility. Mr. Darnell noted the jobs pay between \$9.00 and \$11.00 per hour, adding a person can easily go to \$15.00 per hour once they are able to answer more questions without referring to a specialist. Many of these companies pay benefits

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and Digital Works is a very, very successful and exciting program. Mr. Darnell informed the Council they gave Digital Works free rent for year one because we really wanted to make this thing happen. Mr. Darnell then asked Ms. Cross if we are going to have more than 18 jobs out of the program. Ms. Cross commented on a success story regarding a local person who has a gaming position for X-Box.

Mr. Bud Darnell stated the Community College is becoming a real picture; there are more and more young people from our community that are getting educated. This is a significant thing we have done for development in our community. He then introduced Mrs. Michelle Andrews. Mrs. Andrews thanked the Council for the opportunity to come back and update the Council on the College, stating the College has been in Cheboygan since 1973. When she began 17 years ago the College opened their first office in Cheboygan, but it wasn't until they moved to 504 Division Street (Straits Area Education Center) that they exploded. Mrs. Andrews went on to state it is really rewarding to see, because of the community involvement in wanting the College here, how far they have come. They opened the doors at the SAEC in 2012, which gave them the opportunity to offer all their classes at one location. The classes begin at 8:00 a.m. until 10:00 p.m., continually throughout the year. There is a fully operating science and computer lab that has been updated, in addition to state of the art technology in the building. Each instructor operates with an Apple TV and projects off of their own issued iPad for the College. It has been nice to have the College step up and not only equip our computer lab but each instructor and classroom. The entire building is Wi-Fi. Mrs. Andrews stated she recently took the number of classes they have per night and how many students were in the classes and estimated that about 100 people come in and out of that building in the fall and winter semesters. The current headcount is about 200 students taking classes out of the Cheboygan location. (Last fall – 206; last winter – 189).

Mrs. Andrews stated since she last talked to Council there have been huge updates, i.e. the College last fall was approved by the Higher Learning Commission of Chicago, which gives the College the ability to offer full degrees. They are currently offering the full Associates of Arts and Applied Science Degree in Business Management. They have also been offering the Certified Nurses Aide Certification, which is going on its third year, partnering with McLaren (curriculum at SAEC and the lab work at McLaren). Mrs. Andrews noted some of the businesses that received private training from 2015 to date. The College has tried to make continual improvements such as lecture podiums to white boards. She noted their landlord has been very helpful in assisting them with the security of the building. Mrs. Andrews then stated she is very proud of some of the private scholarships that have been ready to support a Cheboygan North Central student. Mr. Lu Munger, who is here tonight, is one of the College's supporters, noting he is a retired school teacher and long-time resident of Cheboygan, started a legacy scholarship fund and the College was able to grant \$3,500.00 to students just attending North Central Cheboygan. Once they were in the SAEC, the community stated they wanted scholarships just for North Central Cheboygan. Last year the Rotary Club gave \$1,500.00 and Kiwanis gave up to \$500.00 (they have given more in the past). These funds went to Cheboygan students. In closing, Mrs. Andrews stated it is easy for her to be fired up about what she does, but to see that from the community in Cheboygan was extremely rewarding and she appreciates it and speaks for the College.

Mr. Bud Darnell stated they are extremely fortunate to have Mrs. Andrews with them; she is the biggest cheerleader for Cheboygan. He then stated there is a plaque at the Community College with names on it, explaining that Mr. Lu Munger gave \$100,000.00 to fund the scholarships; but anyone that gives \$500.00 gets their name on the plaque. The Council and audience members clapped. Mr.

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Darnell stated the College is a phenomenal thing. He stated he is taking a lot of heat from the Cheboygan Community Foundation for the small sign in front as they want it to say “Cheboygan Campus”. He is now getting estimates and they are going to fund a sign for the front of the building that identifies it as such. It is amazing to see the kids that go to school there as they say this is like a college. He noted there is a study room.

Mr. Bud Darnell commented the School District gave them the building to start with. Since the City and College did not want the building, they found a company that took the building. That company was involved in a lawsuit, etc. and the Judge that was handling the case in Grand Rapids said to Mike Witulski, who is now our landlord, that if he could come up with \$30,000.00 Mr. Darnell could sell him the building, because it was considered an asset of this other company. They raised \$30,000.00 to purchase the building that gives us some longevity for the program. They have a Community College with nine classrooms and Headstart is looking to expand. Everything in the building is kind of education related. Mr. Darnell then reiterated they have not been able to collect any rent from Digital Works and are hopeful they can get a little extra money this year because it is very difficult running the building, noting it cost \$60,000.00 to heat the building. They are looking at putting styrofoam windows in the gym, noting the Youth Center uses the gym. Mr. Darnell went on to state he spoke with former City Manager Stuart and told him that he would buy the pink house, to which former City Manager Stuart replied that if Mr. Darnell got the house the City would pave it. Mr. Darnell then stated he wants to implore City Council to take a really close look at this because the people that use the Education Center are parking in the mud and up and down the streets. If we can get that lot paved it would alleviate the problem and make it look good. City Manager Eustice commented there have been no complaints from property owners regarding the parking on the streets. Mr. Darnell stated the owner does not have the money to pave it, noting his interest is to make sure the College is successful in our community. He then thanked the Council. City Manager Eustice stated the lot that Mr. Darnell speaks of is City property and we do need to do something because when people park there it is extremely muddy. He went on to state we need to find the funding, maybe multiple sources, to try and alleviate the problem. Councilman Temple asked if it would help to take out the top soil and put in Afton stone. City Manager Eustice replied staff has discussed doing it in phases. The DPW staff would be able to do the first phase which would reduce the cost once it is ready to be asphalted. He has also discussed this with Chief Jones. Councilwoman Riddle asked if we have an estimate on what it would cost to pave it. City Manager Eustice stated he got a couple of quotes, which are in the \$20,000.00 range (excavate, put a surface down and asphalt). He stated when former City Manager Stuart was here besides the parking lot, there was a bid of \$40,000.00 for lighting, so it really put a high cost on that project. He went on to state there are street lights there, but feels we do need some additional lighting but not at \$40,000.00. Mr. Darnell stated there is the potential to raise some private funds along with the City to do this. He suggested that he and City Manager Eustice work together and bring back to Council in the next week or two a plan. City Manager Eustice agreed. Mayor Pro Tem Couture stated he does not disagree that this needs to be done, noting the new fiscal year is coming up and there are a lot of projects that need to be done around the City and they all need to be looked at and discussed because there are only so many funds. City Manager Eustice told Mr. Darnell he would be in contact with him.

### **Bills and Disbursements:**

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

Councilman King questioned the expense of the sound system for Festival Square, asking if this includes installation. Clerk/Treasurer Kwiatkowski replied this is 50% down. City Manager Eustice

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stated once it is installed the City will pay the other 50%. The equipment should have been here last week but is backordered and could be here this week. Clerk/Treasurer Kwiatkowski noted the funding comes from the Festival Square Building Fund.

Councilman King moved to approve the prepaid bills and disbursements for the month of May 2016 in the amount of \$409,410.94; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

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

Mayor Pro Tem Couture moved to approve the unpaid bills and disbursements for the month of May 2016 in the amount of \$26,627.92; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

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

▪ **Special Zoning Board of Appeals Meeting, June 3, 2016** - City Manager Eustice reported that Mr. Bob Andrews of Team Andrews, Inc. applied for a Demand for Appeal for a sign at Lincoln Bridge Plaza. The sign, 22 feet high, was over the required height of 18 feet. It was also over the square footage. The Zoning Board of Appeals approved the variance unanimously – sign at 22 feet in height and 336 square feet of signage (2-sided). This sign will be a multi-board sign out front where the digital sign, owned by the Cheboygan Area Schools, was in place. The same pedestal will be used. City Manager Eustice noted that there are 10 rental units in the Plaza. Mayor Bronson then asked if we are looking for another member for the Zoning Board. City Manager Eustice stated we are going to try and get two alternates. He noted there are five members with one member that can only make it at times and the By-Laws allow us to add two alternates.

▪ **Downtown Development Authority Meeting, June 7, 2016** – City Manager Eustice stated they are still working on the Façade Program, noting there have been issues with several businesses dropping out. They are, through the MEDC, trying to add at least one more business, as the MEDC would like to have at least two businesses that are participating in the program. City Manager Eustice explained Ms. Emily Clare of the Purple Tree Books is the one interested. Currently the only other one interested is the Creation Station. Mr. Dan Leonard, MEDC Representative, is going to be in Cheboygan next week and will try to bring back in some of the businesses that dropped out by changing some of the funding for them. Mayor Pro Tem Couture commented there were quite a few interested at one point. City Manager Eustice stated there were 11 initially and 6 that actually paid to have architectural renditions done on their buildings. Between the DDA and the business owners that did the renditions, we have \$21,000.00 into this project, and at this point, nothing to show for it. The MEDC understands this and is trying to do everything it can to remedy the situation. The biggest issue, unfortunately, was when we applied for the program the funding was a possibility of 75% funding from the State and the business owner would have to match 25%. In the middle of this, MEDC dropped it to 50% and we had a couple of businesses that were near 75% potential funding. The owner of the Big Dipper building was at 73% State funding and now if he wanted to do what he had designed it would cost him another \$120,000.00, which is why that building dropped out. Mayor Pro Tem Couture asked if that business owner invested anything prior to the change. City Manager Eustice replied yes, approximately \$3,500.00 in architectural drawings. Mayor Pro Tem Couture commented that is disheartening. Councilman King stated Creation Station was possibly looking at both of their businesses included. City Manager Eustice stated that the MEDC would not accept that as two separate businesses. If we can still get Purple Tree Books in, he thinks we can get funding for

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them and Creation Station. Mayor Bronson asked if the architectural renditions are done for Purple Tree Books. City Manager Eustice replied no, but they are working fast to get it done.

### **General Business:**

- **Consideration of Reappointment of Nancy Lindsay, Emily Clare and James Granger to the Downtown Development Authority Board of Directors** - City Manager Eustice stated all three of their terms are expired and they have all agreed to be reappointed. He noted the Ms. Lindsay and Mr. Granger have been on the Board for some time while Emily Clare is fairly new.

Councilwoman Riddle moved to reappoint Nancy Lindsay and Emily Clare to the Downtown Development Authority Board of Directors, terms to expire June 23, 2020 and James Granger, term to expire January 27, 2020; supported by Councilman King. Motion carried unanimously.

- **Consideration of Appointment of Curtis Chambers to the Port Commission.**

City Manager Eustice commented we have an opening on the Port Commission because of the resignation of David Kronberg who was one of the initial Commission representatives. Mr. Richard Sangster, Chair of the Port Commission, suggested that Mr. Curt Chambers be appointed to the Commission because he has a lot of knowledge in the marine industry, having been the Harbormaster of the County Marina for about 26 years and understands the shipping and receiving industries, as well. City Manager Eustice stated he thinks Mr. Chambers will be a great addition to the Commission and Mayor Bronson has approved his appointment, but the Council also has to approve it.

Councilwoman Kwiatkowski moved to appoint Curtis Chambers to the Port Commission, term to expire November 14, 2019; supported by Councilman Lavender. Motion carried unanimously.

- **Consideration of School District Annual Tax Collection Request.**

Clerk/Treasurer Kwiatkowski stated we have been collecting summer taxes for the school system for quite a number of years now; there is no additional burden on the staff. The current fiscal year we collected about \$11,000.00 in admin fees just from the school collection. If we do not do this, the County, of course, will collect them and receive the admin fee. The last meeting the School Board had regarding this issue, they adopted a resolution to levy a summer tax in perpetuity and our motion states that tonight. The recommendation is to continue to collect that summer tax.

Councilman Lavender moved to approve the request from the Board of Education of Cheboygan Area Schools, Cheboygan and Presque Isle Counties, that the City of Cheboygan collect the District's summer school property taxes, including debt service beginning with a summer property tax levy in 2016; also, City to levy a 1% administration fee on all summer taxes collected except City operating, debt and special assessments, and authorize the City Treasurer to sign the Summer Tax Collection Agreement on behalf of the City. This shall continue from year to year until specifically revoked by City Council or the Cheboygan Area Public Schools Board of Education. Supported by Councilwoman Kwiatkowski. A roll call note was taken; motion carried unanimously.

- **Consideration of Recommended 2016/2017 Property-Tax Millage Rates for General Obligation Bonds and City Operation Requirements.**

City Manager Eustice stated this is the 2016/2017 tax rate request for the City of Cheboygan, which has to be approved by Council for our general Operating Millage of 15 mills. We have three debt

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service millages – Rural Development being water/sewer type bonds (1.2 mills); GO Bonds are the addition to the fire and police station (1.2 mills); and Refunded Bonds for infrastructure, sewer and water improvements (2.6 mills). City Manager Eustice explained the Operating Millage of 15 mills did not get rolled back, as this is what we levy by Charter and is the most we can levy. We have not had a rollback in several years. We have to levy the millage for the debt services in order to pay the debt. He explained the Clerk/Treasurer calculates what is needed to pay the debt in the next fiscal year.

Mayor Pro Tem Couture moved to approve the recommended property-tax millage rates for general obligations bonds and operations requirements as presented; supported by Councilman King. A rollcall vote was taken; motion carried unanimously.

▪ **Consideration to Schedule a Public Hearing for June 28, 2016 for Adoption of the Fiscal Year 2016-17 Operating Budget for all Funds of the City of Cheboygan.**

City Manager Eustice commented the City's fiscal year begins July 1 and we need a public hearing to adopt the 2016-17 budget (July 1, 2016 through June 30, 2017).

Mayor Pro Tem Couture moved to schedule a public hearing for June 28, 2016 for adoption of the fiscal Year 2016-17 Operating Budget for all funds of the City of Cheboygan; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Requests for Proposals – Repaving of W. Lincoln Avenue from the West City Limits to S. Western Avenue AND Duncan Avenue from Eastern Avenue to Marina Drive.**

City Manager Eustice reported City Engineer Granger sent out requests for proposals on the repaving on a portion of Duncan Avenue and W. Lincoln Avenue. He pointed out the two bids that were received, along with the City Engineer's cost estimates. The bids were received from Reith-Riley and Payne & Dolan. The Reith-Riley bid was the lowest for Duncan Avenue at \$52, 908.00 versus \$56,208.00 for Payne & Dolan. For W. Lincoln Avenue, the Reith-Riley bid was \$116,214.60 and the bid from Payne & Dolan was \$121,986.44. Our recommendation is to award Reith-Riley both of these paving projects. Councilman King asked when the paving would begin. City Manager Eustice stated they are looking at July 5, 2016 for W. Lincoln Avenue; Duncan Avenue will probably be the first week of August.

Councilman King moved to award the Requests for Proposals for the repaving of W. Lincoln Avenue from the west City limits to S. Western Avenue AND Duncan Avenue from Eastern Avenue to Marine Drive to Reith-Riley in the amount of \$167,431.37; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Clerk/Treasurer Kwiatkowski commented this will be the first project we have funded from the new road millage and will be fully paid in cash; we will not be issuing any debt for this project.

▪ **Discussion – Request for Full-Time Department of Public Safety Officer in 2016-2017.**

City Manager Eustice stated Council has a memo from Chief Kurt Jones regarding adding a full-time position for the Department of Public Safety (Police Department). The City currently has six full-time police officers and the Chief. In 2009 there were nine full-time police officers and the Chief. In a poor economy in 2009 the City laid off two officers, reducing staff to seven full-time officers. About a year ago Office Dan Frazier retired and was not replaced, leaving six full-time officers. In the

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interim, we have tried to service the seventh officer with part-timers. City Manager Eustice noted there have been three different part-time officers trying to help with scheduling a 24/7 operation, which has been costly. We are over budget on wages and benefits, but thinks if we can lessen the part-time help and fund the seventh position with a full-time person we can reduce the part-time help that we need. City Manager Eustice went on to state if we do hire a seventh officer, we will have to make budget adjustments for next year to be able to fund that position. He noted that part of the funding may come from a rental fee for rental properties, which they are working on. There has been a lot of time spent on ordinance issues this year; the part-time officers have been working a lot on that. Also, there is a State statute where we can levy a millage without a vote to help with police services, but the City Manager wants to do everything he can to not do that.

Councilman King asked what we are looking at for predicted retirements in the next five years. Chief Jones stated we are slated for a possible retirement next summer and three to four in the next five years. He went on to explain that we have come to a time where we have lost several of the part-time officers to other agencies for full-time positions. This year they called a couple officers out of retirement to work for us part-time, i.e. former Chief from Indian River and Officer Frazier has been back as a training advisor for the new blight officer.

Councilman Lavender asked City Manager Eustice what his recommendation is. City Manager Eustice stated in speaking with Chief Jones and the Officers they are certainly overwhelmed with work at this time. They need some help, especially on the day shift and feel they are missing some police services and quality of police services because they are short. He went on to state he thinks we have had some good part-time officers here. Part-time Officer Danny Stacks went to the County, as well as Officer Patrick Holt. He thinks we are training officers for the County, and the County speaks highly of them. Councilman King stated this is a loss for us when we train them. Mayor Pro Tem Couture stated he feels the same way except for the simple fact that everything that comes in front of us as additions to the budget, he catches himself looking over at the Treasurer for his reaction. Treasurer Kwiatkowski stated he just finished the fiscal budget for 2016/2017 and right now we are projected to dip into the Fund Balance for \$109,000.00 without any additions or capital outlay. His recommendation is if you are going to hire an officer that he be an officer and not a full-time blight officer. The other officers really need help. During the current fiscal year for Parks & Recreation and the Police Department, after the next payroll, we will have paid out \$100,000.00 in part-time wages for those two departments. Treasurer Kwiatkowski went on to state he thinks we need to look at reducing part-time and getting a full-time officer and try and minimize how much more we are going to have to dip into the Fund Balance. Mayor Pro Tem Couture asked Treasurer Kwiatkowski if he feels we need to look at the numbers more extensively before we make a decision on that, adding he does not want to hold things up but doesn't want to jump into spending money that we haven't analyzed. He stated he has been on Council for eight years and at the very beginning there were some pretty heart-wrenching decisions made regarding the Police Department because of financial responsibilities. He still wants to be fiscally responsible which is why they are sitting on Council and it's their duty, but we are making these decisions without analyzing numbers. Treasurer Kwiatkowski replied right now the City has a pretty healthy Fund Balance in its General Fund, but if things continue the way they are where we have to continually dip in, he can see six or seven years or sooner that we will be looking at restructuring, i.e. layoffs. Mayor Pro Tem Couture stated that is unacceptable in his opinion. Treasurer Kwiatkowski commented they had a budget committee in 2008, when we lost all of our taxable value, and maybe it's time now to get one together again and take a look at the next six/seven years out. Councilman Lavender asked if the projected dip into the Fund Balance of

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\$109,000.00 includes the Port property expenses. Treasurer Kwiatkowski replies yes, explaining the Port property for the upcoming fiscal year just for the debt service will cost us \$40,000.00 out of the General Fund, which is one place it should never come from but it's the only place to take it from. If we continue to pay debt service in the next four years \$160,000.00 to \$200,000.00 will be coming out of the General Fund balance. Councilman Lavender commented we need to get the property moved. Treasurer Kwiatkowski agreed.

Councilman Temple commented, with regard to the Police Department, a lot of times there is only one officer on duty and that is not good, especially at this time with the way the economy is going. The officer(s) are at the apartment communities several times a night. There is just not enough coverage. City Manager Eustice agreed, stating he has done a little research on other communities and had a long conversation with Mr. Joe Duff, Gaylord City Manager. Gaylord has a little better budget than we do and 3,800 people in the City of Gaylord. They have eight full-time officers, full-time police chief, and a full-time administrative assistant; however, their Police Department budget is 1.8 million dollars. Gaylord levies a millage of 1.25 mills to help fund their Police Department. Mr. Duff just did some research last year on similar communities (City of Clare, City of Bad Axe, etc.) to Gaylord, less population than Cheboygan, and all of them have at least seven full-time officers. City Manager Eustice went on to state he and Mr. Duff talked about the quality of police services between a full-time officer and using part-time officers. Mr. Duff says there is a huge difference and Gaylord does not ever use part-time police officers. Mayor Pro Tem Couture stated his feeling is adding another full-time police officer is probably the right move, but wants to make sure we stop dipping into the Fund Balance and the police officer is just an additional to that. This creates the argument more so to look at this a little closer and all the expenditures that are going out. He truly thinks one of the greatest services we do offer is our Police Department. He is not against it, but wants to be sure we are stepping in the right direction. He asked what are the differences in the numbers of the part-time officers and a new full-time officer and would like to know that before making a decision. City Manager Eustice stated he and Chief Jones have spoken about reducing the hours of the part-time officers significantly to be able to balance that. Mayor Bronson asked if the seventh officer is just replacing Dan Frazier. City Manager Eustice stated it is in some respects, as he was not replaced when he retired. He believes the Council made the decision to keep seven full-time officers back then and were considering laying off an officer in 2012/2013, but we kept the officer on until Officer Frazier retired. When he retired it got us back to a balanced budget. By adding an officer we are going to be slightly over budget. Mayor Pro Tem Couture asked how many mills would pay for that service. Treasurer Kwiatkowski replied the number he was given by Chief Jones was 2/10ths of a mill or \$20,000.00. City Manager Eustice stated we have to levy one mill. Treasurer Kwiatkowski commented that may have to go for a vote. City Manager Eustice interjected in Gaylord it is all done by Council, reiterating there is a State statute that allows them to do that. Mayor Pro Tem Couture stated he is not sure that is a great option either, but it is a viable option and thinks we should ask. Mayor Bronson stated when the State took the personal property tax off the tax roll, there was an amendment that allows cities to assess something. City Manager Eustice stated yes, levy a millage for police services for loss of taxable value, which can be done by Council approval. City Manager Eustice stated he would like not to levy a millage and try and fund it some other way, because we levy almost 56 ½ mills against the taxable value on commercial properties and non-homestead properties. Mayor Bronson pointed out we just approved 20 mills tonight for City operating and debt.

Councilman King asked if we have any statistics on the number of cases, calls, or court appearances, from 2009 to now and have they increased, decreased or stayed the same. Chief Jones replied it is

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roughly the same. Some of the activity, because we have two less officers, such as building inspections have declined; the number of calls to Central Dispatch has remained relatively the same. Mayor Pro Tem Couture inquired with the three part-time officers you have used, the City would have had to look at the numbers as far as hiring a full-time employee. Is it much more expensive to have a full-time employee with benefits; has this been looked at side by side? Chief Jones replied primarily it is the difference in the benefit cost, with some in the wage cost. A rookie officer starts at \$2.00+/hour less than a full-time certified officer. Mayor Pro Tem Couture stated there has to be a cost in the training of continually training new part-time officers. Chief Jones stated this is correct, but the most difficult part is since 2009 we have probably lost 12 officers to other agencies for full-time positions. This is why he had to call two officers out of retirement; he ran out of available bodies the last couple months. Chief Jones noted that an officer has been out with a broken foot and will return to work tomorrow night. Councilman Temple commented we train them and then they move on. Chief Jones responded correct. Mayor Pro Tem Couture asked if Council should take action in this tonight. City Manager Eustice stated Council can. Mayor Pro Tem Couture stated he is looking for some guidance and recommendation from the City Manager on this. Councilman Temple stated he already gave us a recommendation. City Manager Eustice stated in his opinion we should add a full-time officer, but he will have to figure out how to fund that. We are going to have to manage our part-time officers. He thinks this should be a full-time officer doing all police work. He and Chief Jones have talked a little bit about the ordinance enforcement that we are doing. When we get to a rental fee for rental properties, he thinks we can use that funding to help pay for a part-time ordinance officer under the Department of Public Safety. He doesn't necessarily have to be a police officer, but somebody that can write citations. City Manager Eustice stated he really believes to provide the quality of police services that we need to provide, we need another full-time officer. Mayor Bronson stated he was on Council when they laid off two officers and he believed at the time the intent was never to permanently reduce the size of the Department but to give us some breathing room. At that time he does not think it was expected to be seven or eight years. He then stated it is counter-productive to keep paying part-timers that we lose all the time; we are training them and getting them equipped that helps their resume because then they go on and find another job.

Councilman Temple moved to hire another full-time Department of Public Safety officer; supported by Councilman Lavender.

Councilman Lavender commented he is confident when the Port property gets behind us it will alleviate of the strain on the General Fund between the debt service and the legal fees we've been paying.

A roll call vote was taken; motion carried unanimously.

### **Public Comments:**

**Blight Enforcement** - Mr. Roger Kopernik stated he was at the Council meeting a couple of weeks ago and is a resident of the City of Cheboygan. After the last meeting he spoke with Chief Jones who mentioned he may be getting a couple of letters. The Chief made mention of someone parking at an angle or too close to the porch. He informed the Chief that he has owned the rental almost 20 years and the tenants have always parked in front and he told the tenant to park at an angle, noting as far as he is concerned it is his property. Mr. Kopernik stated with regard to his second property, somebody was not parking on the asphalt part of the driveway. He spoke with his tenant who informed him that sometimes his son comes to visit. He re-read a portion of the letter from the Department of Public

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Safety as follows: “letter to notify you of unsafe or deteriorating condition of your property at the above referenced address”. Mr. Kopernik noted that his home was also on there. In speaking with other landlords that live in the City, their personal residence was on there, too. He understands the letter to personal residences was an accident or oversight, but it is his opinion this should not have happened. Mr. Kopernik then read: “a visual inspection was made to the exterior of the property and was found to be in violation of the City Code of Ordinances specifically nuisances and blight and building code regulations, electrical code regulations, plumbing code regulations and mechanical code regulations”. He then explained to Council the work he has done on the rental home since he purchased it and he is always trying to make improvements, but he does not have an endless money pit. Mr. Kopernik stated it is the tone of the letter and does not represent him as a resident. That letter should not be sent to anyone else. He then suggested a letter stating: “please disregard that letter written on May 11, 2016 and apologize for any inconvenience”. Mr. Kopernik commented that other landlords will not come to Council as they are afraid of repercussions. We don’t want to hear that somebody in our City is going to threaten somebody if they don’t get stuff done. He went on to state he is in support of the City. There needs to be a letter citing specific violations. He then stated when he drives down Sutherland or some of the other streets and there is knee-high weeds on the side because the City is not trimming all the grass, he does not call. Mr. Kopernik stated he knows blight when he sees it and feels we have to move diplomatically through the City because a lot of people are struggling. He commented he would like to see a motion to get the letter rescinded.

Mrs. Audrey Martinchek introduced herself stating they received that letter also. They got the letter, which stated the two addresses of their rentals, reading a portion of the letter, as Mr. Kopernik did. She stated, like Mr. Kopernik, when they moved here 30 years ago they couldn’t find a decent rental in town. They decided once they got a couple of dollars to buy some of these properties and help improve the look of our City. She explained they did all the repairs necessary to their rental properties in a timely manner. She then stated they have supported local contractors, Bernard’s, Do It Center, Cheboygan Carpet, etc. in improving their properties to try and give clean and safe rentals. They have right now a single male parent with a small child, barely able to make his rent. They have a single female with a new baby, who has a hard time in the winter paying her rent plus heat. Also, they have a mentally challenged man in the back of their one unit, who has destroyed the inside. There is also an elderly gentleman that has been with them for six years and just retired, and a Fernelius salesperson who literally said to them (he was paying \$500.00 in one of their nicest apartments) he could not have paid more. We are not Harbor Springs or Charlevoix and we don’t have the income; the people that are renting from them do not have the income. She commented on the fees and the blight officer, telling Council to save money by getting rid of the officer that came over and told them on the grass that was cut three days ago that if they did not cut the grass the City is going to put it on their tax bill because the dandelions popped up two days later. We need to use the money for safety that we need in our housing areas and City – we do need another officer because we are putting our officers out there at a disadvantage without proper care and overworking them; not to walk around and try to take people that are trying to provide services for this area and fee them to death. If all these fees are put in she will have to pass those fees on. Mrs. Martinchek then commented on the negative income from the rentals and was asked why they don’t get rid of them. She stated the reality is there are a lot of people in this town if we didn’t have rentals would be laying on the streets with their kids. While we are talking about blight, let’s see if we can have some programs where we can get people or volunteer groups to help the elderly clean up and help get stuff thrown away. Let’s take an approach where we are not trying to belittle people, scare people or go after people; let’s take our new officer and let’s have him be a safety person so that all of our kids are safe. We need to make better decisions in this

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town. She is totally willing to, with no time available in her schedule, to try and help put together a community to help some of our people. It is not all landlords. Mrs. Martinchek commented there are people in the Council room who have personal residences with peeling paint that would be considered blight. And then you want to go after the landlords and try and fee them. When she has to increase rent to \$700.00 a month for the single mom with a baby she can't afford it. Ms. Melching at the Cheboygan Housing Commission says they can't help pay any more than \$450.00 to help with rent. Where are the people going to go? Mrs. Martinchek then said she found the letter to be so offensive, noting the bulliness that is going on and the phone call that they are getting as realtors. They are not responsible for their client's properties. They make phone call and take is seriously and encourage their people all the time to clean their place up and make it look nice because of road side appeal if they want to get it sold. She has heard from several people that they are afraid of retaliation. Mrs. Martinchek stated she thinks we need to see what it can do to help this community look nicer, such as what programs, grants and resources are available to help the elderly, residents, and landlords to make this a nicer town because she loves Cheboygan, too.

Ms. Billie Livingston introduced herself stating she also received that letter. She has five rental properties that were in that envelope and was totally offended. Her husband works downstate and comes up, noting they work very hard on their properties, which are their retirements. The letter was received on a Saturday afternoon after work and it ruined their total weekend and they drove around their properties trying to figure out what the letter was talking about. Ms. Livingston stated the City is talking about a blight officer and we need a policeman, and yet you have somebody running around saying your grass needs to be cut. She stated she lives on Division Street (corner of Ball and Division) and the house across the street from her has been vacant for almost 20 years; it has an empty garage that houses all the cats and skunks in the neighborhood. It smells, has broken windows and the City mows the grass. This is certainly not helping that house and is not helping the value of her home. It bewilders her why the City sent a letter to people in this room who are taking care of these properties. Ms. Livingston went on to state she has been in the MSHDA Program for her apartment building and she can't charge more than \$450.00 for a two-family, so how are you going to raise the rent to now cover the cost of what the City is going to charge them, as landlords, to be in a landlord program. There may need to be inspections and maybe there are some bad landlords out there; why isn't the City attacking them and why is the City attacking the people in this room, who are the people who care. The City needs to hit everybody. Ms. Livingston stated she serves on three different committees in Cheboygan and is at City Hall at least once a week, but nobody came up to her and said we have a problem with one your rentals. Instead she gets a letter with pictures of her homes that are 20 years old. Somebody dropped the ball someplace, it was a horrible letter, and it would be nice to get an apology for it.

Mrs. Susan Blum introduced herself stating she was extremely offended when she got the letter – she totally ignored the letter because she wanted to see what was going to happen. Would she be arrested? Chief Jones did talk to her husband and told him that all she had to do was to make a list of all the defects in our rentals and bring them in to him. Then as I took care of the problems he could check them off. She asked if this is a Gestapo or what? This is her business and she has people coming around telling her how to run her business. She is a very responsible, conscientious landlord, and does an excellent job. What the City is doing is totally wrong, questioning the charging of a fee to landlords. City Manager Eustice replied that is certainly a possibility. Mrs. Blum stated that is all she needs and the only reason they are making it is they have other businesses and uses the money from there to fix the rentals. Having cash flow from a rental in Cheboygan is a joke. She thinks the City

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has the wrong idea what it's like to be a landlord in Cheboygan because we are a very poor depressed community. To say the least we have incredibly interesting people to rent to and when they finally get evicted or whatever it is thousands of dollars to clean-up after those people. Furthermore, most of those people are on a program through MSHDA or Cheboygan Housing Commission, usually families, and even though their rent will be a small amount of money they don't even pay their small amount of money. She does not think the MSHDA program was a great thing for our community; we have people that come from downstate to take advantage of our rental program, which is one of the reasons we have so many low end people show up here that are not responsible. Mrs. Blum went on to state she will take a chance on people because they are nice people. She commented the City is actually going to hire another police officer to come around and check on the blight of our rentals and they have to pay a fee to have the City do this. She state she went around taking photos today of some horrible looking rentals (Andy Beethem). The lady that lives there said that there has been a police officer coming around and warning them they need to get the bikes out of the yard. They pay \$350.00 per month for rent, which is all they can afford. They are being harassed by police officers that we the citizens are paying for with our taxes. Why isn't the City picking on the landlord? That building was terrible and it looked like the roof was going to cave in. She asked why the City is not going after the people that need to be gone after. Mrs. Blum then asked about the Goldfront that the owner has owned for five years and is a total dump. Why isn't somebody doing something about that? Will this end up with water in the basement and black mold, only to be torn down at the City's expense and our taxes? Some attitudes are really wrong about Cheboygan and if you think you are ever going to clean up Cheboygan to look like Rogers City; that is not what Cheboygan is. Mayor Bronson told Mrs. Blum on all the properties she mentioned the City has ongoing communications with them, noting it takes years to get it taken care of. He stated there are a lot of things going on behind the scene and this is just part of the bigger picture. Mrs. Blum asked why the City is picking on them. Mayor Bronson stated he feels they are not picking on her, adding both the City Manager and Chief called him and told him they regretted sending the letter out even before they heard any of it. It is not just landlords being cited; single family home owners have been told to clean up. Mrs. Blum stated her home is even on the list. She stated she is always improving and it cost money to improve, adding the rental business is just awful. Mayor Pro Tem Couture commented he thinks there are two sides to this and the people that are here are right, stating he does not know all the properties of everybody that is here, but he see some pictures of some of them and they are in good shape. He totally agrees the letter that got sent to the landlords of the pictures shown should not have been sent. We should have singled out the problems around the City and went to the individual land owners, whether they are homeowners or landlords, and addressed those situations individually. On the other side, Council is happy that the landlords in attendance do keep up their properties, by looking at the pictures. There are plenty of landlords, locations and homeowners that need that because they have been asked and told to certain levels, but are not doing anything about it. Mayor Pro Tem Couture thinks this is where the cost of sending a police officer out continually over that takes away from not only the cost of being employed to that situation but also for what they could be doing otherwise. The letter was intended to be sent in place of another officer making another visit. Mrs. Blum commented the letter made her think that some people are snobs and think they are better than other people and they are going to decide you can't have your bicycle on your lawn, etc. Where are these people coming from that dreamed up these rules and regulations? Mrs. Blum stated she thinks there is an ordinance against putting your sign for a rummage sale up on a telephone pole, adding who cares and are we not getting a little picky, picky here. Who is getting so arrogant that they can do this? Mayor Pro Tem Couture agreed stating there are levels of this blight that we are addressing. What Council hears from people is we all want values in our homes at the end of the day. The place across from Mrs. Livingston's home needs to be

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addressed so her value is better; the whole City in general. They are trying to create a culture in Cheboygan so they can provide jobs, fill our schools up, etc. That is exactly the intent of all of this as to why we would form a committee and why we pretty much volunteer our time sitting up here. Mayor Pro Tem Couture stated there is a fine line to walk between offending someone and trying to get the best result.

Mr. Kopernik stated he agreed one hundred percent with Mayor Pro Tem Couture. He commented the letter was sent out by representatives of the City and does not like it. He reiterated what he previously said earlier in the meeting.

Mrs. Martinchek commented if she sells her rentals and they become homesteads, the taxes are less. In addition she stated what if someone purchases them and does not take care of them like they do. She reiterated what she previously said earlier in the meeting, adding she believes their homes are in the 75% to 80% of the nicest homes in the City of Cheboygan.

Mr. Kopernik spoke again on rescinding the original letter and apologizing. If there is an issue with something, then you address each issue. He does not want to hear the City is going after landlords.

Mrs. Blum reiterated what she previously said earlier in the meeting, adding she is insulted. She added no one wants to live here not because of blight but because there is no jobs and the bad attitude. She then stated Mrs. Livingston is thinking about leaving, the kitchen shop is closing, the camera shop owner has to work outside the camera shop to support himself and Jeanette Bronson has her place for sale. Cheboygan seems to be going down the tubes and we will never be able to sell any real estate.

Mr. Kopernik stated he always has a positive attitude, noting he had a solution in the first meeting, again reiterating what he said earlier.

Mrs. Angela Chastain introduced herself, stating she is a resident of the City of Cheboygan and she also manages about 40 rentals in Cheboygan, so she has a big interest in this. She stated she had a genuine question from the letter stating: "This is to notify you of unsafe or deteriorating condition of your property at the above referenced addresses. A visual inspection was made of the exterior of the property and has been found to be in violation of the City of Cheboygan Code of Ordinances." Mrs. Chastain stated it says specifically, it does not say may include, "nuisances and blight and building code regulation, electrical code regulation, plumbing code regulation and mechanical code regulation." She wants to know how the City did a visual inspection citing it violated all of the ordinances; how can you tell by driving by a house that it's in violation of the electrical, plumbing or mechanical code. You can't tell that by a visual inspection. Mayor Pro Tem Couture stated she is right. He went on to state since the last meeting there was a new version of the letter that has replaced that letter that changes a lot of those words. Mrs. Chastain said it would have been different if it had not been so scary, intimidating or bullying. Mayor Pro Tem Couture stated even the people that created that letter have agreed. Mrs. Chastain ended that the application of the letter was in very poor taste.

Mayor Bronson asked Treasurer Kwiatkowski if 20 mills is all the City charges for City taxes and the extra money property owners are paying as non-homestead is not money that comes to the City. Treasurer Kwiatkowski replied that is correct, it is a school tax. Mayor Bronson repeated it is not money that comes to the City.

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Mr. Joel Martinchek stated they have two rentals in town and have owned them for several years, and pride themselves on trying to keep them up in a good way. They are very offended about the letter. He and Audrey have been living in Cheboygan 30 years. His job brought them here and the people were so good to them they decided to stay. It hurts him immensely as to what happened here. Mr. Martinchek then told Chief Jones “shame on you”. To have the letter with Chief Jones signature on it is offensive and he needs to publicly apologize to all the citizens of Cheboygan. He stated he is very emotional about this and prides himself in trying to be an advocate to try and get people to come to our town and he is finding we have closed the doors on too many opportunities, noting Meijer’s as a prime example. He understands Sault Ste. Marie started after Cheboygan and Meijer’s is already employing people. Why didn’t Meijer’s work? We have a reputation in Northern Michigan as being the hardest community to get a new business off the ground and it’s because we haven’t streamlined the process. There are too many people that are worried about what if, not what could be. We need to focus on our future; we need to focus on what should be and what the vision of the town is. It is not neighbor against neighbor or police officer against the neighbor. Let’s do it in a polite way and in a way that people feel like doing it, not be offensive because of it. There are ways to do this and ways to get it done. It appalls him when he drives into town from Mackinaw City and he sees what our town looks like; it is a problem and there is a solution. The solution is to get everybody together and get them working as a team, not where we are offensive and all fighting amongst ourselves. Mr. Martinchek commented our town is a great town and he has never seen a town pull together when somebody has a problem; we are always there. He is in the Kiwanis Club and he cannot believe how much money the people give the Kiwanis so Kiwanis can help. We are a good town, let’s make it stronger.

Councilwoman Riddle stated Mr. Martinchek made a couple comments about Meijer’s and how he thinks it’s the City that stood in the way. Mr. Martinchek commented he did not say the City specifically because he is not up to date on everything that has happened, but he does understand there is a water issue, which is the only thing he knows for sure that is standing in the way. Mrs. Martinchek stated being in real estate for 30 years, Cheboygan has a reputation that spreads not only downstate but into Ohio and Wisconsin that you don’t want to come to Cheboygan – they are not easy to work with, they don’t want you here and they make it really clear. The people that have come up to this area that have opened places in Alanson said they were told you don’t want to go to Cheboygan. Mrs. Martinchek stated this is heartbreaking. Mayor Pro Tem Couture agreed. Mrs. Martinchek said let’s work together if we have a problem. We have poured our hearts into trying to make good housing for people in this town. Her husband, Joel, came right down to meet with Chief Jones and, to be honest, Chief Jones was pleasant but there was pretty much this is way it’s going to be and we are going to be billing fees. She added hire a police officer to have safety in our town so that our police officers are not understaffed. Then send out letters to people that have the cat house that needs to be torn down and the people who have very unsafe conditions they are putting people in. Mr. Martinchek commented one of the things that upset about the letter was that it spoke in specifics and when he asked Chief Jones, he said they never did come and see it. He noted the letter stated they did a visual inspection, so the letter is not even truthful. He then asked who makes the rules as to what is blight and what is not; also what is safety and what is not safety. A lot of these homes are one hundred years old and you can’t expect the homeowner to go in and bring them up to code. Their homes were inspected 20 years ago when they bought them. Mr. Martinchek stated if the City is going to have to amend the budget to hire a new officer, especially if hiring a blight officer, it is a problem that the whole community has, not just the landlords. We need to address it as a millage increase. We already are one of the highest millage rates in Northern Michigan and what are we getting for our services. Councilwoman Riddle stated we are not hiring that police officer as a blight officer; we are hiring him

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as a safety officer. Mrs. Martinchek commented the City is over the budget for part-time and the City mentioned blight, stating this is their point. City Manager Eustice stated the City needs to do both, safety and blight, and this is what they are trying to do. We are trying to get full-time officers to provide the public safety services that are necessary for the City, and are also considering hiring a part-time blight officer but we don't have funding to do that, which is where the rental fees come in. He commented former Officer Frazier has come in and done some training on blight enforcement.

Councilman Lavender asked when is the next scheduled Blight Committee meeting. City Manager Eustice replied they had a meeting today and are kind of moving forward with a rental fee. Councilman Temple commented they are not trying to get this fee just so we can hire a blight officer; we are trying to protect the people that move into these places so we can go out and inspect to make sure that everything is right, i.e. electrical, plumbing, etc. There are a lot of other cities that have this already, such as Alpena. Mrs. Martinchek stated they have a stronger economic community where people can afford to pay the rent. Councilman Temple stated this is not to get the money to hire another officer. Mrs. Martinchek commented on somebody that is stacking shelves for \$9.00 an hour at Walmart can barely pay their rent. If the fee goes on her, guess where she has to put the fee.

The City Manager was asked if he has an idea of price per rental unit. City Manager Eustice replied most communities are at a \$100.00 annual fee. An audience member mentioned that those landlords that are being slumlords are causing this fee for all landlords, and the good landlords are being punished. City Manager Eustice stated part of the reason for the fee is to also help disabled people, senior citizens, etc. Also, community service people through the Sheriff's Department will also help. Mrs. Martinchek stated as a landlord she is going to be helping clean up everybody else's yard. Mr. Kopernik asked if this will be a vote of Council to do this. City Manager Eustice replied yes, it will be an Ordinance with a public hearing. Mr. Kopernik then stated, again, he really just came here to get a little relief from the letter. He just wants the old letter to go away and if a new letter is coming out let it be specific.

Mrs. Livingston asked if there is a landlord on the Blight Committee, as she volunteered to be on the Committee. City Manager Eustice replied no. Mrs. Livingston stated without even knowing the hardships the landlords are facing, the \$100.00 will be a hardship on the landlords, which will have to be passed on to the tenants and you cannot raise some of these rents any higher than they already are. \$25.00 a month will hurt the tenants. Mrs. Martinchek said she feels we need to look at the average income for the people living in this community as not everybody makes the wage she and her husband make. Let's look at that single mom with the little one.

Mr. Kopernik commented he sits on the Planning Commission and used to sit on the City Council and is busy, and involved in the community. He thinks the idea of a safer City and a City with less blight is a good idea, but he is saying that letter doesn't represent his City or him. He is not opposed to a landlord on the Blight Committee. Also, he would not be opposed to a fee to all the businesses. Mrs. Martinchek suggested a study of what the rents and income are in this town, adding talk to Cheboygan Housing and the MSHDA Program and see what's out there. She noted in 10 years they have not raised rent, in fact they have cut their rent. They have even given \$100.00 off their renters rent each December so they can afford to go buy Christmas gifts for their family. She added with another \$100.00, and her houses are nice, she will sell them and then there will be two less very nice homes that will house people in this community. Mrs. Blum stated she feels as landlords they are being bullied. City Manager Eustice commented he does not think the landlords are being bullied and does

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not know if a \$50.00 annual fee to manage rental units is unreasonable. Mrs. Blum stated it's a \$50.00 fee and then we will be told everything we have to do to it based on what the City's decides we need to do, whether if they are in perfectly livable condition. Mr. Kopernik commented that MSHDA does inspect the rentals. Perhaps the City can have that gentleman do the inspection at a lower fee or work through Cheboygan Housing if the City cares about the safety of the tenants. City Manager Eustice stated that is part of it. Mr. Kopernik stated he is looking for relief from the first letter. Mrs. Martinchek commented it will affect all of Council if they end up with a daughter who needs a place to live, or a son, or a disabled or elderly relative who has a mental illness. She does not know where the Council thinks the money comes from for the fee. Mr. Martinchek stated it is not the \$50.00 fee; it's when will the person have time to do the inspection as they have renters going in and renters coming out. Do we have to wait a week for this person to come in? The next thing you know the renter cannot move in until this, this and this are fixed. Mayor Bronson stated we are getting a little ahead here. Mrs. Martinchek stated the City is talking about things that not only affect the people in this room, but a lot of tenants and owners in this town. If you want to go after blight, look at all the residences with the rotten wood, peeling paint and porches that are dangerous. Let's address this the right way. Mrs. Chastain stated start with the outside – the broken down vehicles, broken down boats, numerous lawnmowers and grass that is high.

Councilman King said he is on the Blight Committee and apologizes for the letter, stating he did not see it before it was mailed out. He really appreciates what the landlords are saying and would love to have that kind of feedback and conversation more often to help guide us. Junk cars in his mind was a target list to help property values go up. He then commented on the value of having good rentals. Mr. Kopernik reiterated he does not understand why the letter cannot be recalled.

City Manager Eustice stated part of the reason they are trying to develop this blight ordinance and a fee is to have decent rental properties in the City, stating there are so many properties that are not even livable. Mrs. Martinchek states she is subsidizing her two rentals in the City every month because of taxes, insurance and the payment to do the improvements that need to be done. She or her tenants cannot afford any more and there has to be another way to figure that out.

City Manager Eustice stated he does not recall Mrs. Billie Livingston asking to be on the Blight Committee, because we only have one citizen on the Committee. Councilwoman Riddle stated she did say she would like to be on the Committee. City Manager Eustice stated perhaps they can add Mrs. Livingston to the Committee. It would be nice to have input from the landlords. Mayor Bronson asked if the Blight Committee meetings are open to the public. City Manager Eustice replied not necessarily as they are a sub-committee meeting.

Mrs. Martinchek thanked the Council for listening to all of them, noting they are also speaking for a lot of others who are not here. Mr. Kopernik asked for relief, a letter. Mayor Pro Tem Couture informed Mr. Kopernik the Council is in public comment; and cannot make an action. Mrs. Chastain stated she thinks Chief Jones should apologize. Mayor Bronson stated it does not require an action of the City Council, as it was not an action of the Council to send the first letter. Mrs. Chastain questioned a second letter being drafted. Mayor Bronson stated a replacement letter was drafted for anybody receiving a letter from the City addressing blight. Mayor Pro Tem Couture explained the first letter went out to the first group; the revised letter was sent out and will be sent out to others in groups or phases.

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### City Clerk/Treasurer's Comments:

▪ **Deadline for Nominating Petitions for Council/Mayor** – Clerk/Treasurer Kwiatkowski stated the deadline for nominating petitions for anyone that wants to run in the November election for City Council and Mayor is July 21, 2016. The petitions are available at City Hall, noting there are going to be three Council seats plus the Mayor.

### City Manager's Report:

▪ **Community Garden** - The Cheboygan County Board of Commissioners approved today his application for use of the Fairgrounds parking lot to develop a community garden. There is an area in the parking lot (South Street side), the area where Cheboygan Catholic High School used to have their locker rooms, that can be used, noting DPW Director Jason Karmol is going to help us try and develop a community garden, as he has done these in the past. It may be that nothing will be able to be grown this year. The reason for this location is there is a water meter there that is currently capped off. Councilwoman Riddle asked if this is an extended use. City Manager Eustice stated it is for a one-year use, but in speaking with Mr. Lawson he stated as it grows it can be taken to the Board of Commissioner for perpetual or long-term use. Councilwoman Riddle commented Mr. Karmol came up with the idea of using sandbags and having raised beds, which is a real economical way of doing it. Then you have access to topsoil and other mediums in the bottom and have the availability of making four or six beds initially to get it started.

▪ **Special Joint City Council/DDA Meeting** – City Manager Eustice stated he would like to have a joint City Council/DDA Meeting on Tuesday, June 28, 2016 at 6:00 p.m. Ms. Bethany Whitley from Northern Lakes Economic Alliance (NLEA) will make a presentation on Main Street Programs. This is something the City looked at several years ago and there are a lot of advantages to it as far as getting funding and you can have access to up to one million dollars of services if you are certified as a Main Street Community. Such services would be architect renderings for a façade program and other services for grant funding. It is a little time consuming to get certified as a Main Street Community but there are some advantages. City Manager Eustice commented that Ms. Whitley has helped Boyne City and Charlevoix with this. Councilwoman Riddle congratulated City Manager Eustice stating he has gone above and beyond in trying to find different ways to fund and get grants because we don't have cash flow and need to get help wherever we can to help the community, such as the rental program. She went on to state she feels City Manager Eustice is doing a really good job. City Manager Eustice stated because of our taxable value, which has not changed since 2009, these are things we need to do.

▪ **ICE Grant** – City Manager Eustice stated the City applied for an ICE (Infrastructure Community Enhancement) Grant, noting there is 8.5 million dollars to be disbursed to 40 communities in the State of Michigan. He thinks our application will be very favorable and if we were a Main Street Community we would have gotten it for sure, and we still may. He explained this grant is an infrastructure grant. Mayor Bronson commented this grant is to rebuild Huron Street. City Manager Eustice noted we applied for one million dollars, as the grants are between \$500,000.00 and \$1,000,000.00. Councilwoman Riddle asked when we find out on this grant. City Manager Eustice stated it was supposed to be released on June 10, but it was backed up to June 17 because they received 40 applications. They will tell us on June 17 whether we are into the second round; then we have to apply for the second round. He noted we may not get one million dollars, but we will get some sort of funding.

▪ **Kokosing Proposal** – City Manager Eustice informed Council the he and Mayor Bronson met with Kokosing last week in regard to the offer they have on the table and the City's counter-offer and how

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we want to proceed in our counter-offer. The Port Commission's opinion is we need a port operation agreement with Kokosing along with a sales price to sell them property. City Manager Eustice stated he and Stan Neff of Kokosing are working on the port operation agreement, which he will run by Attorney Steve Joppich. We will then make a counter-offer to Kokosing. Mayor Bronson stated the Port Commission provided examples of port operation agreements in existence, which they also gave to Kokosing. Councilwoman Riddle asked if Kokosing seemed favorable with going that route. City Manager Eustice stated he believes so. Mayor Bronson commented the City can negotiate with Kokosing much better if we have the agreement in place because there is value and because we are putting conditions on the land. He added it was a very positive meeting. City Manager Eustice explained it is basically a guarantee that the property they buy from us will always be used for shipping and receiving – port related activities so that we can market that to investors that want to build manufacturing facilities here. We can tell them that we have an active port where you can ship and receive out of.

Mayor Bronson stated City Manager Eustice was going to tell Council about his conflict of interest. City Manager Eustice reported that his son works for Durocher Marine this summer and worked there last summer. He is doing a paid internship in the engineering department and does some high level work. He went on to state he talked to Attorney Joppich about this and was told that as long as this is disclosed that you have a family member working for them you should be able to negotiate any sale with them without any conflict. He then stated any of Council can challenge if he says something that doesn't look like it's on the up and up. City Manager Eustice said he is not going to show them any favoritism because his son works there.

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

- **Blight Letter and Fee** - Mayor Pro Tem Couture suggested that Council come up with a plan of action or a consensus on what direction we need to go with this. He does not want a fee to be thrown out there without knowing about, as it sounds like a Blight Committee member did not know about or read the letter before it went out. This cannot happen. Mayor Bronson stated any fee would come before Council. Mayor Pro Tem Couture said he is not pointing fingers at anybody, as it is what it is, but do we want, as it has been requested of us, to send a letter somehow apologizing essentially for the previous letter. He then asked City Manager Eustice what he thought. City Manager Eustice replied he does not think that is unreasonable. Mayor Pro Tem Couture stated the wording in the letter was changed because we agreed it was wrong, asking if we should send a letter to apologize. Councilman King stated he is for that. Mayor Bronson commented it does not take City Council action to send out a letter, stating it is up to City Manager Eustice to decide. Mayor Pro Tem Couture stated if there is Council consensus they do not have to take action. If we don't tell him to do it he doesn't have to. Councilwoman Riddle stated she questions another mass mailing because we know certain people have expressed a very strong opinion on the letter. She mentioned a conversation and an apology or clarification of why person to person. If someone is too afraid to make a comment, the squeaky wheel gets the grease. The person that makes a comment gets taken care of and the person that sits back and complains and does not do anything about it, then nothing happens. Mr. Kopernik commented the squeaky wheel sometimes speaks for more than one person. Once you acknowledge that the letter was wrong, the wording was wrong, the targeting was wrong, he doesn't see anything wrong with sending something out to people that don't know what to do. Mayor Bronson informed Mr. Kopernik that this is City Council comment time. Mayor Bronson then stated he thinks City Manager Eustice has the consensus and direction from Council. Mayor Pro Tem Couture asked if we need to progress to sending future letters with more precision. Councilman King stated if we are going to write a ticket or

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citation we are going to write the details on there. It could take more work, but this issue is something that you can't just send out a blanket letter to, it has to be pinpointed. Mayor Pro Tem Couture stated if we don't talk about it then it will continue until the next Council meeting and then be brought up and suggests that we end it, if we can. He asked what action Council needs to take to make it right, unless Councilman King and he are the only ones that feel it needs to be more precise. Councilman Lavender and Councilwoman Kwiatkowski stated they agreed. Mayor Pro Tem Couture then asked City Manager Eustice where to go with it – does he want a request put on an agenda to be voted on or a consensus. City Manager Eustice stated a consensus is fine. Councilman Lavender commented it is an administrative procedure and perhaps add another member to the Blight. Councilman Temple stated if the blight officer goes out and finds something wrong, write it down what's wrong and give it to that person. So if it takes two months to get everybody a letter fine, but at least we are getting it to the person that it needs to get to. Mayor Pro Tem Couture asked Chief Jones if that was not the way it was supposed to go and has been going, so there must have been an issue with that timeliness and went to this next step. He added he does not like being in the dark. City Manager Eustice replied the letter was somewhat strong but we consulted with other communities that have blight committees and ordinances and we were told in order to enforce blight ordinances you have to be very strong, which is why the letter got developed the way it was. Councilman King reiterated you need an itemized list. City Manager Eustice stated as Mrs. Chastain read, in the first letter it stated you do have these violations not you may have these types of violations, so that was confusing to a lot of people and they understood it differently. Councilman Temple commented he does not think the Chief, when he sent the letter out, meant to hurt anybody's feelings. He was just doing as Council said; we want to get the City cleaned up. Mr. Kopernik then commented again.

**Adjournment:**

Councilman King moved to adjourn the meeting at 9:39 p.m.; supported by Councilman Lavender. 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