

REGULAR CITY COUNCIL MEETING
October 25, 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: Bronson, Temple, Riddle, Couture, Kwiatkowski and Lavender

Absent: King

Mayor Pro Tem Couture moved to excuse Councilman King; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

Mayor Bronson 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 Councilwoman Kwiatkowski. Motion carried unanimously.

Approval of Regular City Council Meeting Minutes – October 11, 2016:

Councilwoman Kwiatkowski moved to approve the Regular City Council Meeting Minutes of October 11, 2016 as presented; supported by Councilman Lavender. Motion carried unanimously.

Communications and Petitions:

- **Kick-Off Presentation by Christopher Germain, AICP, RRC Planner, Redevelopment Ready Communities** - Mr. Germain introduced himself stating he is a Planner with the MEDC, specifically the Community Development Division, Redevelopment Ready Communities Program. He stated the City formally joined the Redevelopment Ready program in May 2016. The MEDC has had the City in the pipeline for the last few months evaluating how the City is working on zoning codes and master plan updates, and the MEDC is now to the next stage of giving the City a formal evaluation that is a third party audit from the State helping the City try to understand what it is doing really well and what might be time to update in the zoning code or development process. The purpose of his visit today is to kind of get Council familiar with the program and what is going to come up over the next couple of months. Mr. Germain explained that the community division of MSHDA and MEDC merged and everything is now conducted through the MEDC. He stated their job is to help communities build a foundation. Essentially the MEDC wants to help the City build so the systems are in place for private developers to come and for us as a community to make the decisions think are going to create the kind of community we want. Sometimes a community knows what they want but does not necessarily have the best tools to get there and the MEDC can help fill all of those gaps. The RRC is a big tool in the toolbox to building a foundation. It is a voluntary program and the City joined to get points for the ICE Grant, in addition to being a lot of value to the City in the long run. Mr. Germain explained for the audit, the RRC will come in and look at the zoning codes, comprehensive plans, downtown plan, capital improvement plan, public participation, education and training, and economic development, etc. and assist the City with the Best Practices. The MEDC does a lot of work with developers and two things the developers like are predictability and solid plans (visioning that has good implementation). He noted the RRC is a behind the scenes audit and will be communicating with the

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City as they go through this process. They are also not here to do the work for the City; they will identify what the deficiencies are but it is going to be up to the City and its partners to fill those gaps. The RRC does provide technical assistance and as much guidance as they can, noting there are only four planners for the entire State. Mr. Germain stated they will not be rewriting the zoning code or master plan for the City. They also won't really be able to solve any problems that we have. Again, they are going to help the City build the framework to address the problems. Councilwoman Riddle asked, in terms of not solving the problems, does the MEDC have the background and information to direct the City to organizations, etc. that can help. Mr. Germain replied absolutely, noting after the formal evaluation there is a whole set of tools available to the City even before the City is certified to help get the City certified, which includes money, technical assistance, etc.

Mr. Germain went on to state the RRC is a very unique program and actually the only program of the kind in the Country, that they are aware of, where a state agency comes in and tries to assist communities to better their local processes. The MEDC comes in with an incredibly open mind; no cities do these things alike. He works with cities from Metro Detroit to the Bridge. Mr. Germain noted the City will have things that are important to it as a community and the MEDC is not here to tell you to get rid of those. He will tell us what the City's Best Practices might be and get us up to par with some of our common neighbors. He showed Council a chart they use at the MEDC to show how everything fits – talent once placed; placed means business; and business means talent. It will build as the City builds a confidence of community as you build a downtown that people will want to come visit and as we build a system where people will want to invest, everything starts to happen. Mr. Germain stated the MEDC will get the City through the report, get the City the Best Practices to help us get there, and then eventually the MEDC will certify us assuming we meet the Best Practices.

Mr. Germain then pointed to a map showing who is active in the RRC Program. A significant announcement was recently made at the State level that communities need to be at least engaged in RRC in order to get economic incentives from the MEDC for community development, noting the City of Cheboygan is already engaged. He noted Alpena and Grayling have their evaluations done, with Boyne City already meeting the certification requirements. In addition, there are only seven cities in the State that are certified and a handful that are pretty close.

Mr. Germain then introduced the Council to the six Best Practices – Community Plans and Public Outreach; Zoning Regulations; Development Review Process; Recruitment and Education; Redevelopment Ready Sites; and Community Prosperity (economic development and marketing). Mr. Germain explained under Community and Public Outreach, the MEDC will look at the City's comprehensive plan (City is in the middle of an update because of the Port property) and Downtown Plan (updated in 2012) to make sure it meets the Best Practices of plans. Government and other organizations are very guilty of plans that sit on shelves. In order to meet an RRC Best Practice Plan the MEDC looks for goals, actions, timelines and responsible parties. What is key to the MEDC is creating an implemental plan. Mr. Germain stated he looked at the 2007 Downtown Development Plan and it has goals for at least a year and how to actually achieve them. The MEDC will be looking at what the City does for the update to the Master Plan to make sure the City is on the right track before the City finalizes it.

The second Best Practice is zoning regulations, with Mr. Germain noting the City is close to the end of an update. He already looked at the current zoning code, not realizing there was a zoning update occurring. He will also take a look at the one that is currently being wrapped up to make sure it meets the RRC's Best Practices. They will look at the zoning regulations to make sure it matches up with the Master Plan so developers are able to get through the planning process. They also look for

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flexible parking standards, variety of housing options, outdoor dining, etc.

The third Best Practice is looking at the development review processes, i.e. site plan review process for new developers or additions, etc. They want to make sure the processes are documented, clear to a developer so they know exactly what they need to do. It is all too common for cities to have development processes and the only people who know it are the zoning administrator and the folks who work in that area. There needs to be timelines so the developer knows what they are getting into. Essentially it is predictability.

The fourth Best Practice is recruitment and education. This focuses on the Planning Commission, Zoning Board of Appeals and City Council. The MEDC wants to make sure the folks who are dealing with the development process are the best folks we can find, so there is a good mix of folks on the Commission. The City of Cheboygan is ahead of other cities in that we actually have an idea of who we would like to sit on the Commission. We have an engineer, builder and architect, which are good ones to have. They also look at education and training, as we are dealing with some pretty complex issues going through the development process. It is both important to the community and developer as to what is being looked at and approved, as well as the legalities of it all. Most cities use webinars from the Michigan Planning Association.

The fifth Best Practice is redevelopment ready sites. Essentially this takes the proactive approach, which is this is our community and we have a vision and we know what sites are not being used and are obsolete, as well as our priorities. By identifying those and preparing the information, these can be contained on the internet for developers. The City can go to developers to let them know we really want another restaurant that is opened past 5:00 p.m. These are the things a developer will need to know and is a proactive approach. For RRC certification, the City is required to find three of these and that we fully package one of those. Mr. Germain noted the City is already working with someone to achieve this Best Practice and the City is well on their way to that. This is an essential one and because the City is already working on it, the City is a step or two ahead.

The sixth Best Practice is community prosperity. This essentially means the City has an economic development strategy of some kind, a unified marketing strategy, and it also requires the City to have a website that is kind of up-to-date and modern. It is his understanding that the City already has all three of these pieces in the works. Mr. Germain stated it is his understanding that the City's website is set to come online in the next month, the economic development strategy is in bits and pieces and needs to be put together into something and the unified marketing strategy would be tied to the Port area.

Mr. Germain then explained the City has completed step one – engagement. Early in the year the City completed the self-evaluations and the City Manager attended the Best Practices training session and the City Council passed a Resolution of Intent to join the Program. This got the City into the RRC pipeline so they could start to give the City technical assistance and work with the City. The City is now at step two, and Mr. Germain has begun to read the zoning code and plans he had. They are going to interview some developers who have done some work in the City in the last few years just to get their opinions on things. A lot of time developers will have suggestions for small changes, which they may incorporate into the report if they agree with them. Mr. Germain went on to state all the information is then compiled into a report and will be back to talk to City Council in December or January. It should be done in November, but probably not before Thanksgiving. In December or January the Council will be asked to pass another resolution which states thank you for the report and these are the things we need to work on and we will work on these. At this point, it opens up a whole

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toolbox for the City, such as technical assistance money where they will do one to one matches; i.e. if the City is missing the branding strategy. He understands the City has some commitment from community organizations. The RRC/MEDC would actually match this and make it twice as good. As the City goes through this, the MEDC requires quarterly reports they will send to the City Manager, which will be basically fill in the blanks. As we change things on the chart to yes, the MEDC will eventually certify the City. Mr. Germain then reviewed the benefits once the City is certified. He stated the certification can take from a year of the report to some that are still working on it three years later; it is up to the City as to how long it takes. If the City Manager gets really busy and does not get anything done for a quarter, the City remains in the Program.

Mr. Germain then stated they really want to be the City's partner at the State level, noting the City has already clearly worked with the MEDC and we are not a regulatory agency, as this is a voluntary program. It's a program that a lot of communities have found a lot of benefit in and hopes that the City finds some benefit in it, even if the City never reaches certification. He thinks the City will reach certification based on what he has already seen. There is a lot of benefit going through this such as having someone look at the codes, plans and processes and helping the City make them better. Mr. Germain commented from everything he hears, the City is very friendly to the idea of development and really believes in this community and he believes the Program really helps communities actually plan that vision and ownership, which can sometimes get mired up in old out-of-date regulations, which they will help fix. He then asked for questions, adding Council has his contact information and may contact him directly noting e-mail is the easiest way to contact him. Mayor Bronson asked if Mr. Germain has a copy of the proposed Zoning Ordinance. Mr. Germain responded he will get that from City Manager Eustice. He then stated he and the City Manager have been playing phone and e-mail tag for about two weeks so he came up to Cheboygan early today to work that out.

Department, Board and Commission Reports:

- **Downtown Development Authority** – Mayor Bronson commented City Manager Eustice was not at this meeting. City Manager Eustice stated he and City Engineer James Granger are looking at the trip hazard again and will do some cost estimates on trying to re-concrete that area, noting it may not be feasible, to level out the concrete all the way around. Mayor Bronson stated this was the long-term plan the DDA Board talked about, but they are still looking at the stanchions as a short-term plan. Councilwoman Riddle inquired as to the jet-out areas if we were to re-concrete the area around Festival Square, wondering if the re-concrete would be straight. City Manager Eustice stated it could be both, noting Dennis Lindeman has an idea that City Engineer Granger and he will look at to see if it's going to make a difference. This is to basically fill in the area that is indented with either concrete or brick, which Mr. Lindeman believes will eliminate the trip hazard, although the lip would still be there. He is unsure this would be the solution. A better solution would be to cut out that concrete, which is more costly, and try and level out the area on the outside of the Pavilion. Councilwoman Riddle stated if the area between the jet outs were done on an angle down and a bench put in the area that is already jetted out, noting it would alleviate some issues. City Manager Eustice stated they will get some kind of resolution to that.

City Manager Eustice announced downtown trick or treating is coming up next Monday, which is a huge event with 1,200 kids downtown and sometimes more.

Councilwoman Riddle asked if the sound system is fully operational. City Manager Eustice replied they can use it, but they are waiting for a transmitter so that we can transmit inside this building to Festival Square. Currently a device has to be brought to the sight right now. Mr. Dan Buday is in the process of getting a transmitter before Thanksgiving.

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Public Comments: *(None)*

City Clerk/Treasurer's Comments:

- **Upcoming General Election** - Clerk/Treasurer Kwiatkowski stated we have been going great guns as far as the election goes. Right now we have issued over 300 absentee ballots, so we are expecting quite a turnout with all the publicity. Deputy Clerk Janet Gahn is doing an outstanding job. She is handling all the AVs by herself because he does not have the time to help her, so it is quite a bit of work.
- **Field Work for Audit** – Clerk/Treasurer Kwiatkowski reported this is done and now it will be a series of e-mails and telephone calls. He will get a draft of the financial statements, which he will go over. There is a section of the audit, Management's Discussion and Analysis that is put together by the auditors and himself to highlight what is going on financially in the City, i.e. projects such as the Port property and road projects.
- **WWTP Insurance Issue** - There was a meeting this morning attended by the City Manager, City Attorney, DPW Director and himself dealing with issues with the insurance company regarding the Wastewater Treatment Plant. To date, one check has been received for \$400,000.00. There are about \$440,000.00 in outstanding bills that we have not received anything from the insurance company for. Our agent, Mr. Paul Olsen, is working with them and hopes to have something in the next week or two. Some of the bills that are outstanding have not been paid; in fact, we owe Utilities Instrumentation in the neighborhood of \$120,000.00. They have been real patient. The City has been assured we will get our money, but with this type of claim and all the field work and approvals that have to be done in the insurance industry because of the size of the claim, it takes more time.
- **November 8, 2016 City Council Meeting** – Mayor Bronson inquired as to the November 8 City Council meeting. Clerk/Treasurer Kwiatkowski stated if anything happens at all, he will not be at that meeting. The two options are rescheduling the meeting to another day or hold it earlier in the evening. Mayor Bronson inquired if the polls are open until 8:00 p.m. Clerk/Treasurer Kwiatkowski replied yes, stating normally we don't have any real issues but if something came up he would have to leave. Being a small town we have quite an advantage here as we know the electorate and the gals that really work the elections do a great job. Mayor Bronson asked for Council comments on rescheduling the November 8 meeting. Councilwoman Riddle asked if he is going to need extra assistants at the election. Clerk/Treasurer Kwiatkowski replied he talked to the ladies at work and they seem to think we don't need any, but he has her name and number and Councilwoman Kwiatkowski's. Councilwoman Riddle then inquired as to the certificate from the training; Councilwoman Kwiatkowski stated she did not receive one either. Councilwoman Riddle suggested scheduling the November 8 meeting to Monday night to be cautious. Clerk/Treasurer Kwiatkowski stated sometimes the County Clerk will send the certificates to him for filing, noting everyone had to take training because it's a big election and everyone did and he does not think everyone got a certificate. He will check with the County Clerk on the certificates tomorrow. Councilwoman Kwiatkowski commented the County Clerk stated she had the certificates ready for those who registered in advance. Councilman Lavender stated he would be in favor of rescheduling. Councilwoman Riddle stated the reason for rescheduling to Monday is there are two Council people who are up for re-election. It was clarified there are three Council seats for re-election plus the Mayor. Councilwoman Riddle then commented on the new person, if any, being present at the next Council meeting. Clerk/Treasurer Kwiatkowski informed Councilwoman Riddle that the Council Members cannot be sworn in until after the election and typically that would be the first of the year, but he would have to look back at the last

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election to see when they were sworn in and if it was immediately after or not. Mayor Bronson commented when he was elected he was sworn in the Monday after the election. Mayor Pro Tem Couture asked City Manager Eustice to check the Council Room schedule to reschedule the Council meeting of November 8. City Manager Eustice stated he will get a recommendation for Council. Mayor Bronson stated he has a feeling Clerk/Treasurer Kwiatkowski will be busy that night.

City Manager's Report:

▪ **Port Property** – City Manager Eustice stated Council has in their meeting packet a draft purchase agreement with Kokosing/Durocher Marine. They basically have accepted an offer verbally for \$428,000.00 for 767 feet of property. He did edit out a couple of items in the agreement, one being an option for them to pay us 10% of revenues as they or we bring in business. This has been discussed with Mr. Joe VanAntwerp and it is not something we need to put into this agreement. He thinks they are comfortable just going on their own and does not think we need to interject any City type management of what their processes are at this point. Mayor Bronson stated when this was talked about before, it was when Kokosing would be using City property. City Manager Eustice stated he spoke with Mr. Stan Neff today and in principle they seem to be okay with it, with a couple of small suggested changes. It looks like this is something we can close within 90 days; it will push it into January. This closing process will be done this winter and Ryba will not be far behind, as they were waiting to see what kind of action we took with Kokosing. Ryba is ready to purchase property. He thinks once the agreement is signed and finalized, Ryba will be right behind. City Manager Eustice stated by early this winter, the entire Port property will be in the hands of Ryba Marine and Kokosing and they will be the operators. Mayor Bronson asked if a special Council meeting will be needed. City Manager Eustice replied that is a possibility. We are going to have to have approval and all seven members here for a motion to approve the sale and to approve the City Manager to sign all closing documents. He then stated it is very likely this will happen very quickly as Kokosing is excited and ready to move forward, noting they are advertising in the Greenwood Book (book of all shipping companies with what their capabilities are) and are in the processing of promoting shipping and receiving on their site. Mayor Pro Tem Couture asked if the non-profit Port group that is involved with this will still be able to put the marketing effort forward to bringing new business into Cheboygan. City Manager Eustice replied yes, they will, noting this has been discussed at the Port Commission level. The 501(C)4, The Port of Cheboygan, Inc., will still do some regional marketing and are prepared to do that. There is also the idea that we may need some outside help from consulting firms that can help us with not only regional marketing but nationwide and worldwide marketing. We may have to look at that down the road to see how that can come about. He had a conversation with Christopher Germain earlier today regarding marketing and the RRC Program, because part of the Program is to promote the City. He told Mr. Germain about the Port of Cheboygan and the kind of marketing ideas we had and that the Community Foundation has committed some monies to marketing. Mr. Germain stated the MEDC can match that, 50/50, if we have a local foundation that will commit monies. It could be that between the Community Foundation and the MEDC they could help us with the marketing process. Councilwoman Riddle commented on the re-zoning of that area. City Manager Eustice corrected the area is still zoned as Water Front Marina, but we have a Port Overlay District Zoning Ordinance. Through a recommendation of the Planning Commission and approval of Council someone can basically put anything there in that District with approval. Councilwoman Riddle stated so there is the availability of expanding the Port space more than just water front area. City Manager Eustice replied yes, an industrial site or warehousing. Councilwoman Riddle then asked if there is still the possibility of storage areas in the back area. City Manager Eustice replied yes, in behind the DPW Garage. Also the Cheboygan County Road Commission is considering moving and that building might be available, which is an ideal storage location and/or industrial location. Councilwoman Riddle commented it is good area for expansion

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past the property we just sold. City Manager Eustice stated we are going to market the Industrial Park and the City lands that are there, as well. He then commented Cheboygan Title is ready to handle the closing and the process is going to be relatively simple, as we have done it before and will be easier with Ryba because they have done it before.

- **Main Street Program** – City Manager Eustice stated the Main Street Program application has to be in by November 4, so Kirsten Guenther is working on that. We are finalizing that application and we should have it done by the end of this week. If approved, which is likely, we will be at the Associate Level for next year and we will see how that can help us.

- **Planning Commission** – City Manager Eustice stated the Planning Commission meeting was cancelled last Monday, but a meeting was held tonight because he hadn't brought the food cart issue to the Commission, although we had extensive talks at the DDA because the DDA was the most affected. There was a lot of conversation at tonight's meeting about food carts and he and Chief Jones have the task of coming up with recommendations by the first meeting in November, whether we have that or not, as that remains to be seen. They are going to look at some options as they have had some good ideas. It is really a 50/50 issue, being on both sides of the fence as to whether they should be located in certain areas or not and what's the price and the cost. Many municipalities handle them differently, noting Harbor Springs charges the vendors \$35.00 a day for a food cart and Boyne City charges nothing. He got some good information out of the Planning Commission tonight and will get with Chief Jones and have some discussion. Any of the recommendations will not go into effect until the next season because the food carts are already licensed and the season is coming to the end. Mayor Pro Tem Couture stated the recommendation needs to state what day in the year it is going to start and make a fiscal year for that, to be re-evaluated after one or two years. City Manager Eustice commented that is a smart thing to do.

- **Inverness Township** – City Manager Eustice stated last week the Council received a letter from Inverness Township in regard to purchasing water from the City and the Mayor responded to that letter. The Township requested 30,000 gallons, which he and DPW Director Karmol think is a little exorbitant at this point. There was discussion that we could provide them with 10,000 gallons per day at a 150% rate that we charge City residents, which our Ordinance requires. The Township believes it needed that to move forward with putting in a water line into the Township and needed it in writing, which we have done and it is in their hands at this point but we are certainly willing to help them move that project forward. Mayor Pro Tem Couture asked in any conversations with the Township did they ever request for a cost of what the laying of the pipe/infrastructure is, or is that not on us. City Manager Eustice stated there has been engineering done, noting Meijer's had engineering done when they did the site plan through UP Engineers and has a cost estimate of \$800,000.00; the Township had their own engineering firm do cost estimates both on going down the old railroad grade and/or coming down M-27. He believes the Township needed a guarantee, and he did get a couple of requests for volume and cost of water, which were somewhat unreasonable. He explained he can't give them a reasonable idea of what it's going to cost and the volume we can deliver without a utility services agreement and without knowing what the entire process is going to take to service that. The DEQ is also going to require that, as well. City Manager Eustice went onto explain we can't say we are going to sell them 10,000 gallons a day and put it in writing because the liability with that is astronomical. Mayor Pro Tem Couture asked if the recent letter signed by the Mayor states that. City Manager Eustice said it did state that and that there needs to be an agreed upon utility service agreement. Councilwoman Riddle asked if it is not the City's responsibility to just get the water to the edge of the City and the appropriate amount that is agreed upon, and then it is their responsibility from that point. City Manager Eustice replied yes that should be their responsibility absence of a 425 Agreement or any other type of an agreement, they need to build it and build it to DEQ regulations and specs. Going forward the DEQ is going to require somebody to manage that service/distribution line, which is going

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to cost money. For the City to agree to just a cost to deliver water is unreasonable because we need to be sure we meet DEQ regulations as we are not only servicing distribution of water into a township that is adjacent to us and that we don't have responsibility for (we can't spend taxpayer dollars in an adjacent township), we are also bringing back that water through our sewer system, so there are some responsibilities there through the DEQ that we need to be mindful of by doing that. It isn't just as simple as Inverness Township you build the line and the City will provide the water as there are all sorts of regulations that go along with that that we have to manage. Councilwoman Riddle stated it is their responsibility to follow those requirements. City Manager Eustice commented yes, adding that is why a utility services agreement is so important. They have to agree with us to be able to manage that system because it is so critical. There is nothing more critical or important than supplying a municipal water supply to our City or an adjacent township. It is very serious as it is not just they'll buy water and the City deliver it to them somehow. That's the tough issue and it's not an easy problem, although it's not necessarily a problem in his mind but we are capable of it but it's not something we can lose control of. The City of Cheboygan has to manage it and be very much so involved in managing that process and a utility service agreement is really what's got to be in place to do that. Mayor Pro Tem Couture inquired as to where in the process is the City Manager at in the negotiation of that agreement. City Manager Eustice stated they are very close and within a week we will have a pretty good idea. Mayor Pro Tem Couture asked as far as from the City's end? City Manager Eustice replied yes. Mayor Pro Tem Couture stated nothing has been talked upon with the Township. City Manager Eustice replied no. Clerk/Treasurer Kwiatkowski interjected the City has received a draft and he has gone through it with the City Attorney, City Manager and DPW Director and the draft is being redone with a consultant. City Manager Eustice stated that agreement is very close from the City's end, noting the Township will need to look at it from their end.

City Manager Eustice asked DPW Director Karmol to comment on Inverness Township requesting 30,000 gallons per day. DPW Director Karmol stated City Manager Eustice did an excellent job and would not add anything except to explain what he thinks is going to be really important and what people might not understand. Mayor Pro Tem Couture did an excellent job of bringing up a really important point at the last meeting, that in the old Agreement they paid money and REUs for a tap on the sewer, which will be a contentious issue as he tries to get a new contract. The reason for the new contract is because there is a difference between when we use the term capacity and a term called flows not to exceed. When we talk about capacity, and they ask for 30,000 gallons a day and use 30,000 gallons in capacity that means that the Township now has 30,000 gallons and if Meijer's uses 5,000 gallons, that is 25,000 gallons I can't sell to the Industrial Park. That's the difference. The reason we started with a contract with flows not to exceed, is that every year we are able to re-evaluate the flow through that meter and the highest flows through that meter are what the State is going to be concerned about regarding the Township. So if they only use 6,000, he will have more to offer the businesses that want to come to Cheboygan and he doesn't have to sell water they don't need. When he first saw the letter he wanted to say we can get you 30,000 gallons – where do you want to dump it. I won't charge you for bringing it back and if you have a tank we can start filling it and billing them for it. Mayor Pro Tem Couture said essentially what DPW Director Karmol is telling him, is they are asking to pre-buy 30,000 gallon capacity and they will potentially only use 6,000 gallons and it restricts us, from the capacity they own, and we can't develop if something came into the Industrial Park and DPW Director Karmol wants to keep control of that. He then asked where the review is at of the current agreement. DPW Director Karmol replied the previous agreement has some issues with that sold capacity that didn't get used because of development. What he would like to do is redo that agreement and look at the flow from year-to-year and what they used at their highest peak is now what he is counting on them to use next year. He doesn't want to put any extra aside or short-sell them – we can go year by year with this or development by development. We are trying to put it in the contract

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that they can come back to us and say they would like their flows not to exceed to be higher. All this is saying is that if he puts a flow not to exceed 30,000 gallons that means they can use up to 30,000 gallons but if they go over 30,000 gallons there is going to be a penalty along with that because he has issues with supply. It allows us to make plans above and beyond that and what they don't use we can reuse here; he cannot short sell capacity and especially capacity they want to sit on for future development. We have to go by the flows in order to make that work. This is one of the biggest contentious issues and when he read the statements from the previous Council meeting, there will be some things they want to hang on to and he is hoping we can put a draft agreement in front of them and let them tell us what they would like to see differently but he wanted to explain that because it is going to be hard for everybody to grasp going forward because the only word he hears is capacity and then he tries to sell the term flows not to exceed, which is why. We can't sell capacity and we can't sell capacity of the wastewater because it depends on what the plant can do for the flow rate. He was really scared of that letter and answering them back yes. He just did some figuring in the crowd that we could sell up to 3.3 million – the State wouldn't let him sell 3.3 million gallons a day to whoever; he can't bring that back to Wastewater. When they ask how much we can sell them, we can sell them 2.3 million but he can't bring it back. We need to work out an agreement of what we do and don't want to do and if they are going to stick firm on capacity that cost might go up for him because he can't sell it to the Industrial Park. DOW Director Karmol then stated he wants some feedback from the Utility group because they are stuck on this capacity of wanting 30,000 gallons but it prevents business from growth; does the price go up. We responded at 150% but he would think if they are sitting there holding it and he can't sell it then we are stunting development. He then stated we have three agreements that are pretty hard to work with so we are trying to come up with one 21-page contract that clear defines responsibilities with terms and definitions. He hopes he gets positive feedback from the Township. Councilman Lavender asked how much capacity is needed for the Meijer project. DPW Director Karmol responded that Meijer's has asked for 5,000 gallons, adding he asked the Meijer Corporation for waste stream analysis and he received 21 samples of what similar Meijer's are sending out as far as waste treatment. We have a pretty good idea of what Meijer itself is going to need. When they talk about other opportunities he is going to need that sewer profile just like Meijer's in order to speak to whether we can handle it. Councilman Lavender stated as far as the Meijer project goes, is getting the water to the City limits and they have the line and we have a utility services agreement, then treating the sewer is not an issue at this point? DPW Director Karmol said we are in the process of redoing the wastewater plant and it is a pretty contentious situation because our average flow is right at the capacity of the plant, so adding anything else without consideration or looking at loans or having plans to move forward is why he did not want to do any large scale increases right at the application process. They don't want to have him add something very large to something that's taxed without some plans to remedy it. He would like to get our new wastewater permit reissued for three years and have them tell him what we need to do on that end and then it might be easier to get a permit from the DEQ. Councilwoman Riddle asked with the project on Huron Street, she is assuming things will be done to correctly attach storm drains so they don't go into the system. DPW Director Karmol replied that is correct. Councilwoman Riddle stated this could shorten that discrepancy that we have in terms of what goes out and what comes back in hopefully. DPW Director Karmol stated a lot of those issues were supposed to be solved in the 2010 and 1997 separation and Main Street. He is sure we are going to find some, but the bulk of where we find the infiltration is the older areas of town. We will make a dent and every little bit helps. If he can eliminate 5,000 gallons per day it just increases the capacity. He does not want to short sell, but he does not want to get hopes up in an area that has already had some major combined sewer/storm separation. Councilwoman Riddle stated if we stop at Backus, it does not get us down to the Carnegie building. DPW Director Karmol stated that is correct; that is supposed to be phase 2 and phase 3 goes all the way to Court Street. In the Court Street project we will have some infiltration with an old clay

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sewer that needs some attention. He is expecting to see some large reductions in the Court Street area. Mayor Pro Tem Couture thanked DPW Director Karmol for the clarification.

▪ **Pedestrian Footbridge Elevators** – Councilwoman Riddle asked if the elevators are operational. City Manager Eustice replied no. DPW Director Karmol commented no because we don't have the electrical service issues resolved. Because of the severity and large scale loss at the Wastewater it has been hard to get our contractors over there to complete that work, noting it is not just a couple contractors but it is also the cable. It is multiple things going on. The elevators would then have to be looked at again before they open. Before the last electrical event, we just got the elevators certified and ready to go. We don't want to open them up until they look at the issue that caused it. We are finding issues that caused it not only at the Wastewater but just recently with Wells 7 & 8 on the other side of the River. There has been a lot better in response to our needs as of late.

▪ **State Street Bridge Closing** - City Manager Eustice informed Council the State Street Bridge (basculer bridge) is scheduled to go under repair January 3, 2017 and will be completely shut down a minimum of six weeks, possibly longer, so there will be no traffic across the Bridge for that period. There is going to be significant construction being done through the end of March, but there should be one lane traffic at that time. Traffic will be rerouted down Lafayette Avenue and across the Lincoln Avenue Bridge to get back downtown or to the south side of town. He then stated there is a public hearing that will happen at City Hall the first part of December (30 days before the project starts). He also stated he has talked to several business owners on both sides of the Bridge and may draft a letter, because it is going to impact them. He is hoping the Tribune can help him with some publications and will speak with Mr. Brady Hebert of the Tribune to give him details. City Manager Eustice replied in 2002 they did the last restoration consisting of mechanical repair and the ramps coming on and off, noting they will basically be doing the same thing. So 14 years later they are changing all the pumps and motors. Councilwoman Riddle asked in January is Plaunt is not traveling to the Island? City Manager Eustice replied correct, and that is why they are doing the work in the winter. Plaunt could run as early as April 1, as he has in the past, so they are trying to get it to be able to open it by April 1. The project is designated to be finished on May 27. DPW Director Karmol noted this project was mentioned in the most recent newsletter.

Messages and Communications from Mayor Pro Tem and Council Members:

▪ **Zoning Code** - Mayor Bronson inquired as to the status of the Zoning Code. City Manager Eustice stated the Planning Commission talked about it tonight and he is going to try and have it done by the first week of November/mid-November. He made some edits and has to make edits of the changes that were made. Mayor Bronson then asked for the process following that, if the Planning Commission will approve it and make a recommendation to the City Council and the Council can also make changes. City Manager Eustice replied that would be the process and then there would have to be a public hearing to approve it. Mayor Pro Tem Couture stated he is assuming once it reaches Council, there would be a special meeting to review that. City Manager Eustice stated it could be talked about at a regular Council meeting. Mayor Bronson stated it would be hard to read in a meeting. City Manager Eustice said the Council can review it prior to the meeting and then they can make recommendations.

▪ **Fall Clean-Up** – Councilwoman Riddle stated this week began the brush pick-up and asked what the last day is. DPW Director Karmol answered November 4, apologizing because 90-days ago he had to make a decision on when the leaves fall and he was wrong. He stated the beginning of this week they are picking up large brush piles because it is not efficient enough to go down full streets, so we are looking at a full truck load. He then stated they got behind cleaning ditches so actually today they picked up brush and then went out to finish part of drainage on Eastern Avenue. Councilwoman Riddle asked if the pick-up will extend past November 4. DPW Director Karmol stated they would

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like to see everything out by November 4 so we can go to those areas and make routes, but we will most certainly understand if this trend continues and the leaves are still up. It is extremely inefficient to not run routes like a garbage truck. Mayor Pro Tem Couture stated there could be snow before the leaves are gone.

▪ **Cheboygan Armory** – Mayor Bronson asked for a status report on the Armory. City Manager Eustice stated he has nothing to report, but did have a meeting with General Michael Stone in mid-May who told him the Army National Guard was going to close this facility. He also told him that he thought an Army Reserve out of Royal Oak was going to purchase it and be stationed here, which would be similar to the National Guard but a small unit, and they would operate it the same way. City Manager Eustice stated he thinks that will not happen now. There is some speculation, as he has talked to a lot of people in the community, and Attorney Chris Lindsay has written him a letter as to how that facility was built. He has heard various scenarios that the City would, if the National Guard ever disbanded, get that building back. He then stated he saw a deed, however, that says that the MDNR would get the building back should they disband. He has asked Jerry Malloy of Cheboygan Title to do some title work on that facility to see if that is the case or what is the case should they disband. He clarified that the National Guard has abandoned the building. City Manager Eustice stated he heard from several sources that the City of Cheboygan paid as much as one-third to build that building in the 1950’s, noting he has also went back through some of minutes and did not see where that was the case, but it very well could have been. There would be a type of reversion clause where the City would get that back. Mayor Pro Tem Couture suggested talking to the high school government class and give them this project. City Manager Eustice informed Council there has been some interest, i.e. Salvation Army and the Sheriff. He stated in bigger cities the Salvation Army does something similar to YMCAs. He went on to state the Salvation Army got a big donation from the Kroc family, believed to be McDonalds, for the Salvation Army to build these youth-oriented facilities and they wanted them built in high-risk places, such as the one in Chicago that includes a gymnasium, food kitchens, overnight stay capabilities, etc. He is unsure the need is that great in a small community.

Adjournment:

Councilman Temple moved to adjourn the meeting at 8:19 p.m.; supported by Mayor Pro Tem Couture. 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