

REGULAR CITY COUNCIL MEETING
June 28, 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.

Approval of Agenda, and Receive and File all Communications:

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

Approval of Prior City Council Meeting Minutes:

▪ **Regular City Council Meeting Minutes - June 14, 2016.**

Councilman Temple moved to approve the City Council meeting minutes of June 14, 2016 as presented; supported by Councilman King. Motion carried unanimously.

Public Hearing:

▪ **Consideration of Approval of the Fiscal Year 2016-17 Operating Budget for all Funds of the City of Cheboygan** – City Manager Eustice stated the 2016-17 Budget being requested is \$2,157,955.00, about \$123,205.00 higher than last year's Budget due in part to the addition of a full-time police officer. He explained that he does not feel the question at the June 14, 2016 meeting raised by Mayor Pro Tem Couture was answered fully, so he went on to state we spent about \$42,000.00 on part-time police officers in the 2015-16 Budget and a full-time officer in this next Budget will cost us about \$55,000.00 the first year, which will increase as his salary increases. Mayor Pro Tem Couture asked if the hours of a full-time officer versus the part-time officers are comparable. City Manager Eustice replied there were more hours put in by part-time officers, noting the wage was at a lower rate. Councilwoman Riddle asked if we are still going to need to retain part-time officers. City Manager Eustice replied yes, there will be some occasions where we will have to use part-time officers. Mayor Pro Tem Couture stated the hiring of a full-time officer should relieve the need for part-time officers. He went on to state it should have at least been a wash time wise, but understands the value of having a full-time employee because we are training them for the future. He then asked how many hours now, that we have a full-time police officer, will be needed on top of that and what is the cost of that, adding this would be an additional and it would be nice to know those numbers. Clerk/Treasurer Kwiatkowski commented most of the part-time officers spent their time working blight enforcement, and it is his understanding that we are still going to use part-time officers for blight. Mayor Pro Tem Couture said he feels we need to address it and there is a consensus on where that goes. City Manager Eustice commented there should be some drop, noting there will be possible occasions where we have an injury and these are hard things to determine. Councilwoman Riddle asked if we have access to part-time officers for those instances when we do them. City Manager Eustice noted we will have to watch the part-time

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help and how we utilize them because we do need to reduce those costs. Councilman Lavender asked in the proposed Budget under wages for the police, if that includes both full-time and part-time. Clerk/Treasurer Kwiatkowski replies yes, he did not reduce wages when it came to part-time; he only added wages for the new full-time individual. He referred Council to the first page of the Budget for General Fund, \$127,955.00 is the projected dip into the Fund Balance for the upcoming fiscal year, made up of the following: new officer, debt service (est. \$40,000.00 on the Port property), and projected interfund transfer to the Local Street Fund. Mayor Pro Tem Couture asked if the inner fund transfer is additional millage. Clerk/Treasurer Kwiatkowski explained the road millage has its own fund. The Local Street and Major Street Funds primarily get their monies from Public Act 51 from the State of Michigan and trunkline maintenance (approximately \$64,000.00 to Major Street Fund). We received extra funds, \$58,000.00, for local streets that we were not anticipating, so we did not have to do an interfund transfer for this fiscal year. City Manager Eustice stated the State Legislators have passed a law to try and increase the P.A. 51 money that will start in 2017 and increases to 2020, however there are a lot of municipalities that are not counting on that because those monies would come from the State's general fund and those monies could be moved elsewhere. We are hoping they will abide by what they passed that will result in us getting additional P.A. 51 monies going forward. Mayor Bronson asked if we expect any more from the State shared revenue. Clerk/Treasurer Kwiatkowski responded the City will get a wire within two days for about \$80,000.00 and he books a receivable at the end of the fiscal year for another \$80,000.00 that does not arrive until August but is considered revenue for the current fiscal year. City Manager Eustice stated they Budgeted \$510,000.00 for the State shared revenue for the new Budget year, same as previous year, but there is a real possibility the State will increase this which will help us offset the Fund balance transfer that we have to use.

Councilman Lavender stated he has a lot of questions to ask on the Budget and wondered if a special meeting should be held on this Budget. Mayor Bronson noted the Budget has to be passed by Thursday. Clerk/Treasurer Kwiatkowski stated as we get into the new fiscal year, we can amend the Budget at any time, which is approved by Council. As far as the Budget goes, you will see a big dip in the Fund Balance for the General Fund while all the other Funds appear fairly healthy. He then referred Council to page 32, Sewer Fund, noting in the second column from the right, you will see a -\$111,788.00, which represents a dip into the Fund Balance for the current year for all capital expenditures that were either approved by the City Manager or Council. In the revenue, the prior year carry-over of \$121,175.00 is a dip into the Fund Balance for the upcoming fiscal year. We expect a lot more capital outlay in the upcoming year, also. It is possible that Council is going to have to consider raising rates for the sewer portion of the utility. If we want to do any borrowing from Rural Development they are not going to look very favorably on these numbers. Other than the General Fund, the Sewer Fund is the one he has the most concern with. Mayor Bronson stated we have been told before that our rates are too low by their calculations. City Manager Eustice commented both our water and sewer rates are low if we are going to get any grant monies. Mayor Pro Tem Couture asked if most of the dip into the Sewer Fund is due to making improvements to the system. Clerk/Treasurer Kwiatkowski stated we are making improvements at the Plant. The other big item this year that was also budgeted for next year is sludge hauling. We basically reached capacity at the Plant and have to get it out of there. Mayor Bronson commented there is also a push to get new meters installed. Clerk/Treasurer Kwiatkowski stated the meters will be

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funded through the Water Fund and we have that set aside each year because of the 2011 watermain replacement program. Councilman Temple asked if this deficit has been caused by contracting a lot of the work out to private contractors that he thinks we can do ourselves. Clerk/Treasurer Kwiatkowski stated there were major expenses this year that required outside contractors such as breaks that required street repairs and paving done; the Sherwood settlement; new gear reducer (cost of over \$20,000.00 – we had to purchase it new and have it machined and modified to fit what's in the Plant); work done on the SCADA System (it is all proprietary – it is not something you can bid, the cost of which was about \$20,000.00); and the Walgreen's sewer. Councilman Temple stated we did have a lot of outside contracting help for things we could have done ourselves. Clerk/Treasurer Kwiatkowski stated Councilman Temple would have to speak to DPW Director Karmol about this. City Manager Eustice commented they need to talk with DPW Director Karmol on some issues on the water side; DPW Director Karmol uses outside contractors because he does not have enough help to get a water leak done in a timely fashion. Mayor Bronson inquired if there were injured staff. City Manager Eustice replied yes, there were a couple people off. He went on to state they are working intently on treating way too much sewer in our Treatment Plant, which means we are experiencing infiltration in our system, which is costly. We are basically treating water that is coming into the system. There were a couple of serious incidences last year, one being in December. Our Plant is only capable of treating five and one-half millions gallons per day and one day we treated over 13 million gallons of sewage, most of it water but it was still coming into the Plant. We are working diligently on how to reduce the sewage coming to the facility, noting a great deal of it is a combination of storm and sanitary sewer connected.

Mayor Bronson inquired as to where the sale to Ryba appears. Clerk/Treasurer Kwiatkowski replied it doesn't, but will eventually. He referred to page 34, Port Property Fund. The City realized \$219,000.00, which went directly against the debt so you will not see those numbers on any Budget. Mayor Bronson then questioned if the money did go to pay off the land contract. City Manager Eustice and Clerk/Treasurer Kwiatkowski both replied yes.

Councilman Lavender asked when Council did the City Assessor/City Manager hire combination, he thought the intent was to have a net savings; however, the way he is reading it there is not. He noted a decrease of \$38,700.00 in the 2015-16 Adopted Budget and 2015-16 Amended Budget for the City Manager and an increase \$55,000.00 in the 2015-16 Amended Budget for the Assessor. This appears to him to be a net loss and not a savings. Councilman Lavender then asked if the Contract for assessing services was a one-year contract and if we ever got an extended agreement on that or another Contract. City Manager Eustice replied yes, at the same rate. Councilman Lavender then asked if that came before Council. City Manager Eustice answered City Attorney Stephen Lindsay said it was renewable internally, unless there was an increase in the Contract. Mayor Bronson then asked if some of the expenses under City Assessor were part of the City Manager's pay. City Manager Eustice replied that is what they are considering. Clerk/Treasurer Kwiatkowski answered that is exactly what it is. Mayor Bronson then stated part of it is the City Manager's overall package and some of it is the contract. Clerk/Treasurer Kwiatkowski stated the contract would be under Professional Services. He noted that the City Manager's salary is split between several different funds. Mayor Pro Tem Couture inquired as to how much time City Manager/Assessor Eustice spends on assessing, as we are paying somebody a fairly handsome

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amount for assessing, although there is no fringe. He went on to state we should probably do an assessment of where the City Manager's time is going task wise, wondering if the assessing work is taking a lot of his time. He went on to state the Council should be informed on this. City Manager Eustice replied he does spend some time on the assessing side, i.e. some weeks it's 10 hours and some weeks it might be 5 or nothing, dependent on what's happening. He further stated that he is not spending \$26,000.00 in salary on assessing, but it could be close with the Board of Reviews and the audit, noting he spent 60 hours on the K-Mart audit they just went through. Mayor Pro Tem Couture stated if he has to spend this kind of time doing assessing that only can take away from City Manager tasks. He then asked if he is confident that this is the right approach of well utilizing his time and could it be revised. Mayor Pro Tem Couture stated when it comes to the Budget this is important for him, noting the same question goes for the Clerk/Treasurer and every staff member that is getting paid. This has to be answered and confidently answered that we are using our people the right way. He commented he knows we have good help. The important part of the Budget for him is also what we are spending our money on. Mayor Pro Tem Couture wondered if we should have extra discussion on this, realizing they need to pass the Budget. City Manager Eustice stated we certainly can revisit this. Mayor Bronson stated Council decided not to hire a full-time assessor and asked Mayor Pro Tem Couture if he thinks we need to review this. Mayor Pro Tem Couture replied we need to review the whole package, noting they haven't done a City Manager review and evaluation, which not only helps Council but helps the City Manager to be able to task. He further stated there still has not been a meeting to talk about the Master Plan, asking if that is scheduled. City Manager Eustice replied it is not scheduled as they are finalizing the Zoning Ordinance. Mayor Pro Tem Couture stated the City Manager prioritizing his tasks is key; if Council's priority overwhelms the assessor's portion of the City Manager's job then we need to revisit it. Mayor Bronson commented on an update, as the contracted assessor has done a lot more such as getting our software up-to-speed and documentation, as far as reporting. He noted this is much improved. This should be a report so Council can see some value to it. Councilwoman Riddle asked Mr. Eustice as coming in as City Manager and still maintaining Assessor how he was doing with time and energy, asking if this is still something that he feels he can handle appropriately, or does he need Council to relook at that situation and possibly think about getting a full-time assessor. City Manager Eustice stated he does not know that we need a full-time assessor and still thinks it can be done with contracted services and possibly give Mr. McGovern more responsibility, allowing him to back away from the assessor side of it. Between being the DDA Director, Assessor, IT Manager, Planning and Zoning Administrator and City Manager, it's a task. Councilwoman Riddle stated he does not want to burn himself out. She then asked Mayor Pro Tem Couture if this is where he is coming from. Mayor Pro Tem Couture replied of course, and this is something we are probably behind the eight ball on doing an evaluation of that and keeping in touch with the City Manager. He would like to know how it's going as there is a lot on the City Manager's plate right now. To have a meeting set aside to talk about these things and how best to utilize the City Manager's time might be beneficial for everybody. Councilman King stated when they did approve the Assessor Contract it was to mainly help the City Manager and continue to offer the service that we had, adding he would have liked to have looked at the Contract again because of the amount and try and get a lower bid. He thinks we need to put this out for bid again if we stay with a contracted service and maybe look at getting more done. Mayor Bronson stated it also should be more than a one year contract for someone to be interested. City Manager Eustice stated Mr. McGovern has done a

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significant amount of work in one year, including field work and updating. Mr. McGovern's concern was after one-year he would be out of it and would not have that benefit of a longer contract. Clerk/Treasurer Kwiatkowski commented when the assessing contract was initially bid we only received one bid. What we are seeing all over Northern Michigan is the assessors are contracting out to the townships and it's really difficult to get an assessor. Mayor Bronson commented on getting someone certified, noting the less people that can do it the value goes up. Councilman Lavender stated there is a bigger demand than there is supply for tax assessors. City Manager Eustice pointed out to Councilman Lavender that the City Manager's salary in the Budget is at \$30,000.00. Councilman Lavender commented he thought since the assessing was contracted, there would be an overall savings because of no fringe. City Manager Eustice stated he will look at this. Councilwoman Riddle stated the contracted assessor did a lot of property inspections and updating that were not able to get done in the past, so there was actually more activity in the assessor's office. City Manager Eustice replied yes, certainly in the field work. Councilman Lavender stated he is not questioning the work or saying the job wasn't done and knows Mr. McGovern did work above and beyond to get things done, but was questioning the actual numbers and overall savings. Clerk/Treasurer Kwiatkowski said the payrolls of Mr. Eustice, Mr. Karmol and himself are allocated over several funds. Part of what they make comes out of water/sewer. Mayor Pro Tem Couture stated it is tough to know whose salaries are included, such as in the City Clerk's Budget, noting this is something for a special meeting. Councilman Lavender stated he has several more questions for a different time. Mayor Bronson commented years ago Council used to have a workshop meeting to go through the numbers in the Budget and have it explained, noting this has not been done in a while. Mayor Pro Tem Couture stated it does not have to be done all the time, but it does help especially when we are dipping into our fund balance. Clerk/Treasurer Kwiatkowski commented the one problem with this whole process, if you read the City Charter, the Budget is the responsibility of the City Manager, noting he worked 15 years with Scott McNeil and only provided back-up for his Budget. George Korthauer was the interim and did the Budget, but when Dale Stuart come on board it was put into Mr. Kwiatkowski's lap and it's been there ever since. He has no problem doing it, but it causes quite a bit of extra work piled on to what he already has and we need revert back. Councilman Lavender stated he would like personally to have a Budget workshop because he has a lot of questions as to why we are dipping into the fund balance, etc. Mayor Bronson commented this is pretty common with anybody dealing with tax money since 2008, and the way they have been filling those gaps is by cuts and transferring fund balance. The hope is someday we will be able to put money back into the fund balance for next cycle. Mayor Pro Tem Couture stated he would like consensus and discussion on where is our wall because there is only so much in the coffer. Mayor Bronson commented the library wrote a policy statement on what are the triggers that tell them this is where we have to do something else, and he will share that with the Council. Mayor Pro Tem Couture commented since he has been on Council, the City has cut services and employees and now we are going back the other way without the funds to pay for it. There are also things that have to stop, such as raises. He would like more time to look at the Budget, other than a weekend, noting we need to continue to look at this Budget continually. Councilwoman Riddle stated she likes the idea of having a discussion on the Budget as mentioned by Councilman Lavender, but we do have Councilmembers who are up for office renewal, so planning on doing that after the election she thinks would be a good idea because we may have new councilmembers on board. Clerk/Treasurer Kwiatkowski stated any time Council

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wishes to have a special meeting, he can put a chalkboard up and go through the accounting system and the number system, noting that so much of it is in his head. Mayor Pro Tem Couture stated this is very helpful. Mayor Bronson asked if coming in an hour before a Council meeting would work, noting there could be a meeting on the General Fund, Sewer Fund, etc. Clerk/Treasurer Kwiatkowski stated the Ice Pavilion Fund is currently holding its own, but he does know in about 4 years they will run out of fund balance, unless revenues can be raised. This is something to start thinking about now because he does not know if the General Fund could subsidize it. Councilman King asked if we have seen any savings with the improvements that were made. City Manager Eustice stated not as significant as what we had hoped. The energy costs are somewhat similar. Mayor Bronson noted the ice went down sooner, so it's really not comparable. Councilman Temple asked if it paid to put the ice down early and did we make any money on it. City Manager Eustice stated we broke even and it got some of the skaters and participants out earlier for clinics. As far as the benefit for the kids in the community he thinks was okay. Mayor Pro Tem Couture commented the cycle of this is to look forward to the Master Plan meeting and the Budget meetings to be able to talk about what are we going to do four years from now when we need assistance. There are multiple community centers in our town that we fund that are not just City used properties. It is time to go to surrounding people and ask for help, which is the first step. Councilman Temple said probably 70% of the users of all of our sports facilities are out of the City limits and they need to help pay for it. Mayor Pro Tem Couture stated it is great they are all in one hub, but they need to help pay for it. City Manager Eustice commented by Charter we should give the Council quarterly updates, noting the Port acquisition was a very unusual thing, noting it is costly because of increased attorney fees, part of the \$127,955 transfer for next year is because we have to pay nearly \$40,000.00 on a land contract which was not Budgeted for and are doing it with the same amount of monies that we had last year. This could be alleviated with other property sales, and there is a possibility of adding to the General Fund Balance. Mayor Bronson commented on the rental monies from the Port property, which they have not marketed yet. We are currently making about \$20,000.00 a year from rentals, which is not one-third of what we have. Mayor Pro Tem Couture stated it is pretty evident Council needs to meet more often on the Budget to discuss all of it together. City Manager Eustice commented it is tough managing the City for all of us, including Council, on the 2.1 million dollar figure, noting the 1992-93 operating Budget was 2.1 million dollars, the same as it is today. Mayor Bronson stated in real dollars we are operating on about one-half of what we did in 1993. City Manager Eustice then commented on the State Shared Revenue, which is one-quarter of our Budget.

Mayor Bronson opened the Public Hearing to the public.

An audience member stated he was wondering with regard to the Assessor's office if the Council or City Manager had thought about advertising down State or maybe a retiree that would possibly vacation up here would be interested in working three to four months out of the summer assisting the City Manager with the assessing duties but being paid based on per assessment basis, so you know exactly what you are paying for. He then commented on paying a higher fee through a contract service house. He suggested using the knowledge pool that is out there and advertising in a different location other than in the paper and getting somebody that is interested.

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City Manager Eustice commented the City's overall Operating Budget is \$5,615,872 (all funds), which is what we are adopting today. Clerk/Treasurer Kwiatkowski clarified what the Council is adopting today is \$5,650,012, which is all the revenues. They are projecting in all the funds that the expenses are going to come in \$34,140.00 under.

Mayor Bronson closed the Public Hearing.

Mayor Pro Tem Couture moved to approve the Fiscal Year 2016-17 Operating Budget for all Funds of the City of Cheboygan as presented; supported by Councilwoman Kwiatkowski. A roll call vote was taken. Motion carried.

Department, Boards and Commission Reports:

- **Department of Public Safety Monthly Statistics, May 2016** - Received and filed.

General Business:

- **Consideration of Appointment of Jonathan L. Schulz to the Planning Commission, Term to Expire May 5, 2019:**

Mayor Pro Tem Couture moved to appoint Jonathan L. Schulz to the Planning Commission, term to expire May 5, 2019; supported by Councilman Temple. Motion carried unanimously.

- **Consideration of Reappointment of Kenneth W Sheldon to the Recreation Commission, Term to Expire July 1, 2018:**

Councilman Lavender moved to reappoint Kenneth W Sheldon to the Recreation Commission, term to expire July 1, 2018; supported by Mayor Pro Tem Couture. Motion carried unanimously.

- **Consideration of Approval of Traffic Control Orders, No. 10/15 and Nos. 04/16-10/16:**

Councilman King moved to approve Traffic Control Orders, No. 10/15 and Nos. 04/16 – 10/16; supported by Mayor Pro Tem Couture. Motion carried unanimously.

- **Consideration of Annual NLEA Economic Development Membership Investment:**

City Manager Eustice stated this item has not always been put on the Agenda but he wanted to make Council aware of this annual fee that we pay. The initial partnership with the NLEA began in 2008 and went to the Council for three years at \$3,500.00 a year. They have not changed their rate and we partner with them to provide us services, search for grant funding and they participate in the Façade Program. We recently got a \$6,500.00 grant from NEMCOG to help us with the Redevelopment Ready Communities Best Practices, which the Cheboygan Communities Foundation matched with \$1,625.00 – it was a 75/25 matching grant. NLEA is going to ensure and write some of the policies and procedures for the Best Practices to get us certified as a Redevelopment Ready Community. The NLEA provides services that are very significant and they helped us with the Infrastructure Enhancement Grant (ICE). City Manager Eustice went on to state he thinks NLEA is very valuable and we need to utilize them more. They will also help us initiate the Michigan Main Street Program if the DDA and Council want to go forward with it. Mayor Bronson commented they also serve as a connection with the State Legislature. Mayor Pro Tem

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Couture asked if the City Manager gets contacted by the NLEA when a grant is available or do we call them and ask for help. City Manager Eustice answered both occur and he also contacts them on a regular basis. Mayor Pro Tem Couture asked if this is a good tool for the City Manager. City Manager Eustice replied yes and feels we need to utilize them a little bit more because they are a good resource. Mayor Bronson asked if it is the City Manager's plan to have this come before Council annually. City Manager Eustice replied he thinks it should be, although it is something he could approve but thinks it should be reviewed every year. He also thinks it's wise to let the Council know what kind of activities they are performing for us for this cost.

Councilwoman Riddle moved to approve the Annual NLEA Economic Development Investment of \$3,500.00; supported by Councilman King. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Third and Fourth Quarter 2015-16 Budget Amendments - Clerk/ Treasurer** Kwiatkowski pointed out in the third column from the right of the Budget is the amended Budget for the current fiscal year. The amendments are matching Budgeted amounts, increasing or decreasing to actual experience, in addition to putting in the capital outlay items. With the audit coming up, he noted he will be doing interfund transfers, booking depreciation and auditor adjustments. Council approval is sought so he can amend the Budget for those things as well. Mayor Bronson asked when they usually come for audit. Clerk/Treasurer Kwiatkowski informed Council the projected dip into the fund balance now for the General Fund is \$22,500.00, which will probably go up a little. There was a payroll on Monday and the next payroll falls partially in the current fiscal year and partially in the next, so he has to book part of that payroll as accrued wages so it shows up as an expense in the current year.

Councilman King moved to approve the Third and Fourth Quarter Budget Amendments and to authorize the Clerk-Treasurer to make appropriate 2015-16 Fiscal Year Budget Amendments as required; supported by Councilwoman Kwiatkowski. A roll call vote was taken. Motion carried.

Public Comments:

Blight Issue/Proposed Ordinance/Rental Inspection Fees - Roger Kopernik introduced himself stating how upset he was as to how the blight letter was handled. He is wondering if a letter is going to be going out to the people that got the first letter. City Manager Eustice replied there is and Council just looked at the letter tonight. Fifty-three property owners who received the initial letter will receive the letter apologizing for the first letter with an explanation of what the City is going to do going forward with blight and ordinances. Mr. Kopernik stated a new letter would wrap up a lot of loose ends on the first letter. He then stated he has already spoken twice in front of Council and does not feel landlords need to self-report. He then spoke on the potential of an inspection fee and new ordinance, stating he does not like this either. He then explained the landlords at the meeting are some of the hardest working people in Cheboygan. Mr. Kopernik stated Department of Social Services, MSHDA and Cheboygan Housing do inspections. He then asked if Council is going to be considering an inspection fee and new ordinance and if it is going to be talked about. Mayor Bronson replied the Council has not seen anything yet and if and when something comes to Council there will be a public hearing. Mr. Kopernik stated he understands it will be coming and has seen a rough draft at the Planning Commission meeting, asking if anyone is aware of it on Council. The

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response was no. Mayor Bronson asked if the Planning Commission has made a recommendation to Council. Mr. Kopernik responded not yet. City Manager Eustice informed Mr. Kopernik that the proposed ordinance is only a draft at this point, noting even the Blight Committee has not decided what to do. Mayor Bronson commented that perhaps the discussion should start at the Planning Commission level as it is being developed. Mayor Bronson then inquired as to the date of the next Planning Commission. City Manager Eustice replied the third Monday in July. Mr. Kopernik asked if the ordinance will be on the docket. City Manager Eustice replied it can be.

Mr. Jim Neeme, local business owner, introduced himself stating he is a retired commercial and personal property investigator for an insurance company. He stated he does understand blight from the two small communities he lived in downstate. It is his understanding that the City intends to either hire an inspector or create an inspector position within the City. City Manager Eustice stated that has not been decided. Mayor Bronson informed Mr. Neeme that Chief Jones does inspections now. City Manager Eustice stated all the police officers are required to do inspections. Mr. Neeme said he was curious, with regards to blight, that it seems to be an incredible waste of manpower and time using a police officer to do a blight inspection, where that should be the responsibility of somebody in the City, probably the Public Works Department, that notices a piece of property with blight and then at that point notifies the City based on a form and then the City can move forward. If it's simply a matter of cutting a lawn, the City can send a letter out and if not cut within 10 days the City cuts the lawn and sends the bill to the property owner; if the bill is not paid then it goes to the City Attorney to either levy a tax or levy a fine and then levy it against the property taxes. Mr. Neeme commented with regards to blight on a different scale, if you are going to inspect a building/structure for blight, it's one thing to look at the paint but when you get into looking at sagging roofs, falling trusses, a building in total disrepair, the City needs someone who is certified in structural and possibly structural engineering, and usually the building inspector is the only one certified to do that. This should be handled, not under the blight, but under a different area of the City because you would bring in somebody who is not certified or doesn't know and the City could be opening a whole big can of worms. As far as a business owner, the back part of his parking lot is overgrown and he is doing what he can to alleviate that; unfortunately, in order for him to take two of the trees down, which are dead, he has to deal with the DNR. He explained he only rents the property. The other thing he is working with is a dead tree and live tree growing in among the wires; Consumers did not address these when they were in Cheboygan. He is now dealing with the Lansing office of Consumers. Mr. Neeme commented he understands the need for someone being in charge of blight and thinks the blight issue needs to be thought out a little bit more in depth before moving forward.

Mrs. Billie Livingston introduced herself, noting she is also the Chairperson of the Planning Commission. She wanted to apologize to the City Council in front of the audience, noting she was at the last City Council meeting about the improper letter received. During that meeting, the Blight Committee was mentioned, which was never brought up to the Planning Commission before. All of the landlords are here because there is a rough draft, whether the Council has seen it or not, of the blight control and the possibilities of what the City is planning on doing. She is totally with the other landlords who are against it, noting she understands some of the issues with blight in the community. Mrs. Livingston commented charging the landlords is not the right way to get the

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money back and something else needs to be addressed, adding apparently it is still up for discussion. She does apologize for getting all of the landlords to the Council meeting, but is sure Council can see how strong they are. She also apologized to the public because she said they need to show support. Mayor Bronson informed Mrs. Livingston going forward at the Planning Commission meetings there will be a chance to suggest wording and changes to that ordinance, adding he feels it is the duty of the Planning Commission to look at the ordinance draft.

Mr. Leo Chamberlain introduced himself stating he is a landlord in the City of Cheboygan and appreciates the Council's concern for blight problem, noting the eastside of Cheboygan is terrible and it is not just rental units. The rental business is not what it used to be, so don't take it out on them; they try to do the best they can. Since Procter & Gamble left the \$700 to \$800 per month rental left, too. Mr. Chamberlain went on to state there is not much money in the rental business anymore and asked that Council keep the landlords in consideration for any fees, because they can't afford it. All there is out there now is low income renters. Mayor Bronson commented it is not only landlords, noting the City has been working on this over the past year. He then stated Chief Jones told him the salvage yards saw an up kick in junk cars. Mayor Bronson stated he feels this is part of the rollout of trying to clean up sites and not just rental units.

Mrs. Audrey Martinchek shared an experience with one their clients since the last Council meeting. She noted they had a client that lived in Cheboygan, lost his job and moved downstate. He has maintained his property financially, has had his property mowed, vinyl sided and had renters in there that left a mess inside and out. Their client was diagnosed about 3 ½ months ago with esophageal cancer and is in his early 40's. His brother, who is the area, mows his property. The brother broke his lawnmower and so the grass was not cut. Mrs. Martinchek went on to explain that she then received a telephone call from Chief Jones' office telling her that her client's property is going to be mowed and wanted contact information on her client. Her client was getting chemo at the time and the client's wife told her the brother was mowing the grass and would check. Mrs. Martinchek gave her client another person to contact to mow the lawn if the brother could not mow it. The brother was contacted and could not mow it, so Mr. Jim Brown was contacted and he would be able to mow it in the next couple of days. When she called Chief Jones' office 2 ½ hours later to inform them it would be mowed, she was told the grass was already mowed and her client would be charged \$100.00 on his taxes. No letter went out to him and no one called him, and she is not responsible for him. She then contacted Chief Jones and was told the cost could be knocked down to \$50.00. Mrs. Martinchek stated the way the City is handling the blight is horrible and terrible to people who are paying taxes in our community; the City needs to send a letter and make efforts to track the owner. Things happen and people have lost their jobs. The answer is not to give them zero notice and go over and mow their lawn and put a \$100.00 charge on their property. She had not been at the property for three weeks at which time it was not that high, but is not saying the grass was not high. We are a community that cares and takes care of each other, which is what she loves about Cheboygan; people who have nothing give when people are in need. We have a beautiful town but we have a problem – the way we are looking at doing this is not right. It's not healthy or good for our community. She heard that whoever wrote the ordinance was a person who had their house sitting for years that probably could have gone under blight. Everybody in this community is struggling.

Comment [JG1]:

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Councilwoman Riddle commented that Mrs. Martinchek is saying there is a responsibility of being considerate of people when they have problems, but you may not know they have a problem and it's supposed to be done. The Police Department has been given a directive to take care of things because we are consciously working on blight. The telephone goes both ways. You can call the Police Department and say we have issues with this particular piece of property and if there is a problem please contact us. Mrs. Martinchek restated she is not responsible for a client's property and we have to be compassionate. She reiterated no letter went to her client.

Mr. Vince Rogala introduced himself stating he is trying to bring himself up-to-speed with the blight and inspection fee. He commented there are always a few bad apples and asked Council not to punish the 95% out there doing a good job; find a way to address the 5% that are not doing what they need to. Give them the fees and penalties. Don't blanket everybody else with a fee that is doing their part.

Mr. Welden Blum stated he would like to address is the economic decline, which is a very important issue. He would like to see the Council try to address that problem, which would help solve the problem we are talking about. There is an empty Industrial Park and we have gone from 2,000 good paying industrial jobs to a few dozen, at most. He asked if there is something Council can do encourage manufacturers or service companies or some other possible employer to come to town and try and revive the economy of this town. It is not his fault that all the good jobs have left town and people can't afford to pay rent anymore. If people can't afford to pay rent, he can't afford to maintain the building.

City Clerk/Treasurer's Comments:

- **Closing out Fiscal Year** – Clerk/Treasurer Kwiatkowski stated he is closing out the fiscal year and getting ready for the audit.
- **Cemetery Tree Project** – Clerk/Treasurer Kwiatkowski stated the tree project is complete, noting 39 oak trees were taken out and quite a few limbed. He thinks it looks pretty nice and appears to be quite wide-open compared to what it was before. The stumping and grinding has been done, along with putting down black dirt and grass seed. The grass is growing well.
- **City Election** – Clerk/Treasurer Kwiatkowski commented there are three seats up for City Council and the Mayor's seat in the November election. He has nominating petitions, noting the deadline for returning them is July 21. The petitions must be filled out correctly, otherwise it cannot be accepted. There are 25 registered voter signatures required.
- **Council Payroll** – Clerk/Treasurer Kwiatkowski stated payroll for City Council will be ready tomorrow and if anyone wants to pick up their check to call in the morning.

City Manager's Report:

- **Footbridge** – City Manager Eustice reported the power has been restored to the pedestrian bridge. The elevators are not yet in operation due to testing on both elevators and we need to get new lines in for the emergency phones installed from Charter. They are hoping to have this done and the elevators in operation for the 4th of July weekend. Mayor Bronson asked if the power was

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rerouted. City Manager Eustice stated they split the power and put in an additional utility pole so the power to the bridge is basically on its own line now.

- **4th of July Parade** – City Manager Eustice stated the 4th of July parade is at 10:00 a.m. For the first time we are going to close Main Street to vehicular traffic from Division Street to State Street; it will be open to pedestrian traffic only (no parking on Main Street). This has been discussed with the Chamber as he has had several requests to do this closure from citizens. Councilman Temple mentioned the handicap and older people that sit in their car. City Manager Eustice replied there are ample areas along there to park all the way to Court Street. Mayor Bronson commented the parade starts at the County Building. City Manager Eustice stated there will be an explanation of the street closure in Kirsten Guenther's column. Councilman King suggested posting this on the City's Facebook page, also. Councilman King announced for the fourth year he and Mike Grisdale will be broadcasting the parade live again on 1240.

- **Portable Handicap Parking Signs** – Councilwoman Riddle asked if there are portable handicap parking signs that could designate handicap parking spaces for people with difficulty like Councilman Temple mentioned. City Manager Eustice commented he also thought of making Festival Square all handicap parking.

Messages and Communications from Mayor and Council Members:

- **Sound System in Festival Square** – Councilwoman Riddle asked if the sound system has been hooked up yet in Festival Square. City Manager Eustice replied it has not arrived yet.

- **Budget Workshop** – Councilman Lavender inquired when the Budget workshop will be held, adding we can't wait until December as Councilwoman Riddle suggested because we will then be half way through the fiscal year. It was the consensus that a Budget workshop will take place at 6:00 p.m. on July 26, 2016 beginning with the General Fund. Mayor Pro Tem Couture stated the Council can present questions to the Treasurer for him to answer at the next meeting. Clerk/Treasurer Kwiatkowski stated he will re-run the sheets applicable to the July 26th meeting and will get them to Council a week in advance. Councilman Lavender stated his Budget is already marked up. Clerk/Treasurer Kwiatkowski commented the General Fund is everything that starts with 101 (first 8-10 pages of the Budget). Mayor Pro Tem Couture stated it would be very helpful and he would like to see the payrolls split out, how many employees, where the wages come from for the City Manager and Clerk/Treasurer by percentage.

- **Footbridge Elevators** – Councilman Lavender inquired as to an ADA exemption or waiver for the requirement of elevators as it seems they are not working any better and it is an ongoing issue. He thinks this is something the City needs to look into. Mayor Bronson stated the exemption/waiver was for when the bridge lost power; if there is the ability to repair them and make them operational we would have to. City Manager Eustice stated there is no permanent waiver on them. If we disbanded the elevators we would have to construct handicap accessible ramps, which is an enormous task.

- **Thank-You & Comments** – Mayor Pro Tem Couture thanked the audience members for coming and staying, whether they had something to say or not, stating he sits on Council and appreciates feedback pro and con. This is a work in progress and promises that Council has the City's best interest in mind. When an audience member leaves after their subject it is pretty disheartening. Nothing irks him more than when someone shows up when they feel there is or there is a problem

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and then they are gone before anything can be discussed. Mayor Pro Tem Couture went on to state it was mentioned about Council coming up with a way to increase jobs or job creation. If people have come to the meetings, they have seen them do everything in their power (City Manager, Staff and Council) to be able to create something. That's why we look at the Operating Budget so diligently and this year it is a negative, a dip into our balance, because we have taken a leap in providing this Port – trying to start something out of the box. It's a risk they are taking, essentially, and it's a long process but we are trying to provide something so your rental rates, for example, maybe can be raised and make it a thriving business again. Rentals are 43% in the City of Cheboygan. Again, it goes through a cycle and blight is part of that cycle. If properties, not only rentals, become deteriorated it is the responsibility of somebody, and it happens to be the City Council and falls in the Chief's lap, to make amends to those problems. It is a constant work in progress and things change. We have to continue to make this City look better and that's where it starts. If someone comes to town and the house they want to buy is next to a property that is not up to their standards they are not going to buy. Mayor Pro Tem Couture then commented on someone throwing a dagger at Council for not having the best interest of trying to create jobs. If people don't think that we don't understand that already and don't do everything in our power to try and create and preserve the jobs that are here, they haven't been to a meeting and shouldn't say a word. If you don't have anything to put in input wise, keep your mouth shut. This is something we should have all learned as children.

- **Lincoln Avenue** – Mayor Bronson asked if the State has contacted the City. City Manager Eustice stated, unfortunately, we have to send out for bids for an MDOT project. We are going to piggyback the intersection at Lincoln Avenue onto the Lincoln Avenue project, which is probably a couple weeks away. He had the City's Engineer, James Granger, work with Mr. Rob Hall, who gave us the specs, but we actually sent out for bids to do an MDOT project because they were not moving fast enough, but it will be paid for by MDOT. City Manager Eustice stated they are backed up in the Gaylord office.

- **X-Treme Asphalt** – Mayor Bronson asked for the progress on the moving of X-Treme Asphalt. City Manager Eustice stated the deadline was Friday for them to move out; they have an option to buy a piece of property next to Schwartz Boiler that probably will not happen until next week. The Chief and he talked to the owners today and they are going to try and start moving some of their equipment to the property they are going to buy.

- **Former Gold Front** – Mayor Bronson commented on work last week on the Gold Front. City Manager Eustice replied yes, they have cleaned up the back a little bit and painted and so forth. Mayor Bronson asked if they fixed the hole in the wall. City Manager Eustice replied no. There are still things on the front that need to be taken care of, such as bricks. Mayor Pro Tem Couture asked if the County is still the owner of the property. City Manager Eustice replied they are the fee simple owner, but Brenda Cronan is buying it on land contract and is the equitable owner. The City has cited and fined her and she has paid the fines.

- **Ad for Demolition in the City by the County** – Mayor Bronson inquired on an ad for a demolition in the City by the County. City Manager Eustice stated he was working on this to try and get grant funding for the house on North "C" Street that has sat empty for many years and has some issues. The County took it upon themselves to send out for bids for demolition, but we are not absolutely certain they are going to demolish it at this point. This is dependent on what the

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bids come in at. It very much unlivable and unsafe. Mayor Bronson stated hopefully this is a sign that the County will be doing more of that rather than trying to sell an uninhabitable building.

Adjournment:

Councilman King moved to adjourn the meeting at 9:05 p.m.; supported by Councilman Lavender. Motion carried unanimously.

Mayor Mark C. Bronson

Clerk/Treasurer Kenneth J. Kwiatkowski

Councilman Joseph Lavender

Councilwoman Winifred L. Riddle

Councilman Vaughn Temple

Councilman Nathan H. King

Mayor Pro Tem Nicholas C. Couture

Councilwoman Betty A. Kwiatkowski