

REGULAR CITY COUNCIL MEETING
August 22, 2017

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

Councilman Lavender led the Pledge of Allegiance to the Flag.

Public Comments:

Councilman King introduced the new Executive Director of the Opera House, Kathy King Johnson. He commented he was the Council Liaison on the Interview Committee, noting there were many, many resumes and they interviewed some very quality candidates, but Ms. Johnson stuck out above the rest. We are very excited for her and appreciate what she is willing to do now that she is back in the community. Ms. Johnson stated she is really excited about the position, noting she moved back about 8 months ago to help her parents and saw the job was advertised, got really excited about it and applied. She noted she really has not been back to Cheboygan in 40 years except to visit, so it's really been exciting to see the changes around town and had the opportunity to do a lot of subbing this winter and got to know the kids of the town. She then stated she is thrilled to see how the kids have changed since she went to school here, noting the kids now are more open-minded and more educated and thinks the community and parents have done a great job raising them. Her goal for the Opera House is to leave it in great shape for the next series of generations to come along. Ms. Johnson stated she has been in Boulder for the last 20 years and running a non-profit as the Executive Director of Medicine Horse Program for the last 10 years. She has a lot of non-profit experience and likes meetings, grant writing and fundraising. City Manager Eustice stated Ms. Johnson has been on the job for two days and the City is already partnering with the Opera House to write a grant.

Approval of Agenda, and Receive and File all Communications:

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

Approval of Prior Meeting Minutes – August 8, 2017:

Councilman King moved to approve the Regular City Council Meeting minutes of August 8, 2017 as presented; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

General Business:

▪ **Consideration of Confirmation of Appointment of New Fire Chief** - City Manager Eustice stated as Council knows 60-year veteran Tom Bancroft has retired from the Fire Department, with 11 of those years as Fire Chief. In the process to appoint a new Fire Chief, there is a recommendation from the fire fighters and Kurt Jones, Director, Department of Public Safety, also made a recommendation. The recommendations come to the City Manager and it is his decision to appoint a new Fire Chief, with confirmation from City Council. At this time we are recommending the appointment of Mr. Don Dailey, who was the Assistant Fire Chief and a 22-year veteran of the Cheboygan Fire Department. Mr. Dailey has a lot of experience and we think he will be an outstanding Fire Chief for the City. City Manager Eustice asked Mr. Dailey to stand. If Council so chooses, a motion is needed to appoint.

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Mayor Pro Tem Couture moved to confirm the appointment of Don Dailey as Fire Chief of the City of Cheboygan; supported by Councilman Lavender. A roll call vote was taken; motion carried unanimously.

Councilwoman Riddle asked how many people are on the Fire Department. Chief Jones replied there are 18 firefighters. Councilman King asked about a proclamation for Mr. Bancroft. City Manager Eustice replied Chief Jones is working on a resolution locally and also with the Governor's office.

▪ **Consideration of Ottawa Park New Lighting Project Financial Request** - City Manager Eustice informed Council he was approached by Board Member Pat Gildner of the Friends of Ottawa Art Park. They have a project in process that they bid out to put new LED lighting in the Art Park. They are going to light in and around the art that is in there, as well as the little pavilion. It is a \$3,945.00 project and they don't have all the funding for that. They are about \$1,000.00 short to fund it themselves, but would like to do it this year. Ms. Gildner asked him if the City would be interested in helping. This is not something we budgeted for and he did not want to approve it without taking it to Council. The Park is City owned property and the Friends of Ottawa Park are a 501(C)3 Corporation, so they do get charitable donations and basically manage the Park. Councilman King commented it is going to be a softer or accent lighting. Mayor Bronson stated he did some research and found that the City at one time granted to Ottawa Park a park in perpetuity. He then asked if we have any other agreement with the Friends of Ottawa about our obligations to that piece of property or participating with them in any manner. City Manager Eustice replied not that he is aware of but it is something he could research. Mayor Bronson said he was wondering if there was an ongoing agreement, like the City has with the Arts Council that we work together. Councilman King inquired about the maintenance in the Park. City Manager Eustice stated the City's Parks & Recreation Department does the mowing and some maintenance. Mayor Bronson stated his concern is we have already passed the budget for the year and now we are already making an exception, although it is not very much. He would really like to see things like this coming in when we are doing planning for the budget or before the budget year. Councilwoman Riddle said a concern she has is within the same year we had before us to put lighting in the parking lot over by the College and we were not able to do that. She thinks we have to be very careful about opening a can of worms, so to speak. She went on to state she goes along with Mayor Bronson in that getting the requests in the appropriate time period so we don't have these surprises throughout the year. We could also have a contingency fund for things that come up, but we do not have that right now. Councilwoman Riddle added these surprises are getting harder to deal with. Mayor Pro Tem Couture stated this is along the same conversation that the Recreation Commission is having; i.e. with the Opera House and Festival Square and what actually falls into the Recreation Commission control. He thinks Ottawa Park is an asset to our community and he is okay either way. It is a smaller amount, but it might be setting precedence. Mayor Pro Tem Couture then asked if Ottawa Park is in the DDA. City Manager Eustice answered yes. Mayor Pro Tem Couture stated there may be a shared cost there potentially. Councilman King commented we turned down an opportunity to light an area of the City, so he is a little torn on this. He suggested taking it to the DDA for possible help and then, if needed, bring it back to Council. City Manager Eustice said the DDA is not aware of this request and that sounds reasonable. Councilman Temple stated since it is in the DDA District, the DDA needs to look at this. It was suggested to table this request. Mayor Pro Tem Couture asked if there is a deadline on the light proposal. City Manager Eustice said he did not think so, but they would like to have the lighting done before the Fall Festival, October 6, 7 and 8. He stated there is a DDA meeting the first Tuesday in September.

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Councilman King moved to table the request for a contribution to the Friends of Ottawa Park towards their new lighting project until the DDA addresses this; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

▪ **Consideration to Take Requests for Proposals for an Administrative Consultant (Grant Advisor) for a Community Development Block Grant (CDBG) for the Façade Program** - City Manager Eustice informed Council this is a maintenance item, noting Simply Marcella's and Creation Station are going through the Façade Program to get funding to rehab their buildings, both inside and outside. As part of that federal funding through a Community Development Block Grant, we have to send out Requests for Proposals for a certified Grant Administrator to administer the Grant. The Grant Administrator is paid for by the Grant funding, so the City does not participate in paying for the Administrator. Councilwoman Kwiatkowski asked if these are the only two businesses that are in the Program. City Manager Eustice answered yes, for now. Mayor Bronson commented the Creation Station has been waiting for a while. City Manager Eustice stated very much so and they are going to renovate the Water Street and Main Street sides of their buildings. We are trying to get it through because Creation Station needs a new boiler and wants to get it in before winter. He thinks we can get it done so the Creation Station can at least get the boiler in before winter. It is a long drawn out process with a lot of regulations. Mayor Bronson commented it is for inside, as well. City Manager Eustice replied yes; it's their match. Councilwoman Riddle asked if we have been there before with the grant consultant. City Manager Eustice replied we have, but it has expired. We have to assign a grant administrator for these two businesses. Councilwoman Riddle stated she is hoping that this time it will move forward.

Mayor Pro Tem Couture moved to approve the taking of Requests for Proposals for an Administrative Consultant for a Community Development Block Grant (CDBG) for the Façade Program; supposed by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Charter Communications Franchise Agreement** – City Manager Eustice stated this is a cable Franchise Agreement through Charter, which is relatively common for utilities who ask for franchise agreements. We had City Attorney Stephen Lindsay look at this. The City of Cheboygan, as do all municipalities, has the ability to levy up to a 5% fee against those cable bills, which would generate between \$14,000.00 and \$16,000.00 for the City. The City Attorney, City Clerk and himself looked at it at length and there are some ramifications with that, i.e. most of the public does not like to see a fee charge on their cable bill that goes to the City. In talking to other municipalities that do it, there is a lot of negative feedback. Their recommendation is to take no action, which will be an automatic renewal and Charter will still be able to operate in the City. Mayor Bronson asked does this have to be for 10 years or does the City have a choice. Clerk/Treasurer Kwiatkowski stated it is for 10 years and the last time it was considered was 2007. Mayor Bronson then asked if there is a fee, is that just within the City limits. City Manager Eustice replied yes. Councilwoman Kwiatkowski asked how much the fee would be. City Manager Eustice answered it would be up to 5% of the bill. Mayor Bronson stated the \$14,000.00 to \$16,000.00 might be on the high end because of people are opting out more and more of cable.

Mayor Pro Tem Couture moved to take no action, allowing the Charter Communications Franchise Agreement to be considered complete and approved; supported by Councilwoman Riddle. A roll call vote was taken; motion carried unanimously.

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▪ **Discussion - Kiwanis Park Water/Sewer Line Extension** – City Manager Eustice stated, as Council knows, the Kiwanis Club is putting a significant amount of money into Kiwanis Park on Mackinaw Avenue. About a week ago, Ms. Mindy Jewell, who is basically managing the project, asked the City, through him and DPW Director Karmol, if we could extend the water and sewer lines to a site in the Park where they may put bathrooms eventually. Right now the plan is to not put bathrooms in the Park. The extension of the water and sewer lines would have to be run before the parking lot went down. Their thought process is to run the lines to the area where they eventually might have bathrooms, but it is a significant cost to do that for no reason at this point. DPW Director Karmol and he determined we could spend those monies someplace else; we could always run water and sewer there in the future if there are plans to put in those restrooms. City Manager Eustice went on to state that he knows Kiwanis has talked with some of the Council and he is not real sure what they want to do at this point but he and DPW Director Karmol are recommending not to do this at this point and they are telling them the City is not going to pay for anything at this point. He noted the City is going to pay \$2,500.00 towards taking out the 18 trees, which was approved by Council. Mayor Bronson inquired as to what the estimate for the new water and sewer lines is. City Manager Eustice stated maybe \$5,000.00 to \$7,000.00. DPW Director Karmol commented around \$5,000.00. Mayor Bronson stated he knows there is a lot of repair work to do on the Creek around there, which will certainly be more than \$5,000.00, adding he feels the Creek should be a higher priority. Councilman Lavender stated he understands their concern was they want to pave the parking lot now and do not want it torn up in the future. Councilwoman Riddle asked if they could bore underneath the pavement. City Manager Eustice stated yes, but it would be more costly, and the sewer would be more difficult. DPW Director Karmol stated they could also dig around the parking lot. Councilman Lavender then stated if they went ahead with the paving, at some point in the future if and when they decide to put bathrooms in, it can be worked around. City Manager Eustice stated they can get it there without disturbing the parking lot. The DPW Director and City Manager recommendation was not to extend the water and sewer lines at this time.

City Clerk's and Treasurer's Comments:

- **Wastewater Treatment Plant/Fire Claim** - Clerk/Treasurer Kwiatkowski stated he and DPW Director Karmol have been working with the City's insurance company and should be wrapping up the claim on the Treatment Plant, which will top out at just over 1.2 million dollars. So far we have collected about \$950,000.00 in insurance proceeds, so when we do the settlement we will have another check coming for about \$250,000.00 and then everything will be closed out. DPW Director Karmol has told him he is comfortable closing it out. This should happen in the next week or two.
- **Port Fund** – Clerk/Treasurer Kwiatkowski reported he has closed the Port Fund. Any proceeds that were in the Fund have been transferred to the City's General Fund and that amount was \$205,000.00.
- **AFSCME Contract Negotiations** - Clerk/Treasurer Kwiatkowski stated he, the City Manager and the Labor Attorney have been bargaining with the AFSCME Union and it looks like we may have a tentative agreement. He just received some numbers today from the Labor Attorney, which he is looking over. This Contract will be coming to the Union and Council for approval at some point, probably within two to three weeks. City Manager Eustice noted the AFSCME Contract is a proposed 4-year agreement.
- **POLC Contract Negotiations** – Clerk/Treasurer Kwiatkowski informed Council that they will begin bargaining with the POLC Union (police) and do not expect that to take very long. The POLC Contract will likely be a proposed 3-year agreement, so the Union Contracts do not expire at the same time as it is difficult to negotiate both Contracts at the same time.

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City Manager's Report:

▪ **Meijer's** – City Manager Eustice stated Mayor Pro Tem Couture, Councilman Temple and DPW Director Karmol have met with the Inverness Board Members at two separate meetings, so there was no quorum, to try and get an end result to the water issue and how we are going to supply water to Meijer's. The Township's proposal is they want a water only contract; the City's committee has told them we want a water/sewer utility service agreement or a 425 Agreement. The Franchise Agreement is still a possibility, but the USA or 425 are the best options. City Manager Eustice informed Council he talked with Township Supervisor Ron Neuman about two hours ago and he is tentatively going to set a Special Township meeting for next Tuesday at 7:00 p.m. DPW Director Karmol and the City Manager have offered to make a presentation at that meeting to lay out the two options and we are going to ask the Township to choose one. The two options are the ones to make this project happen and the Township needs to make a choice. City Manager Eustice said Mayor Pro Tem Couture has stated we have to have an exact timeframe, a date certain. Mayor Pro Tem Couture commented no matter which option is chosen, there are small things that need to be worked out in those agreements, so there needs to be some time for this. They have to get a proposal between the two entities to give to Meijer's, so Meijer's can make a decision whether that would work for them, as well. He said we have to have some sort of timeframe on it, the facts are there and the decision can be made essentially. It boils down to what DPW Director Karmol has asked numerous times – does Inverness Township want to be in the utility business or not. Mayor Pro Tem Couture stated it is his personal opinion after reading everything and talking on the facts that it is best for both entities to have a 425 Agreement in place as it is financially better for the City of Cheboygan and it seems to be financially better for Inverness Township. There is some hesitance on the Township's part for their constituents and users of the sewer whether that is better in the long run or not. DPW Director Karmol has laid this out and the 425 Agreement seems to be the best decision, but it does not mean a USA or water/sewer combination can't work. City Manager Eustice stated the City's position or goal is to get a decision next Tuesday night. Mayor Pro Tem Couture asked when the City's next Council meeting is. City Manager Eustice replied September 12. Mayor Pro Tem Couture asked if the Township chooses an option at that meeting then he thinks we can expedite our timeline, as well. City Manager Eustice commented if the Township chooses the USA (combination water/sewer) that is pretty much done and we don't have to hold a public hearing. In the case of a 425 Agreement, the City and Township both have to hold a public hearing with a 15-day notice once we agree to the content of a 425. It might be a little slower, but agrees with Mayor Pro Tem Couture it is the best option for everybody. Councilwoman Riddle asked if things move in a positive fashion at the Township meeting is the City going to schedule a second meeting. Mayor Bronson replied we may, depending on how it goes. He noted there has been a lot of work taking place.

▪ **County Grant/Demolition of Gold Front Building** – City Manager Eustice reported the County received a grant for the demolition of the Gold Front building. Mayor Bronson, County Treasurer Weldon, County Administrator Lawson and himself will meet next Wednesday, August 30, at 9:00 a.m. to discuss the plan for that project. We are going to look at whether or not that is enough money to demolish the building. The former Woolworth building cost the City about \$190,000.00. There was some asbestos in the building that added to the cost. We have to determine how we are going to approach the demolition and what the end plan is for that. He knows it was published and in the application that we envision it to be additional parking and green space. We had to have a design plan for an end use. It doesn't mean you can't still auction it, which will be discussed at this meeting. City Manager Eustice noted the entire wall of Linde Furniture stretches the entire length of the Gold Front building, as well. That is a concern to the business owner, as to what it will leave him, so there are some issues to be worked out. Mayor Pro Tem Couture commented on what we have been dealing

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with the “bunny wall”. We can’t get into that twice. Mayor Bronson commented part of the issue is once the building is down and the site is stabilized, there is the possibility that someone might want to purchase it. It does not have to be a parking lot. This will be part of our discussion next week. Councilwoman Riddle asked if there is asbestos in the building because that affects the cost and whoever gets the bid to take the building could get surprised by there being asbestos. City Manager Eustice stated there will have to be an environmental study done. Councilman Temple commented if the Woolworth building had asbestos, the Gold Front would have it as it’s been there a lot longer. Councilwoman Kwiatkowski asked if the lot goes back to the City once the building is down. City Manager Eustice stated it would belong to the County, noting they would like to transfer it to the City but these are things we need to talk about. They would like to transfer it to the City for a public purpose possibly, but we need to discuss that, and certainly the County is going to want to recover some of their costs if they have additional costs into it. So, does the City buy it from them? These are things we need to work out. Councilwoman Kwiatkowski asked how much the grant was. City Manager Eustice replied \$200,000.00. Councilman Temple said if the grant is \$200,000.00 and it cost more than that to take it down, the County would be liable to put in the rest of the money to tear it down. City Manager Eustice stated yes and they could have additional money through their delinquent tax sales to do that; but most agencies that are foreclosing agencies want to recover their costs they put into it. So if it cost more than \$200,000.00 and they auction it or sold it to the City, they may ask the buyer or City to pay the difference. There is a third entity involved, which is the DDA, who may have the ability to fund a project through Tax Increment Financing, so they should also have some say in it. Mayor Bronson commented we need to get some hard numbers on what demolition is going to cost. Councilwoman Riddle asked what the size of the Golf Front lot is. City Manager Eustice stated it is 198 feet deep (Main Street to Huron Street) and 99 feet wide. Councilwoman Riddle comment that would be a fairly decent size lot for someone that would want to come in and build a structure there. City Manager Eustice said it could be a pretty good sized structure with ample on-site parking, as well.

- **Meeting with the Farmers’ Market** – City Manager Eustice informed Council there is a meeting scheduled with the Farmers’ Market to try and do some communication development, noting Councilwoman Riddle will be in attendance. The meeting is Wednesday, August 30 at 3:00 p.m. Mayor Pro Tem Couture asked if there is an entity yet. City Manager Eustice replied no, noting they have a board and by-laws.

Messages and Communications from Mayor and City Council Members:

- **Recycling Program** – Mayor Pro Tem Couture stated it was previously mentioned there would be some information on recycling at this meeting. Mayor Bronson stated he received several e-mails with recycling information. City Manager Eustice stated he has not sat down with the Mayor and discussed this. He stated he did not recall he was to bring it to the meeting. City Manager Eustice stated he will discuss this with the Mayor.

- **Michigan Main Street Program Staff Time** – Mayor Pro Tem Couture asked in the near future for a breakdown of staff time and expenditure on the Michigan Main Street Program, as we are working towards the next level. City Manager Eustice stated Ms. Guenther is aware of that and already has her breakdown of hours. He will have to do an estimate on his hours.

- **Pedestrian Footbridge Elevators** – Councilwoman Riddle inquired as to the status of the elevators at the pedestrian footbridge. DPW Director Karmol stated the elevators have been restored, but we still have a little water in one of the elevator shafts. The issue was hooking up the telephone lines and redoing the telephone lines with EMS. Those are done and Fire Chief Daily helped with that. We are left with evacuating the water out of the elevator and getting another inspection before we open them.

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Councilwoman Riddle asked if there is a time and will they be open for the State Street Bridge Walk. DPW Director Karmol said he would like them open next week, but he still has an elevator inspection that might tell him different.

▪ **State Street Bridge Walk Notice on Chamber Sign** – Councilwoman Riddle commented on the recent Letter to the Editor regarding the State Street Bridge Walk and that for a number of years there's been notification to that effect on the sign at Washington Park. She went on to state the notification on the sign is not going to happen this year and she is wondering why as it is a City event and a lot of people attend this volunteer-based event. She further stated she thinks it really needs to be advertised on the DDA/City sign there and there should be no reason it does not get put on there, as well as any other events that are happening anywhere in the City. City Manager Eustice agreed.

▪ **Loss of Power at Marina** – Councilman King asked Chief Jones about an incident down by the Marina with losing power. He asked if there was a line hit in the water or across the street. DPS Director answered it was a line that crosses Huron Street by the driveway coming out of the boat launch. Someone was out sailing and came in and trailered their boat and pulled out onto Huron Street and never thought of putting the mast down and hit the power line. Fortunately no one was hurt and a transformer blew.

▪ **Comments on Downtown Businesses & Farmers' Market** - Councilman King commented he performs quite a bit throughout the area during the summer, also going to Mackinac Island and Mackinaw City, and talks to a lot of folks. They are raving about some of the new places in Cheboygan that have opened up, in addition to the Farmers' Market. This is good to hear and makes him very optimistic, and appreciates what the downtown businesses and the Farmers' Market are doing.

▪ **Taking Care of Properties** – Councilwoman Kwiatkowski commented on the people who are taking care of their properties. She does not know if it is because of the Blight Ordinance being enforced, but people are changing and yards are looking nice. It is a good thing, but we have a lot to do.

Adjournment:

Councilman King moved to adjourn the meeting at 7:52 p.m.; supported by Councilwoman Kwiatkowski. 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