

**REGULAR CITY COUNCIL MEETING**  
**January 9, 2007**

The Regular City Council Meeting was called to order by Mayor Muschell in the Council Chambers in the City Hall at 7:00 p.m. The proceedings were as follows:

Present: Council Members Lepp, Riddle, McCauslin, Charboneau, Muschell, Boardman and Tebo

Councilwoman Lepp led the Pledge of Allegiance to the Flag.

**Approval of Agenda and Receive and File all Communications**

Councilman McCauslin moved to approve the agenda as presented and receive and file all communications. Seconded by Councilman Charboneau. Motion carried unanimously.

**Correction and Approval of Prior Meeting Minutes**

• **Regular City Council Meeting – December 26, 2006**

Councilman Boardman moved to approve the minutes of the December 26, 2006 Regular City Council Meeting as presented. Seconded by Councilman Tebo. Motion carried unanimously.

**Public Comments**

Public comment portion of the meeting opened by Mayor Muschell.

There were no public comments.

Public comment portion of the meeting closed by Mayor Muschell.

**Public Hearings**

- **Consideration of an Ordinance to Amend Sections 51.62 (D) and 51.63 of Chapter 51, Sewers, which Repeals said Sections and Reenacts said Sections to Provide for Sewer System Rates and Surcharges for BOD and Suspended Solids to be established by Council from Time to Time Instead of at Rates Set Forth in said Sections**

Public Hearing portion of the meeting opened by Mayor Muschell.

City Manager McNeil explained this Ordinance allows the Mayor and City Council to establish sewer system rates as well as surcharges for any discharges to the system that exceed BOD or suspended solids requirements as set forth in other sections of the Ordinance. Currently the Ordinance has fixed rates for those types of charges and any updates to those charges would require a complete Ordinance revision. City Manager McNeil noted that by enacting this amendment, any changes to rates and surcharges would merely take a resolution of Council and would simplify this procedure. Mayor Muschell questioned how excess BOD is measured and charged. City Manager McNeil replied that would all be set forth primarily in a discharge permit and established most likely ahead of time. These things usually come into play with some industrial discharge. Councilwoman Riddle asked if this also comes into play with septic systems outside the City. City Manager McNeil replied that it can, depending on the strength of material being brought in and often times if the septic system is not working properly there could be some limits in excess of what the City has established. There would likely be

recommendations coming to Council relative to surcharges for BOD and suspended solids because the City is quite a bit below the standard rate.

There being no further comments from Council or the public, the Public Hearing portion of the meeting was closed by Mayor Muschell.

Councilman McCauslin moved to adopt an Ordinance to amend Sections 51.62 (D) and 51.63 of Chapter 51, Sewers, which repeals said Sections and reenacts said Sections to provide for sewer system rates and surcharges for BOD and suspended solids to be established by Council from time to time instead of at rates set forth in said Sections. Seconded by Councilwoman Lepp. Motion carried unanimously.

### **Communications and Petitions**

- **Request from Military Order of the Purple Heart, Chapter & Auxiliary No. 1986 of Cheboygan to Sell Purple Heart Violas on August 17 and 18, 2007**

Councilman Charboneau moved to approve the request from the Military Order of the Purple Heart, Chapter & Auxiliary No. 1986 of Cheboygan to sell Purple Heart Violas on August 17 and 18, 2007. Seconded by Councilman McCauslin. Motion carried unanimously.

### **Bills and Disbursements**

- **Bills and Disbursements for the Month of December 2006**

Councilman McCauslin noted that items 6, 7, 8, 11 and 12 all seem to be duplicates and questioned if these charges are tracked periodically or over a longer period of time. Clerk/Treasurer Kwiatkowski replied that the charges are for a one month period, and explained that the descriptions are summarized and cover numerous items from each vendor for each of the various departments.

Councilman Boardman moved to approve the bills and disbursements for the month of December 2006 in the amount of \$692,666.19. Seconded by Councilman Tebo. Councilman McCauslin and Mayor Muschell abstained from voting. Motion carried, 5-0.

### **Boards and Commission Reports**

- **Regular Human Relations Board Meeting – December 21, 2006**

City Manager McNeil reported that the Human Relations Board discussed facilitating the high school student liaison to the Board for the next school year and is working toward that particular program. The Board also finalized details of the upcoming Martin Luther King Day event.

### **Resolutions**

- **Consideration of Notice of Intent Resolution – 2007 Water System Improvement Revenue Bonds**

City Manager McNeil stated that pursuant to the City's grant award and to raise the match funding for that grant for the upcoming water main project, the City is proposing to issue water system revenue bonds. With any bond issue, the City must provide notice of intent to issue bonds, and this sets forth a forty-five day referendum period where a referendum could be initiated to cause a vote if enough signatures would be shown. The Resolution calls for the total estimated cost of the project and what the maximum amount of the bond issue would be. City Manager McNeil commented that the bond issue maximum is \$550,000 and although we do not anticipate the need for that amount, the City would be

allowed to issue bonds up to that maximum amount based on this Resolution. He stated that the language of the notice is included and the right to referendum. City Manager McNeil added that upon approval of Council, because this is an enterprise revenue fund, the City will also have to adopt an Ordinance to that affect and during that time, we will also discuss with Bond Council whether or not to have a competitive bid bond issue or a local bank negotiated sale. He commented that those two options will be investigated and recommendations provided to Council for consideration when that time comes. City Manager McNeil noted that it is anticipated that the Ordinance will be before Council some time near the end of February. Councilman McCauslin asked if a public hearing would be set. City Manager McNeil replied that a public hearing is not necessary.

Councilman Tebo moved to adopt the Notice of Intent Resolution regarding 2007 Water System Improvement Revenue Bonds, with regard to the upcoming public water distribution system improvement project. Seconded by Councilman McCauslin. Motion carried unanimously.

### **General Business**

- **Consideration of Site Plan for Speedway Gas Stations Rebuild at 401 Mackinaw Avenue**

City Manager McNeil stated that this comes to the Mayor and Council by way of the Planning Commission who is recommending approval. He noted that Mr. Shad Tisdale, project manager from Marathon Petroleum Company, is here with regard to the site plan and to answer questions. Mr. Tisdale stated that he is representing the Speedway Super America. He referred to the rendering of the proposed building structure, commenting this project will involve completely razing all structures currently on the site, removing the tanks and canopy and replacing the building. Mr. Tisdale referred to the different views of the site beginning with the front view facing Mackinaw Avenue, the side views from Huron Street and Voisin Glass, and the rear view from State Street. He pointed out that the screening on top of the building structure will help maximize the appearance of the building. Councilwoman Riddle referred to the State Street side of the building asking if the doorway in the rear is for customer use. Mr. Tisdale explained that the doorway is an emergency exit and that the main access will be off Mackinaw Avenue. Councilwoman Lepp questioned the location of the dumpsters. Mr. Tisdale replied that the dumpster enclosure will be split faced block to match the building and that inside the enclosure is a recycling building as well as a storage area for shovels and other items. He indicated that the traffic flow should be much improved with the positioning of the structures. Mr. Tisdale commented on the green space area on the property, noting that another point of interest is the location of the tanks and accommodations for fuel deliveries including adequate turning radius, and the attendant counter which allows a clear view of the fueling area. Councilwoman Riddle referred to the parking spaces in front of the building, asking if parking is also available on the side of the building. Mr. Tisdale demonstrated the parking areas on the site, commenting that overall there are 17 parking spaces with additional parking space under the canopy. Councilman McCauslin questioned the scope of construction. Mr. Tisdale replied that construction is anticipated to begin April 18 with completion on July 31, 2007; however, weather may affect the start date. Councilman Tebo asked if local construction companies will be allowed to bid on this project and if materials will be obtained locally. Mr. Tisdale replied that he is unsure; however Marathon typically uses core contractors who use local subcontractors. He added that materials purchasing is done through Speedway of America and other than brick and block he is unsure how much material will be obtained locally. Mr. Tisdale referred to the landscaping, including trees and lighting. Councilwoman Riddle questioned the age of the fuel tanks and if the surrounding soil has been tested for leakage, commenting that this could delay the construction process. Mr. Tisdale indicated he is unsure of the age of the fuel tanks; however soil testing will be done prior to construction

to determine if any remediation is needed. He added that any time fuel tanks are removed the Department of Environmental Quality is involved to monitor and test soil samples. Councilman McCauslin questioned the water supply to the station, asking if the current line will be removed or stubbed off. Mr. Tisdale replied that the utility lines would be removed. Mayor Muschell suggested that Mr. Rowe follow the sub-base work for pavement in this area to avoid future problems. Councilwoman Lepp questioned if during demolition there will be barricades put up around construction for safety purposes. Mr. Tisdale stated that fencing would likely be erected to prevent access to the site.

Councilman Tebo moved to approve the Site Plan for the Speedway Gas Station rebuild at 401 Mackinaw Avenue as presented. Seconded by Councilman Boardman. Motion carried unanimously.

- **Consideration of Memorandum of Understanding and Agreement with MDNR – re: Design of Proposed Trailhead**

City Manager McNeil stated that this is the first phase of working toward the establishment of a new trailhead facility as previously reported to Council including working out an agreement with the DNR whereby the DNR would provide funding for design and construction of the facility and the City would provide administration and later assume maintenance responsibilities. He referred to the Memorandum of Understanding from the DNR which includes a \$30,000 appropriation that will be used to design and complete construction specifications of the trailhead facility. Ms. Emily Myerson, the Trails Coordinator with the DNR, will be assisting with this project. City Manager McNeil also referred to a copy of the attorney's approval of the agreement and the timeline where we would look to have the engineers on board and the design done this year and hopefully construction in 2008. Mayor Muschell asked if the DNR provides recommendations on what the trailhead should consist of for a cost not to exceed \$30,000. City Manager McNeil replied that he will be looking to Ms. Myerson for advice on how to structure the request for proposals but ultimately we will be looking to work with the engineers on coming up with the overall design. Additionally, we will be looking for parking facilities that facilitate vehicles with trailers and reasonable access that is ADA compatible, and then try to also create a park atmosphere that includes informational kiosks, which can be quite a nice facility based on the vision the DNR has and that we have discussed with Ms. Myerson. City Manager McNeil commented that he is looking forward to proceeding with the project and recommends approval of the Memorandum of Understanding and Agreement. Mayor Muschell questioned if restroom facilities are included. City Manager McNeil replied that restroom facilities will be considered.

Councilman Tebo moved to approve the City entering into the Memorandum of Understanding and Agreement with the Michigan Department of Natural Resources for design of the proposed trailhead, contingent upon approval by the City Attorney, and authorize the City Manager to execute the same. Seconded by Councilman Charboneau. Councilwoman Lepp questioned the parking facilities at the trailhead site. City Manager McNeil explained that the parking would include the former Center Tool site as well as other property that the DNR acquired with the right-of-way acquisition from the railroad. This could possibly include the former Center Tool site on Western Avenue and other property on the south side of Lincoln Avenue as well, adding that the scope is yet to be determined. Councilwoman Lepp noted that she is concerned about increased traffic the trailhead facility may produce in a residential area. City Manager McNeil commented that the projected land use is Multi-Family but one of the reasons why this location was chosen for the trailhead is the intersection of two major streets that are fairly high traffic areas now and the intersection of two trail systems at that location as well. From those two standpoints we thought it made sense to locate the trailhead facility there. Councilwoman

Riddle commented that if there is a larger noise level created there could be a cushion of green space on the opposite side to protect some of the homes. City Manager McNeil stated that he expects some landscaping although keeping in mind that the City is going to become the custodian of this facility, he wants to keep the area as low maintenance as possible. He added that he does not feel this will adversely affect the activity that is already taking place in that area when considering the schools, church and everything else that goes on there and that it will be a very good fit.

Motion carried unanimously.

- **Consideration of Multi-Use Trail System Master Plan Update**

City Manager McNeil stated that with approval of the Memorandum of Understanding one of the things the Recreation Commission took a look at is the Multi-Use Trail System Master Plan and the goals and objectives within the new Recreation Plan and trying to get that to conform to the Mackinaw to Hawks Trail System Plan. He commented that a couple changes to the Multi-Use Trail System Master Plan are being recommended. City Manager McNeil referred to the existing Plan, noting the different proposed trail components and that the trail head at that time was at Division Street. The new Plan has the trails laid out the same way with the exception of the proposed trailhead area at Lincoln Avenue, and also of note are the proposed foot bridges as listed in the Major Park Master Plan. One foot bridge location is Washington Park and the other at Court Street. City Manager McNeil commented that noting the foot bridges on the Plan as part of the trail system is important as a grant application for one of the foot bridges may be considered. He stated that the Recreation Commission has approved and recommended those changes to the Trail System Master Plan and is recommending that Council approve those changes as well. Councilman McCauslin asked if the Major City Park pathway and Consumers Energy/DNR pathways intersect at Seymour Street. City Manager McNeil stated that it is intended to intersect in this location right off the end of South Street.

Councilman McCauslin moved to approve the updated Multi-Use Trail System Master Plan. Seconded by Councilman Tebo. Motion carried unanimously.

### **City Clerk's and Treasurer's Comments**

- **Retiree Health Insurance**

Clerk/Treasurer Kwiatkowski reported on retiree healthcare, stating that in looking at the Healthcare Reimbursement Account (HRA), he discovered that if a City retiree seeks health care coverage outside the City's group health care plan, most of the independent plans are not required to be HIPAA compliant but if the City establishes an HRA, the City must be compliant. Clerk/Treasurer Kwiatkowski explained that in most cases, there is a waiting period for insurance coverage of individuals with pre-existing conditions and in the event of a claim, the City has a tremendous liability issue because of HIPAA requirements in that the City could be held responsible for a retiree's medical expenses. He added that he is still gathering more information to review and depending on the outcome, will have a definite affect on his recommendation to Council. Clerk/Treasurer Kwiatkowski noted that the City's exposure must be minimized and it may be possible that the City may not be able to offer an HRA and in that event, premium dollars disbursed to the retiree may be taxable income. Councilman Tebo commented that Mr. Winters is planning to retire in April, and asked when Council may be able to provide an answer to his request regarding retiree health insurance. Clerk/Treasurer Kwiatkowski replied that these are two separate issues, explaining that one issue pertains to options the retiree will have for health insurance such as providing a set amount for the retiree to seek individual coverage. Councilman Tebo

suggested providing Mr. Winters with health insurance for himself and his spouse and then conducting research for future retirees that retire after him. Clerk/Treasurer Kwiatkowski stated that is the other issue.

### **City Manager's Report**

- **Status Report – Priorities of the City Manager for 2006**

City Manager McNeil stated he is pleased to report what has been accomplished and some of the ongoing items relative to the priority issues he identified and put into writing to Council this time last year. He noted that there has been a lot of work done and some issues still remaining to be completed. City Manager McNeil stated that there were some notable accomplishments over and above those items he identified and he lists those with regard to Ordinance updates through the Zoning Board of Appeals and Planning Commission, the Energy Conservation Performance Contract and completing the Phase 2 Riverfront Development. He noted that information is there for Council's review and comment and he would be pleased to entertain any questions.

- **Priorities of the City Manager for 2007**

City Manager McNeil referred Council to the Priorities of the City Manager for 2007, commenting that some are a follow up of priorities from 2006 into the 2007 year. He stated that a Strategic Planning Task Force meeting was held today in preparation for providing a report to Council with regards to the accomplishments of the Strategic Plan and what remains to be accomplished as a result of the Plan. Preliminary discussions with the Task Force indicate there will most likely be a recommendation to meet with the City Council through another planning session, much like the session when the Plan was established, to review the current status and what might be the priorities from here forward relative to the Plan. City Manager McNeil commented that Council can see by the items listed here in comparison to years past that this is by far the most ambitious and he feels it is testament to the involvement of the City Council and Boards and Commission as well as a pro-active nature of the management team. Recommendations are followed up and efforts are made to address needs as viewed from a management standpoint. City Manager McNeil commented that as mentioned in the closing of the memo he would like at some point in time, Council's approval of these Priorities for the 2007 year.

Councilman Charboneau moved to approve the Priorities of the City Manager for the Year 2007 as presented. Seconded by Councilman McCauslin. Motion carried unanimously.

- **Martin Luther King Day Event Sponsored by City Human Relations Board – Sunday, January 14, 2007 at 2:00 p.m. in the Opera House**

City Manager McNeil reminded Mayor Muschell and Council of the Martin Luther King Day Event taking place on Sunday, January 14, 2007 at 2:00 p.m. in the Opera House. He added that a reception will be held at the Cheboygan Area Public Library directly following the event.

### **Messages and Communications from Mayor and Council Members**

- **Transition Home for Women**

Councilman Charboneau questioned if the Salvation Army is in the process of purchasing a house on Seventh Street that is owned by the Church in that area. Councilman Tebo commented that he is a member of the Wesleyan Church and explained that the Salvation Army would like to open a transition home for women and want to utilize the parsonage where the minister formerly resided. Councilman Tebo noted that he advised Salvation Army officials that the establishment of a transition home is in

violation of the planned use for that residential area and recommended officials contact City Manager McNeil before proceeding with the project. Councilman Charboneau noted that the East Side Elementary School is located nearby and many school children pass by that residence on a daily basis. City Manager McNeil stated that he was contacted by the pastor of the Wesleyan Church in reference to the parsonage at the corner of F Street and Seventh Street, explaining that the Church intends to sponsor a transition home for women. He commented that he advised the pastor that the establishment of a transition home would be a Multi-Family use in a Single-Family residential zone. City Manager McNeil added that he would deny a request for a permit and that a zoning change or some other type of use variance would be needed in order to proceed with development of a transition home, which based on the history of similar requests, has been very difficult to obtain. He commented that although the intentions are noble and the need is there, the location of the transition home is a factor. A review of laws which may pre-empt local zoning will be conducted.

- **Ward Spray Residence – Mechanic Services**

Councilman Charboneau questioned the possibility of mechanic services being provided at Ward Spray’s residence, citing the number of vehicles and motor lift equipment. City Manager McNeil commented that a use variance was granted many years ago to Mr. Spray to provide mechanic services at that location and that right travels with the property once the variance is granted.

- **Camping Trailer**

Councilman Tebo commented on a camping trailer parked at a residence on May Street that appears to be occupied while renovation of the residence is underway, and questioned if that is allowed within the City. City Manager McNeil indicated that is not allowed. Councilman Charboneau commented on a suspicious situation involving multiple vehicles and all night activity at a residence that should also be investigated.

- **Martin Luther King Day Event**

Councilman McCauslin stated that one of the features of the Martin Luther King Day event is that the Ottawa Women’s Drum Group will be performing there at the Opera House.

**Adjournment**

Councilman McCauslin moved to adjourn the meeting at 8:08 p.m. Seconded by Councilman Charboneau. Motion carried unanimously.

---

Mayor James Muschell

---

City Clerk Kenneth J. Kwiatkowski

---

Councilman Scott McCauslin

---

Councilman Gerald R. Boardman

---

Councilwoman Winifred L. Riddle

---

Councilman Charles Charboneau

---

Councilman Leslie A. Tebo

---

Councilwoman Theo Lepp