

REGULAR CITY COUNCIL MEETING
March 14, 2017

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: King, Bronson, Kwiatkowski and Temple

Absent: Riddle, Couture and Lavender

Councilman King led the Pledge of Allegiance to the Flag.

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

Approval of Agenda, and Receive and File all Communications:

City Manager Eustice announced there are two additions to the agenda, being 6-A, Presentation by Mr. Robert Falk of the Cheboygan Yacht Club and the former 6-A becoming 6-B, Presentation by Ms. Lisa Fought; and the addition of 9-D, Resolution to Approve an Application for a Redevelopment Liquor License in the DDA District at 223 N. Main Street. He noted 9-D has been recommended by the DDA Board.

Councilman King moved to approve the Agenda with additions and receive and file all communications; supported by Councilman Temple. Motion carried unanimously.

Approval of Prior Meeting Minutes:

Councilwoman Kwiatkowski moved to approve the Regular City Council Meeting Minutes of February 24, 2017 as presented; supported by Councilman King. Motion carried unanimously.

Communications and Petitions:

- **Presentation by Mr. Robert Falk of the Cheboygan Yacht Club** – City Manager Eustice introduced Mr. Robert Falk, stating the Cheboygan Yacht Club has a preliminary proposal to build on City property and is for information only. Mr. Falk stated he is representing the Cheboygan Yacht Club and is a member of the Board of Governors and also the Chair of the Property Committee. He noted there are several members of the Yacht Club in attendance with regard to support of what they consider a very important partnership between the City of Cheboygan and their organization. He did a slide presentation, reviewing first their Mission Statement commenting they are all about boating and promoting the science of seamanship and to provide education programs and recreation for their membership. They also take very seriously their Charter to support this City and what the City is about. This is part and parcel of what they are proposing for consideration. Mr. Falk went on to state

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the Club has about 100 families: members of the community, a wide spectrum of retired and active working people, year-around members and summer residents. The Club is about 30 years old right now and they have activities throughout the year and are very committed to the community. They sponsor events, noting they were instrumental in making the Wanigan races happen in 2016. In addition, they are involved in supporting the Salvation Army and provide support and materials for junior sailing programs. They consider themselves to be good corporate citizens.

Mr. Falk informed Council they have been looking for a permanent facility, a place to call home, for years, having bounced around from one place to another and are currently meeting in the lower level of Pier 33. He began having discussions with the City Manager this past summer regarding looking for a place they could purchase, develop, rehab, etc. to make a home for their organization. They are asking the City Council to approve, after consideration, a long-term lease on City owned property they think is under-utilized in the recreation complex area. They are looking for a building site and will do all the improvements themselves. Mr. Falk showed the wooded area in Major City Park that is not really very developable because of the topography, where they would like to located, pointing out the walking path. They would like to preserve that natural setting to the best of their ability, don't intend to cut off any access to the River, and enhance the site. Mr. Falk went on to state depending on the final survey, they would like to seek a long-term lease for about 2 ½ to 3 ½ acres that would be their full Phase I and Phase II projects. They do intend to ask that Council allow them to do a two phase project. Phase I is a multi-purpose structure which will be the anchor for their full building, asking if Council has had the opportunity to look at the drawings provided to the City Manager. The structure in Phase I is about a 32' x 51' stick-built structure. Phase II is a fully functional structure and would be able to host between 130 and 150 people to be used for their meeting and events. As part of their corporate commitment to the City, they would like to offer that facility for the use of other organizations with the City; not only for weddings and reunions and things of that nature, but also other meetings such as the Audubon Society. Mr. Falk then explained the stick-built Phase I structure, noting it will have a gravel access road. As part of Phase II, 25% of the Phase I building will be used for bathrooms, utilities and service space. Phase II is about 2500 square feet and will have a high degree of finish with a kitchenette to be used for catering, with no intentions of providing full-meal service. There will be fully accessible men's and women's restroom facilities, an office, meeting and event space and storage space. In addition, there will be a large outdoor deck. Mr. Falk then showed Council the orientation of the building stating they intend to take advantage down the River. There will be a correctly sized parking area. They would like very much to provide a green building. He went on to state they intend to keep the trees area around the property in their natural state as they possibly can. They want to preserve and enhance the walking path so people can continue to use the space for recreation. The building will also be shielded from the condos across the River by allowing the trees to remain that are there now. The Club is also committed to using local contractors and suppliers and see it as an economic boost to the City and at this time they do not anticipate seeking a liquor license. They believe the intended building site actually dovetails nicely into the recreational complex and will enhance the complex and create a jewel for further development in that area. It is right by the walking path and easily accessible to downtown across the river bridge. Mr. Falk went on to state they intend to provide an architectural appealing building in both phases. They like to boost to the narrative that good things are happening in our community.

Mr. Falk then informed Council all the improvements would be done at the Club's expense; they have

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the funding in place now for Phase I. The City has tentatively agreed to provide the labor in helping them bring water and sewer to their building site, with the Club paying for all materials. The Club will be paying taxes on the improvements, not on the leased land. Again, this property is not generating taxes for the City and they intend to provide a facility that will provide tax revenue for the City and thinks the Club's Treasurer will be meeting with City Manager Eustice to formulate up a plan so they know what their tax burden will be on this. Mr. Falk stated there are other yacht clubs in Alpena and Charlevoix, showing photos and noting they are a hub for activities and community engagement. The Club thinks they can take this to a more impressive standard. Mr. Falk then showed Council the rendering of the finished facility reviewing the same. He then reiterated the Club has the funds available to begin and complete Phase I, if the Council considers it seriously and gives them approval. He also stated they have preliminary bids on both Phase I and Phase II of the project. The project does have the Cheboygan Yacht Club Board of Governors approval; however, they do have to seek approval of their membership at their annual meeting in May. Once approval is obtained by the Club's membership, they will then get a site survey, soil analysis, wetland analysis and a flood letter. They are prepared to break ground on this project this summer and are committed to completing the entire project. They do not want to start and stop with the multi-purpose building and once they get approval they will begin a capital campaign to fund Phase II. Mr. Falk noted the Club's dues structure does include monies to fund expansion and they believe this is a win-win opportunity both for their organization and the City with the Club getting a permanent home that they will be proud of, as well as the City. He then thanked the Council for consideration, stating he has drawings he could go over with Council if they would like. Mayor Bronson asked if the City Manager has a set of drawings. City Manager Eustice replied yes, a big set. Mr. Falk then proceeded to show Council a couple drawings, explaining the same. He then asked for questions. Councilman Temple inquired as to a long-term lease and what would happen to the buildings and the property if the Yacht Club folded. Mr. Falk stated he cannot answer that, but would think the building would revert to the City, noting they are looking for a 99-year lease. Councilwoman Kwiatkowski asked if they start Phase I this year, when do they anticipate beginning Phase II. Mr. Falk replied a lot depends on how they are able to generate funds through a capital campaign, noting Phase I will cost about \$70,000.00; Phase II is probably going to cost in the neighborhood of \$250,000.00. It will take them a while to accumulate those funds and he would love to see it happen within three to five years. The Club may also consider borrowing money, but it depends on their dues revenue and what their operating costs are going to be. Councilman King commented this area of the City is so under-utilized, asking what the official designation of the Yacht Club is. Mr. Falk responded 501(C)(3). Councilman King then asked if the management of the facility will be within their membership. Mr. Falk replied yes. Councilman King asked if the deck can only be entered from the building itself. Mr. Falk responded right now they are showing the only access to this deck is through the building, but feels other access may be needed for emergency purposes and also access to allow people to get off the deck. He then stated they will be concerned about security because they are not going to have someone on site all the time. Security is important to the Club. Councilman King stated he is concerned about liability since it would be on City property. Mr. Falk stated they will carry liability insurance. City Manager Eustice stated he will have a copy of the drawings and much more detail at the March 28 meeting for Council's review.

▪ **Presentation by Ms. Lisa Fought, Senior Rural Development Specialist of RCAP (Rural Communities Assistance Partnership) – Value Your Water System** – Ms. Fought introduced herself stating City Manager Eustice and DPW Director Karmol asked her to come and talk on the

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value of your utilities, noting when it comes to water and sewer people tend to forget about it and roads and bridges are the infrastructure people focus on. She did a PowerPoint presentation, informing Council that the RCAP has been around since the 1970's and is a national network; she is part of the Great Lakes Region and 1 of 7 States providing technical assistance to communities on water and wastewater issues and all of her services to the City up to this point have been at no cost. They are funded through EPA, USDA and Health & Human Services. Ms. Fought stated she was in Washington two weeks ago to speak to our Congressman about federal funding. The point of this presentation is to help the Council understand the value of what we have sitting in the ground and why we need to maintain it. A lot of people think water is free, but there are costs associated with distributing water into your home. She commented a case of water is \$4.00, which is about \$.86 a gallon. Based on surveys done recently by the American Water Works Association, a half a cent is basically what it costs for a gallon of water to come out of the faucet. There are always issues when billings show up, but when you compare water and sewer to other utilities they are significantly lower. The survey by the AWWA is estimating about \$22.11 for water, although some places are higher and others are lower, on an average for communities that were closer in size to Cheboygan. Ms. Fought went on to state these utilities cost because there is treatment, distribution, storage, manpower and maintenance that are all included to help keep the water system in good measure. She gave a brief history on why water is important, noting Cheboygan installed their water system in the late 1800's. She then noted the City has pipes in the ground that are made out of wood (over 100 years old). When it was discovered there were ways to distribute the water, it is also realized you have to regulate because it is public health. Ms. Fought then commented she does not know what DPW Director Karmol's title is but it should be Chief Public Health Official because there is work behind the scenes to make sure it is safe to drink. By 1974 the first Safe Drinking Water Act was created, followed by amendments in 1986 and 1996. Right now it is being gone through again. In this political climate of getting rid of the EPA, we will have to see what happens, but they are starting to revisit some things because of issues like Flint and has brought this type of infrastructure to the forefront. Flint is not an isolated incident as there are communities all over the country and throughout Michigan that have had the same issues. The standards are in place to protect the public health. Two of the things that happened in 1986 and 1996 were the requirements of Consumer Confidence Reports. Every year the City publishes its Consumer Confidence Reports, that lists any contaminants in the water testing and how our water system is, which is all public record. One of the other things that happened with these amendments was the creation of revolving loan funds in every state through the EPA. This has been a potential financing option for communities to do improvements to both water and sewer. Ms. Fought then stated this is important not only for public health but also fire protection. There are jobs in commerce and transportation that depend on water to operate, not just for water going vessels but manufacturers that require water in their manufacturing processes.

Ms. Fought then informed Council the value of our system is roughly \$10,000.00 per service connection. DPW Director Karmol put the numbers together for Ms. Fought, showing 1800 service connections for a base value of \$18 million dollars. When you start looking at all the other things such as power, wells, hydrants, mains, and chemicals used for disinfecting you are actually looking at a value of almost \$50 million dollars in our water system which is a huge investment and probably one of the biggest investments our community has. Ms. Fought stated the biggest threat to our water system is the system is old. According to DPW Director Karmol any time the City did any improvements to its system was when the amendments went through and money came in. She stated

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she has been doing this kind of work for 20 years and can tell the Council there was money, but there is not too much money any more. She then questioned what our system looks like, showing photos of some fixes to systems in other cities using sticks and duct tape. She also spoke on regular maintenance. This is a new challenge because there used to be money available before when we needed to do fixes; the Federal and State monies are drying up. We are transitioning from building and operating new infrastructure to managing the assets that we have. Asset Management is a buzz word right now when it comes to utilities. It helps her to develop long-term strategies for the maintenance to save long-term performance. We want to control our future, rather than it controlling us, being proactive rather than reactive, and having a plan that we estimate a certain life span, such as a pump, so we are prepared for it. If a pump's life span is 15 years, we need to be saving over those 15 years to replace it. It helps to set priorities, helps communicate our needs, and it's being responsible to our customers. You are providing a service that you need to be reimbursed for or else you can't provide the service anymore. Asset Management is the management of infrastructure assets, minimizing the total cost of limited resources while continuing to deliver the level of service. Ms. Fought then commented that the City is lucky to have DPW Director Karmol here as he is an incredibly sophisticated intelligent operator and there would be a lot of communities that would be lucky to have him. She commented Asset Management helps you schedule the timing of those expenses so that we are ready for it and helps spread out the costs and allows for the affordability. What is the planning? It is a full list of things – doing a condition assessment, inventory of assets, and a plan of timing as far as life cycles of all of those components. With a system such as the City's it is a lot of work. It also looks at your finances as to what you have in reserve and how much you are going to need and when. Ms. Fought then explained how we want our system to look: do we have our debt, infrastructure replacement and depreciation and operational expenses covering the needs that we know we are going to have; or, have we been staying stagnant in the race not sure what we are going to be looking at and all of a sudden we have new capital facility costs, which is a tough thing. She then stated minimal reserve levels is one part of Asset Management and also a requirement for funders such as the USDA who has a debt reserve requirement of 10%. You should also maintain 12% of your expenditures in a contingency reserve and should also have 2% of your revenues in a replacement reserve fund. When talking about the affordability test for USDA funding, in particular, they look at 1 ½% so if you have a median household income of \$28,000.00, they are going to consider \$35.00 a month as the affordable rate before they will start to throw grants into the equation. Cheboygan's median household income as of 2015 was \$24,389.00; so the USDA will look at a monthly rate of \$30.48 per month based on a residential equivalent unit. When you talk about an annual increase, is it better to have an annual 3% increase over 5 five years, ending up with \$53.09 per 10 customers; or are you going to do a 31% increase after 5 years. What is going to be more palatable? Ms. Fought then presented numbers from DPW Director Karmol: Cheboygan increased their rates for sewer to \$5.20 per 1000 gallons, which has not changed; in 2010 the water was increased to \$4.71 per 1000 gallons and remains the same. If the City had done a 3% increase over those years, the City would have an extra \$382,000.00 in the Sewer Fund (15 years) and an extra \$150,000.00 in the Water Fund (10 years). This is a lot of money to not have. In past conversations with the Utility Committee, she understands years ago there was a ready to serve charge that was implemented and then removed. If that ready to serve charge from 1987 at \$5.00 per month had been kept, the City would have 3.2 million dollars in their Water Fund account from the \$5.00 monthly cost. Ms. Fought stated this money would go a lot further than the 1 million dollar grant she wrote for to do four blocks on Huron Street, noting it is water, sewer and storm.

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Ms. Fought told Council some of things she wants the City to consider is that clean water is becoming more valuable and we need to be paid for the services received. At the end of the day you still have to make enough to operate. You cannot operate a utility at \$10.00 per month. “Plans are nothing, but planning is everything.” Part of this is being able to look from this point forward at how are we going to address the needs the City has in its sewer and water and how do you plan for it. Ms. Fought stated USDA funding is probably the one option for loans because the longer term is more affordable than Revolving Loan Funds through the State of Michigan. Grant money is very slim. She told Council that USDA now has an on-line application format, so they are anticipating the pooling money will be much lower than what has been available in the past. She then asked Council for questions. Mayor Bronson asked if the City rates are meeting the standards does that put the City in a better position for funding. Ms. Fought replied the City would have to raise rates for the USDA and at least get to the \$30.48 a month rate before they would even consider the City for grant money. Councilwoman Kwiatkowski asked where we stand right now. City Manager Eustice stated we are just under \$22.00 per month. Ms. Fought stated there would have to be an \$8.00 increase before grant money would be involved and she does not think the City needs to do an \$8.00 increase for the improvements the City is talking about now. There are some critical improvements such as 100 year old mains. There is always the potential of lead with some of the old service lines the City has. Councilman King commented it is eye-opening to him what we are willing to pay for wireless service or cable that aren’t really vital to our survival, and how much lower it is for something like water and sewer that we need. He is very proud of our City that we have managed with what we have and are very luckily to have DPW Director Karmol. Ms. Fought commented the infrastructure under the ground is always the hardest to sell because you don’t see it. City Manager Eustice commented this is all evidence that we need to raise water and sewer rates.

Bills and Disbursements:

▪ Prepaid Bills and Disbursements for the Month of February 2017.

Councilman King inquired on the monthly payment to Consumers Energy for street lights and traffic signals. Clerk/Treasurer Kwiatkowski stated before the new meters, the City’s average per month was about \$7,500.00 to \$7,600.00 per month, and now it averages about \$6,900.00. Councilwoman Kwiatkowski inquired on the treadmill purchase for Parks & Recreation. Clerk/Treasurer Kwiatkowski replied this equipment goes in the room where they have weights, etc.

Councilman King moved to approve the prepaid bills and disbursements for the month of February 2017 in the amount of \$389,269.28; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ Unpaid Bills and Disbursements for the Month of February 2017.

Councilwoman Kwiatkowski moved to approve the unpaid bills and disbursements for the month of February 2017 in the amount of \$21,680.69; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Resolutions:

▪ Resolution Authorizing the Issuance and Delegating the Sale of City of Cheboygan 2017

Michigan Transportation Fund Bonds – Clerk/Treasurer Kwiatkowski explained this is a Bond

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Authorizing Resolution; originally the estimate was \$350,000.00, but he put it at an amount of \$400,000.00, not to exceed. This being because he wanted to lock in a good rate and negotiated with Citizens National Bank and the rate is 3% for a 10-year issue and 3.5% for a 15-year issue, which will be decided once the bids are in, which is March 28. We will then have a clearer idea on what the cost of the project is going to be. Mayor Bronson asked what project this is for. Clerk/Treasurer Kwiatkowski replied the W. State Street project. City Manager Eustice interjected the project is from the trail to Main Street, noting the intersection of State and Huron will be backed up a little bit because of the Huron Street water, sewer and storm sewer project. That intersection will not be completed until after the Huron Street project is done. He then informed Council there is a pre-construction meeting tomorrow morning on the State Street project and we should know more about the timeline in getting the project done, but it should be done before the 4th of July. Councilman King commented on this project being a little more involved. City Manager Eustice explained the sub-street under the road is deteriorating and consist of caverns and holes, and railroad tracks will have to be taken out in a couple of sections. He noted we are going to try and do something temporary until the project, adding the intersection of Dresser and State is very bad.

Councilman King moved to adopt the Resolution Authorizing the Issuance and Delegating the Sale of City of Cheboygan 2017 Michigan Transportation Fund Bonds; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Reappointment of William K. Horntvedt to the Planning Commission, Term to Expire May 10, 2018** – Mayor Bronson stated this is a recommendation from him.

Councilman Temple moved to appoint William K. Horntvedt to the Planning Commission, term to expire May 10, 2018; supported by Councilman King. Motion carried.

▪ **Consideration of School District Annual Tax Collection Request-** Clerk/Treasurer Kwiatkowski stated this is an annual request from the School Board that the City collect their summer tax levy. It is no burden on City staff, noting there are disbursements every two weeks to the units. He noted in 2016 the 1% on the School Operating and Debt Tax resulted in \$17,000.00 in revenue to the City.

Councilman King moved to approve the request from the Board of Education of Cheboygan Area Schools, Cheboygan and Presque Isle Counties, that the City of Cheboygan collect the District's summer school property taxes, including debt service beginning with a summer property tax levy in 2017; also, City to levy a 1% administration fee on all summer taxes collected except City operating, debt and special assessments, and authorize the City Treasurer to sign the Summer Tax Collection Agreement on behalf of the City. This shall continue from year to year until specifically revoked by City Council or the Cheboygan Area Public Schools Board of Education; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Purchase of Mini-Loader** – DPW Director Karmol stated he presented information and discussion was held at the last Council meeting regarding the options for snow blowing. He went on to state he has proposed a piece of equipment that can be used in the winter and summer and hopes that the cost is justified by using it the other six months of the year. He already talked with Clerk/Treasurer Kwiatkowski about a \$1,500.00 payment from the Water Fund to be paid

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during the summer months and from the General Fund \$1,500.00 to cover the snow blower costs. Councilman Temple asked about the equipment having a blower, also. DPW Director Karmol replied yes, they are going to start with a snow blower for the winter and a bucket and fork for the summer months. There are other attachments we could rent, but right now we are going to start with those as purchased items. If other attachments or tools are needed, we would probably rent those as needed. Mayor Bronson asked if the snow blower is wide enough to do sidewalk in one swipe. DPW Director Karmol answered yes, it is the only piece of equipment that is 48 inches wide that will do this. We will have the same clearance issue we had with the John Deere tractor as far as the awnings downtown. For future reference, if the awnings were 8 feet it would clear any piece of equipment, as a John Deere or mini-loader have a height requirement of 7 ½ feet. We have awnings that are less than 8 feet and that is part of the problem in getting all the downtown clear. Councilman Temple asked what we are going to do if these sidewalks with low awnings cannot be cleared with the loader. DPW Director Karmol stated they would have to drive off the sidewalk, noting there are three places downtown where they have to pull off the sidewalk. The difference is this loader will be able to chew through the bankings of the driveway crusted snow. DPW Director Karmol stated he has not even spoken to Council on the use of the equipment as a summer piece of equipment as to not leave ruts on private property because he has a 48 inch piece of equipment that does less damage on private property. Councilman Temple asked if the tractor the City had before was 48 inches also. DPW Director Karmol replied yes. City Manager Eustice stated those areas that we cannot get the equipment in will be the responsibility of the property owners. DPW Director Karmol stated the property owners can also raise their awnings. Councilman Temple asked if the Ordinance says we are responsible for the sidewalks all the way to Pizza Hut. City Manager Eustice replied yes, as long as we are able to clear it. The City is responsible. DPW Director Karmol stated last time he forgot to thank Bishop, Cheboygan High School and Parks & Recreation Department. It pains him to drive by and see those other people putting out extra effort to help us when we didn't have a snow blower.

Councilman King questioned the quote. DPW Director Karmol stated we were unsure if the Municipal Lease would be able to apply to the attachments that we purchased and they gave us a less than 1% finance rate on the piece of equipment, so we were unsure if the snow blower, the bucket and the forks would qualify for the .99% finance. After some phone calls we discovered it was, because we are a municipality and all of the attachments we purchased with it can be financed for the .99% for 24 months. Actually even though we could have the \$70,000.00 as of the first of the budget year budget, because we were budgeting for it, he still thinks a Municipal Lease and spreading the payments out over 24 months make good sound sense at 1% financing. Councilman King asked if the amount needed is \$69,631.00. DPW Director Karmol replied he would like to have the motion to have a not to exceed \$3,000.00 per month for a period of 24 months; we do not need a full sum. He then stated we don't pay any payment until the piece of equipment is delivered; right now because they are all sold out there could be a six to eight week lead time to get the equipment, so there wouldn't be anything out of the budget until we take delivery. Then it would be 24 months after we take delivery that we would need to purchase it for \$1.00 and then it would come on our books as an asset.

Councilman King moved to approve the purchase of a mini-loader through the Municipal Finance Company in an amount not to exceed \$3,000.00 per month for a 24-month period, with a buyout at the end of the payment period for \$1.00; and to authorize City Manager Eustice to execute all necessary documents for said purchase; supported by Councilwoman Kwiatkowski. A roll call vote was taken.

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Yes votes: Bronson, King and Kwiatkowski; No votes: Temple. Motion carried.

- **Resolution to Approve an Application for a Redevelopment Liquor License in the DDA District at 223 N. Main Street** – City Manager Eustice stated they are asking for local government approval to recommend that an application be considered for a Redevelopment Ready Liquor License for Marcella Costin at 223 N. Main Street. This is basically giving her approval to apply for the license. City Manager Eustice then explained Redevelopment Liquor Licenses are tailored to the property and not transferrable, noting they are a little less costly. There are also other criteria such as investing \$75,000.00 in the facility. The DDA made a motion to recommend it to the Council at their meeting last night.

Councilman King moved to approve an application for a Redevelopment Liquor License in the DDA District at 223 N. Main Street; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Public Comments:

- **425 Agreement with Inverness Township** – Mr. Raymond Lofgren stated probably one of the more important things we have in front of the community is the 425 Agreement with Inverness Township for the Meijer's store. He would urge that Council have as many meetings as possible with the Inverness Township Board so we can get progress and get the 425 Agreement moving. He then asked if there has been any movement in the last month. Mayor Bronson stated the City Manager will report on that under his Report. Mr. Lofgren stated he thinks it is very urgent and he knows there are a couple members here of the DDA that would like to know when those meetings do occur, too.

City Clerk's and Treasurer's Comments:

- **2017 Delinquent Water/Sewer tax Liens as of March 8, 2017** – Clerk/Treasurer Kwiatkowski stated Council has a listing of delinquent water/sewer bills to go on the tax roll for 2017. This is preliminary. What they will do next is send out letters to all of the delinquent accounts so that amount will probably go down by about \$20,000.00 or so. In April the Council will be asked to approve putting the balance on the tax roll. Mayor Bronson asked if this is a pretty normal amount for the year. Clerk/Treasurer Kwiatkowski replied yes, unfortunately.
- **Tax Settlement** – Clerk/treasurer Kwiatkowski reported he is working with the County Treasurer on tax settlement for the 2016 tax season and hopes to have that completed by Friday.

City Manager's Report:

- **Meijer's** – City Manager Eustice reported he has provided the City Council with an e-mail from Mr. Chris Jones he received yesterday. It is not very detailed, but does reference a 425 Agreement and he has a little bit of confusion and wants clarification. City Manager Eustice stated he would like to have a meeting of the City Committee on Thursday morning at 10:00 a.m., including DPW Director Karmol, to try and establish a conference call simultaneously with the City, Township and Mr. Jones. He is hoping to accomplish this as early as Thursday afternoon or Friday. Ms. Jean Beethem and Mr. Ron Neuman have basically been assigned to negotiate the 425 Agreement with the City and thinks he will get them involved this week, as well. This will be discussed at the Committee meeting on Thursday. Councilwoman Kwiatkowski stated the e-mail states the Cheboygan store is not planned to

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open until 2021, asking if that always has been the case and is there a possibility to step that up. City Manager Eustice replied it has not always been the case and that is why we need a conference call with Mr. Chris Jones. In the last conversation the City had with Mr. Jones the opening date was 2020, and he also references they are trying to schedule 2019 properties, as well. Mayor Bronson stated to address Mr. Lofgren’s question, the City has had meetings and the Township has set their Committee. The element is that we have not had the four of us talking with Meijer, and the City Manager has been working on this trying to get an understanding of what they are looking for in this deal, too. Mr. Chris Jones has responded and there have been other conversations, but we need all three parties involved to communicate. Councilwoman Kwiatkowski asked if there is any way we can get a 2019 store. City Manager Eustice stated that is possible as far as a build date. Councilman King asked, in general, is Inverness willing to attend these meetings. City Manager Eustice replied he believes so and has spoken with Mr. Neuman today and he and Ms. Beethem are willing to meet the same day that we meet to either have a conference call or meeting with the City Committee. He then stated Meijer’s is certainly open to a 425 Agreement and they have a little confusion as to whether or not it’s only going to be two properties they own or all the properties. This is what we need to help clarify between the Township, Meijer’s and the City.

Messages and Communications from Mayor Pro Tem and Council Members:

- **Budget Workshop** – Councilman King reminded Council of the next Budget Workshop on March 28, 2017 at 5:15 p.m.
- **Utilities Committee** – Councilwoman Kwiatkowski asked DPW Director Karmol if he is having a Utilities Committee meeting in April. DPW Director Karmol replied yes.

Adjournment:

Councilman Temple moved to adjourn the meeting at 8:21 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