

REGULAR CITY COUNCIL MEETING
September 13, 2016

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

Roll Call:

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

Absent: Bronson

Councilman Lavender moved to excuse Mayor Bronson; supported by Councilman King. Motion carried unanimously.

Mayor Pro Tem Couture led the Pledge of Allegiance to the Flag.

Approval of Agenda, and Receive and File all Communications:

Councilwoman King moved to approve the Agenda and receive and file all communications; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

Approval of Regular City Council Meeting Minutes – August 23, 2016:

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

Approval of Special City Council Meeting Minutes – September 7, 2016:

Councilman King moved to approve the Special City Council Meeting Minutes of September 7, 2016 as presented; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

Communications and Petitions:

■ **Amber Libby, Candidate for Cheboygan County Clerk** - Ms. Amber Libby distributed information to the Council on her candidacy for Cheboygan County Clerk/Register of Deeds. She introduced herself, stating she is running for the Cheboygan County Clerk/Register of Deeds this November. She is currently employed with Cheboygan County under the current County Clerk, Mary Ellen Tryban, stating she is Ms. Tryban's Chief Deputy Clerk. Ms. Libby went on to state she was hired in 2012 as a Circuit Court Clerk and appointed one year later as Chief Deputy. Since then they have done a lot in that office, including a new concealed pistol license carry process with the Michigan State Police, with the elimination of the Cheboygan County Gun Board, noting the responsibility for authorizing and distributing concealed pistol license is in the Clerk's office. She has done 11 elections for all of Cheboygan County's 22 precincts, including in 2014 she ran the entire Tuscarora Township General Election when their Board was challenged in a recall. Ms. Libby went on to state she has reconstructed and balanced all of the 53rd Circuit Court Restitution Accounts and developed a lot of quality relationships with our Townships, the City and other municipalities they work with. Personally in that five years' time, she has also completed several graduate level degrees. Ms. Libby noted she is originally from Marquette, received a Bachelor's Degree in Political Science/Pre Law; in 2012 she graduated from Central Michigan University with a Master's in Public Administration/Public Policy; this year she graduated from Law School from Western Michigan University and took her Bar Exam in July; and next year she will finish a Master of Law in Public and Criminal Law. She noted she will not know until Thanksgiving if she passed the Bar Exam. Ms. Libby stated she, her husband and family are local business owners, noting they have three small kids. She completed all her education by going down State on the weekends to take classes, being back to

Regular City Council Meeting – September 13, 2016

work on Monday morning. She is committed and serious about motivation and she and her husband are invested in Cheboygan County. She then thanked the Council.

Bills and Disbursements:

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

Clerk/Treasurer Kwiatkowski informed Council of a different format for the bills and disbursement, noting the City started two weeks ago with the .net software from BS&A. This format will group vendors together so you can see how many payments were made in a given month. Councilman King inquired on two payments made to individuals for insurance. Clerk/Treasurer Kwiatkowski explained he went on vacation and those payments are typically made the first of the month, so he made a payment at the beginning of the month and then the September payment was made at the end of August. Councilman Temple questioned the difference in the monthly insurance for individuals. Clerk/Treasurer Kwiatkowski replied the policy the Council adopted when it comes to retiree health care is based on so much for each year of service. Thus, Officer Frazier actually is being paid more and the reason Steve Gall is paid less is he is actually on his wife's policy so we pay the difference. Councilman King asked if payments made regarding the WWTP and footbridge are paid by the City and then reimbursed. Clerk/Treasurer Kwiatkowski replied yes, noting we are just shy of one-half million dollars that has been forwarded to our insurance company. He noted that about two weeks we received a check for about \$400,000.00 from our insurance company, so right now these bills, just shy of \$100,000.00 have been forwarded to our insurance company. They have been good at keeping up with the payments. Mr. Richard Sangster, audience member, inquired about the \$10,812.00 disbursement to GES Properties, LLC. Clerk/Treasurer Kwiatkowski replied this was part of the land contract that stated one-half the rents that were received from Kokosing will be paid on the debt. Mr. Sangster asked if one-half the rent was \$10,812.00. Clerk/Treasurer Kwiatkowski replied yes. Mayor Pro Tem Couture asked if this is a monthly fee. Clerk/Treasurer Kwiatkowski answered we receive roughly \$1,600.00 to \$1,800.00 a month in rents from Kokosing. The City pays out \$2,800.00 and change per month.

Councilman Lavender moved to approve the prepaid bills and disbursements for the month of August 2016 in the amount of \$2,738,089.54; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

An audience member stated the audience members cannot hear Council speaking and knows they all have microphones.

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

Councilman King moved to approve the unpaid bills and disbursements for the month of August 2016 in the amount of \$46,659.21; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Department, Board and Commission Reports:

- **Department of Public Safety Monthly Statistics, August 2016.** (Received and filed.)
- **Port Commission, August 1, 2016 and August 8, 2016** – City Manager Eustice stated he has nothing to add at this point, deferring it until the City Manager's Report and will also discuss the Port Commission meeting held last night.
- **Planning Commission – August 15, 2016** – City Manager Eustice stated there is a Commission meeting next Monday and hopefully they will finalize the Zoning Ordinance, noting they are still trying to edit it.

Regular City Council Meeting – September 13, 2016

▪ **Downtown Development Authority Board, September 6, 2016** – City Manager Eustice stated the Michigan Main Street Program was discussed again at this meeting and the DDA has made a recommendation to move forward with the Michigan Main Street Program, which is on the agenda tonight.

Unfinished Business:

▪ **Consideration of Application for Michigan Main Street Program** – Mayor Pro Tem Couture informed the audience members if they do have something to say, as this is very important to Council, Council wants to hear it, stressing Council has already heard what has been put out. If they want to speak and repeat what the last person said, don't. City Manager Eustice stated the Michigan Main Street Program is a designation from the Michigan Economic Development Corporation (MEDC) and the DDA has recommended that we pursue it. They have looked at the Program and it certainly does have some benefits. It was taken to the City Council in August to get approval to submit an application to the Michigan Main Street at the Associate Level. The Council tabled it for lack of information. There was a presentation from Bethany Whitley of the NLEA to the City Council and DDA. In that presentation she made it very clear for the Michigan Main Street Program to be successful you must have community support, community input and business support. This Council, he thinks, recognized that and they wanted some more information and evidence of support from our community. Since that time, we have had Laura Krizov, Manager of the Michigan Main Street Program, here to talk about the pluses of the Program. Several people attended that meeting. There is also a local grassroots committee, "Bring It Cheboygan", who have a very strong commitment to the Michigan Main Street Program and a contingent of volunteers that are willing to participate in the Michigan Main Street Program, as well as the businesses in the community. He noted that Council has in their packet a petition containing approximately 135 signatures from local businesses and community volunteers that are willing to participate in this program, as well as several letters from business owners in our community that are supporting the program. Tonight we are asking that Council make a decision on whether or not we should make application by November 4, 2016 to participate in the Associate Level of the Michigan Main Street Program, which is not a very costly process; however, once you get to the Select Level there are some additional costs and it is not necessarily something we have to do. If we get to the Associate Level and don't see the successes that are in the future, we won't go to the Select Level. Council needs to make a decision to either not pursue this, at least for this year (you can apply by the first week in November of any year). He noted that a public hearing is required along with other things for the Associate Level application prior to November 4. Councilwoman Riddle asked if we get to the Associate Level and want to go to the Select Level, we need to make application and be accepted as a community. City Manager Eustice stated yes, noting the Select Level is very competitive and they usually only select three municipalities a year. So even if we do apply at the Select Level, we may not be accepted. We have to pitch a very good campaign for the Select Level.

Ms. Sherry Nelson stated her family has been vacationing here since the 1960's and she has lived here fulltime for the last 7 years. She thanked the Council for tabling the Michigan Main Street Program until now because it gave them an opportunity to really get organized and to build our support. She represents "Bring It Cheboygan" and they are representing the community that wants to see Cheboygan thrive. Specifically their focus is on the downtown area, particularly the core business community, but want to see all of Cheboygan thrive. She stated their core group has been meeting for about six weeks and are about 20 people strong and come from business, volunteers, service organizations, and the City structure and officials. She then asked the 20 core volunteers to stand so Council can see who has been working on this group. These 20 volunteers have been responsible for

Regular City Council Meeting – September 13, 2016

more than 135 signatures from businesses that want to see this initiative go forward, plus the 250 on-line signatures that have been collected, and the letters of support for the Michigan Main Street Program. Ms. Nelson then asked everyone to stand that signed the petition or sent a letter, etc. They believe that the training available through the Michigan Main Street Program will give them the tools to bring the stakeholders together (volunteers, business owners, service organizations and educational community). It will give us structure in establishing and working toward the goals, and will also give them direction to accomplish what has been successful elsewhere. There are models that we can build on and are very pleased to be able to apply for this program and think it will benefit the whole community. She noted that Mr. Scott Herceg of the Chamber is probably their best go to guy as he is familiar with the operation. Ms. Nelson then stated they hope the Council will vote in favor of the program.

Ms. Joanne Cromley stated she is part of Bring It Cheboygan and wanted to assure the Council that they are here to do the work, but need the support of Council. Their first project for the Main Street Program is to establish a Michigan Farm Market Association immediately. They envision the Farmers Market at Festival Square to be the crown jewel of the Michigan Main Street. Festival Square would be the hub for helping local grown produce, coffee, jams, honey, maple syrup, bread, fruit, etc., but also a place to listen to music, storytelling and in short a gathering place for people of Cheboygan. Further, Bring It Cheboygan is focusing on establishing a year-round farm market and looking into leasing the old Woolworth building adjacent to Festival Square; thus, strengthening our gathering place. Together we can bring life back to our home town, so please vote to: (1) adopt Michigan Main Street; (2) join Michigan Farm Market Association; (3) vote to allow food trucks to be part of our home town vision; and (4) to establish a community garden committee that includes our garden club, high school, local businesses, citizens and MSU Extension to design and execute garden plots to make it a true community project and break ground this fall.

Mr. Bud Darnell stated this group is amazing and invited the Council to stop at the Purple Tree some Monday morning to see the level of energy from people that really want to make a difference for downtown. He thinks this is a great opportunity for us.

City Manager Eustice stated Ms. Cromley asked him to bring to the Council to join the Michigan Farmers Market Association, which is a \$250.00 fee, but it does not necessarily need to be a Council decision. It's a pretty simple fee and has some very good benefits so administratively we are going to send in an application and join, which is why it did not appear on the Agenda.

Councilwoman Riddle stated they have been working diligently in getting the Farmers Market in Festival Square, but if there are events scheduled on certain days, then the Farmers Market would locate in the parking lot outside here, which has been the case. The question was raised as to why the farmers market would have to move. Councilwoman Riddle explained if there are events scheduled such as the Music Festival or Pudding Festival that are on Saturdays. Audience members asked why the Farmers Market can't be part of those events. Mayor Pro Tem Couture stated this is absolutely a discussion that has to happen. The Farmers Market is a high priority as to where it is located and when it is located, in his opinion, and should have been discussed in the last three years. It has been set aside and he does not know why. He would like to note that this discussion needs to happen, whether it be an agenda item added to a future meeting. He then asked the audience members to please show up and give input, as the Council wants the Farmers Market in Festival Square and feels it is pretty well known.

Mayor Pro Tem Couture then informed the audience members that the matter at hand is whether or not

Regular City Council Meeting – September 13, 2016

to apply to the Associate Level of the Michigan Main Street Program. He commented it is not that the City does not want the Michigan Main Street Program, but moving to the Select Level is a commitment of cash flow, whether it's a full-time employee, pointing out there is a commitment right now at the Associate Level from the City, which is staff training and time. Time for our staff in the times we are in right now are very important. Our staff is pulled in different directions and we are not closing any of these issues. Mayor Pro Tem Couture stated we have our fingers in a lot of different pots and they are all luke warm – let's boil some of these. All of them are great and need to get handled. This support for this movement is what he wanted to see in this regard, but does not know where everybody else stands as far as the commitment or time. He understands everyone is willing to commit their time, which is what we needed before the Michigan Main Street Program came up. There are other organizations, the Chamber of Commerce, DDA, CEBG and Bring it Cheboygan, that should have been in place already. Mayor Pro Tem Couture stated let's get this rolling, adding he is not sure this needs to be a government run program. The volunteers at the meeting are all here on their free will, which is what Cheboygan needs. It doesn't need the taxpayers paying for something to do this, the people are already here. There are good people that can lead this charge already here. This is the concern, at least on his end. He listened to the presentations and it's a good group and they definitely have the right interest in mind, but can we do it on our own? Do we commit to this Associate Level knowing that later we are not ready to commit yet to the Select Level?

Councilman King echoed what Mayor Pro Tem Couture stated, adding if we were to move up there is a financial commitment and full-time staffing, which Council has to be responsible for, as do the taxpayers. This is why there is some trepidation out there and the meeting before to approve this there was a very small crowd to test the temperature of the community as a whole for this program and was a very tough decision for Council. He believes a grassroots thing we can get rolling and the audience members are now doing the work and it's happening; we do have these groups already established here. If this would be something that is going to help these people rally around a common cause, then he is for it; but if it's just something that we do to look good on paper and we apply for and then it stalls, he is going to have some pretty bad feelings about it.

Mayor Pro Tem Couture stated he would like to see this come back annually with a report. He then asked if it has to be City staff that designates who is going to lead the meetings.

Mr. Vince Lumetta stated like many people here he wants to see a vibrant downtown area, which is going to take effort and they are here to support the Council, adding Council needs to support them. Let's not deflate the big balloons we have going here; let's all work together. If we don't we are going to have more empty storefronts around here and it's going to be a dead City. This is the time and this is the tipping point to turn this thing around and this is a tool that has been provided to us in order to do that. He suggested Council think real quickly and real hard. The first step is more effort than it is money. At the end of the first step if it doesn't seem like it's going to go, then we look elsewhere. It seems like a pretty great opportunity that is presented to us here especially with all the enthusiasm we have in the community. He thinks let's do it.

Mr. Lowell Beethem, Market Master of the Farmers Market, introduced himself stating if Council really wants to see the Farmers Market at Festival Square consistently, they won't table it and they will make the decision to make it a priority right now, and it will happen.

Mr. Jessie Moulder stated he agrees with what the gentleman said about the Michigan Main Street Program. He would like to see the pros and cons, noting the only con he sees is what is this going to cost the City of Cheboygan. Mayor Pro Tem Couture replied the answer is essentially, what from he

Regular City Council Meeting – September 13, 2016

can gather, initially is time for staffing, which isn't a great expenditure. He stated he was hesitant about it because why step into it if we weren't ready to commit to the next level, which is the ideal goal. You don't get into phase one if you are not focused on phase two. Mr. Bud Darnell cautioned Mayor Pro Tem Couture about being very careful about that, stating the Council needs to start this off. We may feel confident before we get to phase two that we can go on our own. Right now they need some advice and attention they get with this program that costs nothing.

Mr. Richard Sangster introduced himself stating there are so many people in the audience which is a great effort by these folks. He then stated going for the one year application is prudent at this time, but he would like to echo the concerns of both Council members that spoke and just for all the examples that Mr. Beethem brought up, why aren't they before Council tonight? There were questions before but the answers were not strong, and thinks there was some grave concern. He thinks everybody on Council has been very proactive about business and if they really dive into the minutes and see the hours and hours of time everyone has put into this, he feels they would concur that the City has worked hard for the people that really get to benefit from all that we offer downtown. Mr. Sangster then suggested Council consider going to the Associate Level of the Main Street Program, as Mr. Darnell spoke. It may not be something that the City takes on after that. He would hope that information gets before the community a little more, i.e. the agendas and memos.

Councilman King stated if someone hasn't seen the Program, the access is michiganmainstreetcenter.com. He noted Boyne City as an example of the Michigan Main Street Program, stating their downtown now has a great identity to it. This is the one side of the Program that he likes, i.e. taking the historical nature of your community and building from that and creating your brand.

City Manager Eustice said he wanted to answer Mr. Moulder's question as to the cost. He stated when you get to the Select Level there is an annual average cost of about \$50,000.00, which would be funded by the DDA and not the General Fund of the City. However, there are multiple benefits that we can get out of it, such as getting up to \$100,000.00 in annual services from the MEDC, which is over and above what we have to pay for the Program. There are some benefits in that regard.

Councilman King asked if in 2017 the footbridge will be paid off. City Manager Eustice replied yes, the last payment on the debt of the footbridge is November 2017. Councilwoman Riddle asked Clerk/Treasurer Kwiatkowski if this is correct. Clerk/Treasurer Kwiatkowski stated he would have to check, but thought it ended in an even year. An audience member asked what the initial cost is for the Program. Councilman King replied we do have the time and investment by City staff. Mr. Darnell commented most of the staff is sitting at the meeting. This is where the training is going to take place and the contact with the other people. He noted that Grayling has been in the Program for seven years and still has not gotten to the second level. He informed Council that Bring It Cheboygan will be at the Council meetings every meeting keeping Council very well informed. Mayor Pro Tem Couture stated he is excited there are people here who are excited, noting nothing has ever been organized and driven, so let's do it. Councilwoman Riddle said she is glad it starts out at the Associate Level to build the grassroots and build people talking the same language, noting she loves the slogan Bring It Cheboygan. Councilman Lavender commented the Associate Level to him is no harm, no foul. Going to the next level is a bridge they will need to cross when they get there. He does have a lot of concerns about the next level, which is premature at this time. Mayor Pro Tem Couture stated he does honestly hope we can get places without having to go that route. He hopes this fuels the fire and everybody at the meeting to do that.

Regular City Council Meeting – September 13, 2016

Ms. Greta Jankoviak, part owner of Harvest Thyme Farm & Vineyards and a Cheboygan Farmers Market vendor, as well, stated she became part of the Bring It Cheboygan group who did an on-line petition for the Main Street Program, which 252 signed with 93 comments. She then read some of the comments to the Council. After she personally researched this Program on-line, she noted that the main picture of any town is a farmers market. We can do it right now and start implementing this Program on our own by bringing and making the Festival Square the destination of the Farmers Market in Cheboygan. She suggested closing off Main Street if we have to; Petoskey does it so why not us.

Mr. Steve Crusoe stated he and his wife operate a small business in Aloha Township, Golden River Orchards, commenting on the City joining the Michigan Farmers Market Association and the directory.

Mr. Bruce Gauthier commented Cheboygan is competing with other cities such as Boyne City, Charlevoix, Sault Ste. Marie, Alpena and Grayling who are in the Program and competing across the board on a lot of things. We need to be in this Program. He then stated the comment Mayor Pro Tem Couture made on the time it takes for staff, it is for training, and training, like all education, is never wasted. It is a good investment and we should think of it that way.

Ms. Susan Ball stated she owned Zany Kitchen and retired last weekend. She went on to state she is very enthusiastic about the Program; however the meetings are during the day when very few retailers can come to them, so if you want retailers then the meetings have to be when they can get there. Secondly, she does not believe very many retailers are on the committee and found it interesting that people who are not in retail are deciding how these things should go. She believes there needs to be input from retailers, because a lot of time ideas are unrealistic. They have seen businesses come and go on Main Street, and in her mind it is worse to have a business that comes for one season and doesn't make it and then they are gone. She thinks this is worse than an empty building. Ms. Ball went on to state she thinks festivals are wonderful and would like to see more of an effort to include downtown. Music Fest, Waterways Festival, etc. are a wonderful form of entertainment for people, but they do nothing for downtown. The retailers have tried to stay open on concert night, etc. and it has been a miserable failure. She is not exactly sure what it is going to take, but thinks the Committee is wonderful and perhaps with some professional assistance it would help. Ms. Ball stated Boyne City came to her five or six years ago and begged her to open a second store because they were turning their City around to be a foody City with more restaurants and felt a kitchen store would compliment that. She did not want to deal with traveling back and forth to a second store. She then stated Boyne City came to her again a year later and begged her to do it. Boyne City has gone through the process, but it's a long process and thinks that sometimes volunteers are always going to be assets at the beginning of something and then wing away and hopes that doesn't happen with this because it is a big commitment. If somebody is going to open a store downtown that is their livelihood, not just some dream or project. Ms. Ball stated she thinks people need to be real serious about it. She noted the retailers lose 20% or more a year to the internet. Shopping local is important and every little bit you do makes a difference.

An audience member stated she did not hear when we apply for the Main Street Program and if accepted into it, does it makes us eligible for a lot of grants that we might not be otherwise be eligible for? She asked Council to keep this in mind that we can possibly get some money after we graduate from the first step of the program.

Councilman Temple moved to approve the filing of an Application for the Michigan Main Street

Regular City Council Meeting – September 13, 2016

Program Associate Level 2016 with an annual review each year; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Mayor Pro Tem Couture commented the volunteers are the staff, as well as Council, noting he would like to be involved with it. The taxpayers and citizens in the community are going to make it happen.

▪ **Discussion on Food Carts** – City Manager Eustice informed Council he put this on the agenda for discussion because it is something he said Chief Jones and he would make a recommendation to Council by the first meeting in September. We don't have any concrete recommendations at this point and anything that we do going forward is not going to apply until the next season because we already licensed food carts under our current licensing policy and he does not want to change anything mid-stream that would interrupt what they have already been legally assigned to do. There were some options that could be up for discussion, which don't have to be discussed here as he would like to ask anybody that has concerns about how we manage food carts and our policies to come and talk to him about it because there are multiple ways to handle food carts in communities. City Manager Eustice then commented that he and Chief Jones have looked at multiple communities and how they manage food carts in and around their businesses and communities. There are a lot of differences. We want to be sure that the businesses that pay property taxes are getting a fair deal, as well as those businesses that want to do business using food carts. We want to have a level playing field and are working towards that to see how we can manage that and move forward.

Mayor Pro Tem Couture stated he would assume the current food trucks/carts probably have some preparation and planning they do once their summer season is over. He does not want to wait until next year for this to get resolved. He does not think we need to drop this and feels we need to continue to move forward toward a resolution. City Manager Eustice agreed. Mayor Pro Tem Couture said he is okay moving past today's date, but does not want it to continue to get further on down the line. Mr. Jessie Moulder thanked Mayor Pro Tem Couture stating he does not want to get blindsided come spring with a bunch of different rules, regulations and hoops he has to jump through. He likes what they have going now, noting there is definitely room for improvement across the board and he is here to help anytime.

Councilman King stated he studied other communities and every location and climate is unique, so he thinks input from the vendors and businesses and/or community members are very welcome. He does discourage social media and talking bad of the City Council trying to shut down the food carts, when that is not the case of what they were doing. There needs to be discussion so everybody can work together in the community and thrive. It is livelihood we are talking about. People can contact the Council members and the City Manager with ideas on how to make it work. Mayor Pro Tem Couture stated this issue was brought to the Council's attention by concerned business owners downtown, so Council is looking at it. We didn't auto-shut down and does not want that to happen, but there has to be a happy medium where everyone can make livelihood and succeed.

Councilwoman Riddle asked Mr. Dave Salewski, a local restaurant owner, if he had something to say. Mr. Salewski asked are there and, if so, what are the regulations are now for food carts. Someone stated the food carts are restricted to three locations. Mr. Salewski asked how someone can set up on Main Street. Shouting took place between audience members. Mayor Pro Tem Couture stopped the interaction, stating he is not going to let this happen. He noted the discussion will take place with business owners, food cart vendors and the public as there are valid questions and let's get there diplomatically. Mayor Pro Tem Couture then asked if Council feels we need to hold an open forum on this. City Manager Eustice commented he has City Attorney Stephen Lindsay working on this and

Regular City Council Meeting – September 13, 2016

will give an opinion on what we can and cannot do. We do already have some information from MDOT because our Main Street is an MDOT right-of-way, so there is some indication from City Attorney Lindsay that it may require that these food vendors get permits from the State of Michigan/MDOT to be located in the right-of-way, which will be another issue we will need to deal with. Mayor Pro Tem Couture commented there are legal issues and then policies for our City. We first need to clear up the legal issues. Mr. Moulder commented it is not only the restaurant owners that pay taxes, noting he pays taxes, as well. Councilman Temple told the City Manager we need to get going on this, as it has taken too long already. We have to get some answers from City Attorney Lindsay. An audience member asked if the food carts are looked at by the Health Department. Mayor Pro Tem Couture replied yes, which has previously been discussed, and the issue at hand is a City policy on how to handle food carts. He then asked City Manager Eustice if the Council can look for an action from him and what is the timeframe. City Manager Eustice stated he would certainly like more time than the next Council meeting to come up with some recommendations. Councilwoman Riddle asked if November is a good time. City Manager Eustice replied yes. Mayor Pro Tem Couture stated if the City Manager is looking for consensus, because there are different options, he is suggesting an e-mail or perhaps discussion at an open meeting. Just keep the discussion going with Council, if needed.

Councilwoman Riddle asked if City Manager Eustice is going to be reporting at all on the process of the community garden during this meeting. City Manager Eustice stated he can.

General Business:

- **Consideration of Traffic Control Orders, Nos. 11/16 – 13/16** – City Manager Eustice stated there are three Traffic Control Orders. Chief Jones commented these signs are all replacements, being two stop signs and speed limit sign.

Councilman King moved to approve Traffic Control Orders, Nos. 11/16 – 13/16; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Public Comments:

- **Farmers Market** - Ms. Greta Jankoviak commented they were told the Farmers Market was going to be put on the Agenda tonight and there are a few of the vendors here. She asked if anyone attended the Farmers Market in Festival Square. They feel they want to work more with the City and want a non-vendor market manager to take over the market as a whole, to promote it and move them under Festival Square and let it shine. She asked anybody to share how they felt on Saturday, noting it was an awesome atmosphere. They want a market manager that is paid so they actually have the incentive to promote the market and get better coverage and make it something special in Cheboygan. It is great if the City becomes a member of the Michigan Farmers Market Association because once we are part of that Association there is a lot of grant monies that the Farmers Market vendors can apply for. She explained the various programs as SNAP. Boyne City is a great example for the Main Street Program and Farmers Market. Our Farmers Market is already in place, it just needs a little more structure and organization to make it shine, which is one thing to bring people to downtown Cheboygan.

- **Lighthouses and Signage** - Ms. Sherri Nelson commented we have the benefit of having five lighthouses in Cheboygan and not one of our wayfinding signs direct people to a lighthouse. The Great Lakes Lighthouse Keepers Association is open throughout the season, there is a Front Range Light and a Rear Range Light. The Crib Light is a symbol for the whole City and we don't even have a sign for people to find it. There is also a 14 foot Shoal Light and a Poe Reef. Ms. Nelson suggested that direction to the Lighthouses be added to the wayfinding signage. Mr. Bud Darnell stated the

Regular City Council Meeting – September 13, 2016

Bring It Cheboygan group will meet with City Manager Eustice on this.

- **Food Carts** - Ms. Trudy Lofgren stated there was mention of a November meeting for the food carts and suggested that the food carts be put on the agenda for discussion between the Council and the citizens so you can make a decision in November. City Manager Eustice stated that can be done if Council wishes. Councilman Lavender asked the City Manager if it is possible for form a small committee of food vendors and business owners to come up with some solutions at a roundtable discussion. Mayor Pro Tem Couture agreed, stating that is the ideal situation not during public comment. Someone from the audience spoke as to who to put on the committee; others spoke, also.
- **Farmers Market** – Mr. Steve Crusoe wondered if January would be a good time for the Farmer’s Market group to meet with the City Council for discussion. Mayor Pro Tem Couture stated he has a lot of questions for the Farmers Market but tonight is not the place.
- **Joint Meeting with Main Street Group and Street Food Vendors** - Mr. Art Roznowski introduced himself stating there seems to be two groups in the room that should be working together, in addition to Council. He would really encourage that the downtown Main Street Group and the street food vendors get together.

City Clerk/Treasurer’s Comments:

- **Software Change** - Clerk/Treasurer Kwiatkowski stated two weeks ago on a Tuesday we were told by our software company at the end of the day to stop using Pervasive (BS&A software). Wednesday morning a migration was done and we are up and running with our new software and it’s going overall really well.
- **City Audit** - The City audit will be conducted the second week of October. He will be working with the Gabridge firm of Grand Rapids. The audit will probably be presented in late November or the first meeting in December.

City Manager’s Report:

- **Port** – City Manager Eustice pointed to a drawing of the Port property, noting there was a Port Commission meeting last night because we have two purchase agreements on the table with two private entities here in Cheboygan – Kokosing/Durocher Marine and Ryba. The Port Commission, in August, recommended that we make a counter-offer, which Council approved. Those offers are in the hands of Ryba and Kokosing. The offer to Kokosing was for 767 feet at \$500,000.00; the offer to Ryba was for 362 feet at \$206,000.00. Kokosing yesterday verbally stated they would like to pay less than that and offered \$395,000.00. City Manager Eustice said he basically convinced Kokosing to go to \$410,000.00, and they think that is reasonable and can pitch that to their corporate office. Councilwoman Riddle asked if it is with a Maritime Agreement. City Manager Eustice replied it is with a Port Operations Agreement; it is not a detailed agreement like we initially presented them. Kokosing would agree to a Port Operations Agreement that is basically a memo of understanding they would be the Port Operator and a right of first refusal that should they disband the City would have the opportunity to buy back the property. Councilwoman Riddle asked if this has been to the City’s attorney. City Manager Eustice stated he had a very long conversation with Attorney Joppich today and Mr. Joppich is going to write a confidential letter/City Attorney’s Opinion to the Council. We should have this letter this week. Councilwoman Riddle asked if Council will receive it by e-mail. City Manager Eustice stated probably not, as the letter will be sent certified and he will have to deliver it to Council. Councilwoman Kwiatkowski asked what the Port Commission thought of this. City Manager Eustice answered there was a lot of discussion and made a recommendation to at least look at those offers, which are now \$410,000.00 for the northern 767 feet and \$130,000.00 for the 362 feet. He noted that Ryba initially offered \$144,800.00. The City countered at \$206,000.00 because we blended the two properties – the 300 feet they bought and the next 362 feet at an average price of

Regular City Council Meeting – September 13, 2016

\$652.00 per front foot. We made the same front foot offer to both entities, or \$535.00 per front foot. There was a lot of discussion with the price being too low. The Commission also said to make sure this is legal, which is what his conversation was today with Attorney Joppich. The City paid \$850,000.00 for this property and we are going to sell it for less. City Manager Eustice commented there are some contingencies as they are going to be the Port operators, the property will go on the tax roll, noting there is some benefit they will provide to the City of Cheboygan. He stated he does not know if this is the right thing to do at this point and Attorney Joppich is of that opinion, as well. It could be that we could renegotiate that, but we are certainly not going to take any kind of offer to Council without Attorney Joppich's opinion. We could certainly bump up the prices. Councilman Temple asked if the City accepts Kokosing's offer and the offer from Ryba, along with the money we already got from Ryba, how close will that pay the debt off. City Manager Eustice stated the debt will be paid, but we will not come close to recovering the costs we have on this project. Councilman Temple asked what costs we have so far. Clerk/Treasurer Kwiatkowski replied we expended \$300,000.00 in General Fund monies and off-setting revenues (rents we charge) are \$30,000.00. Councilman Temple asked if the cost for Attorney Joppich are included in the \$300,000.00. City Manager Eustice replied yes, including a \$170,000.00 in a down payment. The land contract is \$680,000.00, and we are \$300,000.00 over and above that right now; we have about \$980,000.00 into the project. Mayor Pro Tem Couture asked what Ryba initially paid for the first piece. City Manager Eustice replied \$225,000.00. He then stated if we were to look at the sale of the Kokosing property at \$410,000.00 and Ryba at \$130,000.00, along with a tentative offer on the east side for the wetlands of \$125,000.00, we are going to recover \$890,000.00, while having \$980,000.00 into the project. At the end of the day with those terms, the City will have to put in \$90,000.00 out of the General Fund into the project.

Mr. Richard Sangster, Port Commission Chairman, stated the concern he has moving forward as we get documents that we have at least 72 hours minimum to peruse those documents. To the point of the \$90,000.00 at the end of the day, we have an operating Port with that contingency. He noted that Councilman Lavender spoke at last night's meeting as to just what economic development is. We have offered economic development money to others, so he wants to be sure it doesn't get mistaken that we are losing \$90,000.00 in this process because in the end we got what we have been striving for over a year.

Mayor Pro Tem Couture stated after we hear from Attorney Joppich he thinks the Council should meet. Councilwoman Riddle asked if they can have a special meeting. Mayor Pro Tem Couture stated perhaps and maybe a joint meeting as they have had in the past. Councilwoman Riddle commented it is going to be a very important decision.

City Manager Eustice commented we are also going to have a 13-acre piece of property on the east side with value. Mayor Pro Tem Couture stated he is confident it will all work out in the City's favor, noting there are a lot of hoops to jump through to get there. He then asked do we wait until we get the letter from Attorney Joppich before scheduling a special meeting. City Manager Eustice stated we will wait until we get the letter. Mayor Pro Tem Couture stated he does not want to wait until the next meeting. City Manager Eustice agreed, stating there are other reasons we want to move this along as quickly as we can. Mayor Pro Tem Couture asked that the City Manager contact each Council member individually after they have had a day to digest it, so we can come up with a meeting date and have the Mayor call the meeting.

- **Community Garden** – City Manager Eustice reported DPW Director Karmol is working on it and is trying to get plots into the community garden before it snows, but does not know where he is at with it at this time. He then suggested a meeting with Councilwoman Riddle, DPW Director Karmol and

Regular City Council Meeting – September 13, 2016

himself. Councilwoman Riddle commented there is poison ivy on that site. He will advise Councilwoman Riddle on a meeting date.

Messages and Communications from Mayor Pro Tem and Council Members:

- **Port Project** – Councilman Lavender commented the Port project ties into the Main Street Program. The vision of the Port project was to create jobs in manufacturing so we could use the City’s deep water port to ship and receive product. This all ties into the Main Street Program, too, because if we have more jobs and more people in the community, then businesses are able to make money and downtown will thrive automatically. In order to thrive, we need to have more people and more disposable income to support the Main Street businesses here. The Port project to him is extremely important to start this whole project.
- **Utility Service Agreement** – Councilman King inquired on the Utility Service Agreement for Meijer with Inverness Township that he received in draft form from the City Attorney. City Manager Eustice stated there is a meeting tomorrow morning to discuss the current utility agreements that we have and try to make it into one agreement. Councilman King asked if this is an internal meeting; City Manager Eustice replied yes. Then the City will get with Inverness Township.
- **Kiwanis Park Crowd Funding** – Councilman King informed the members and audience about the Kiwanis Park Crowd Funding that is happening now for the renovation of the Park, which was approved the City a while ago. Just over \$10,000.00 has been raised so far and there is a video on-line at patroncity.com. Councilman King stated the Park has been neglected for many years, noting there is a beautiful plan in place to do the renovation. If the \$50,000.00 is made, then the MEDC will match it. Mayor Pro Tem Couture stated this is time sensitive so let’s Bring It Cheyogan.

Adjournment:

Councilwoman Kwiatkowski moved to adjourn the meeting at 8:41 p.m.; supported by Councilman King. 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