

REGULAR CITY COUNCIL MEETING
August 14, 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, Sangster, Charboneau, Muschell, Boardman and Tebo

Councilwoman Lepp led the Pledge of Allegiance to the Flag.

Approval of Agenda and Receive and File all Communications

Mayor Muschell noted one addition to the agenda under General Business – 9. G. Request from Cheboygan Area Jaycees to use Gordon Turner Park on August 19, 2007 from 11:30 a.m. to 6:00 p.m. for Annual Kiddies' Day event.

Councilman Tebo moved to approve the agenda as amended and receive and file all communications. Seconded by Councilwoman Lepp. Motion carried unanimously.

Correction and Approval of Prior Meeting Minutes

- **Regular City Council Meeting – July 24, 2007**

Councilman Boardman moved to approve the minutes of the July 24, 2007 Regular City Council Meeting as presented. Seconded by Councilwoman Riddle. Motion carried unanimously.

Public Comments

Public comment portion of the meeting opened by Mayor Muschell.

- **Lincoln Avenue Bridge Progress Report**

Mr. Rick Freeman of Rowe Engineering introduced himself and provided a progress report on the Lincoln Avenue Bridge reconstruction project. He noted that the contractor has begun setting the arch sections of the Bridge with ten sections anticipated to be completed tonight and the span finished tomorrow. Additionally, between now and Labor Day weekend, two more spans are anticipated to be completed, with the remainder of the spans set the second week of September. Mr. Freeman commented that once the spans are set, the roadwork will begin. Councilman Charboneau questioned if the project is running on time. Mr. Freeman replied that the project is a little behind. He explained that transporting the arch sections from Grand Rapids is a factor and as long as transportation can be completed on schedule during low traffic times, the project should be able to be back on schedule. City Manager McNeil asked if the straight-through northbound lane on Main Street would still be needed to set spans and if so, when will that construction take place. Mr. Freeman replied that the northbound lane would be needed the first week after Labor Day because a larger crane will be brought in to extend out farther for that particular section.

- **Delinquent Water/Sewer Charges as a Tax Lien**

Ms. Naomi Darby introduced herself, commenting that she is here to discuss an issue on behalf of her cousins Rosemary, Michael, and Demaris Dunham. She explained that she is in the process of moving two of them to Florida and while trying to organize their financial affairs, it has come to her attention that delinquent water/sewer charges have been added to their property taxes. Ms. Darby commented that she was advised by the City Assessor to discuss the matter with Council and

determine if the charges, which amount to approximately \$600, could be removed. City Manager McNeil stated that he would have to defer the matter to Clerk/Treasurer Kwiatkowski, adding that he is unsure if that could be done and if so, what the procedure would be or the criteria needed to establish that process. Clerk/Treasurer Kwiatkowski explained that the Dunhams receive a hardship exemption from paying property taxes; however, a lien was placed on the taxes for delinquent water/sewer charges. He added that he would like to discuss the matter further with City Manager McNeil, adding that the issue would likely be addressed by Council at the December Board of Review. City Manager McNeil commented that tangible criteria should be established and an official policy adopted by Council to address situations such as this. Ms. Darby noted that when preparing the Dunham's budget, the individual residing with them misused their social security funds and left them approximately \$3,000 in debt. She explained that she ultimately straightened everything else out but this issue with the taxes remains unresolved. Clerk/Treasurer Kwiatkowski stated that he would discuss the matter with City Manager McNeil and then contact Ms. Darby.

Public comment portion of the meeting closed by Mayor Muschell.

Bills and Disbursements

- **Bills and Disbursements for the Month of July 2007**

Councilman Tebo moved to approve the bills and disbursements for the month of July 2007 in the amount of \$1,059,379.30. Seconded by Councilman Charboneau. Mayor Muschell abstained from voting. Motion carried unanimously.

Boards and Commission Reports

- **Special DDA Board of Directors Meeting – July 31, 2007**

City Manager McNeil commented that the Special DDA Board of Directors meeting was held solely to consider authorizing a liquor license application for the 2007 Blues Festival, which was approved.

- **Regular DDA Board of Directors Meeting – August 7, 2007**

City Manager McNeil stated that the primary issue discussed at the Regular DDA Board of Directors Meeting was the informational presentation relative to the footbridge. He noted that the DDA Board received feedback, both pro and con, with regard to the footbridge. Information was provided relative to how the DDA obtains revenues, how the footbridge is proposed to be financed, and reasons the footbridge is a priority with the DDA. Additionally, Mayor Muschell provided a presentation relative to estimated cost and design. City Manager McNeil commented that a great deal of information was provided at the meeting and the DDA is prepared to proceed with the footbridge project; however, that plan is contingent upon obtaining grant funding within their needed budget. City Manager McNeil stated that the DDA also authorized him to engage representatives of the Northern Lakes Economic Alliance to develop a grant application under the Small Cities Initiative. He noted that he will be meeting with Ms. Jan Kellogg tomorrow to begin gathering information, adding that it is possible to leverage funding dedicated toward the footbridge and possibly other projects under this grant program. Additionally, it is very likely that a Special Meeting of the DDA Board will be called to consider authorizing that grant application.

General Business

- **Request from Cheboygan Area Arts Council for 2007/2008 Annual Allocation of \$17,900**

City Manager McNeil stated that \$17,900 is the correct amount in the budget for the Cheboygan Area Arts Council 2007/2008 allocation and that he is recommending its appropriation.

Councilwoman Riddle moved to approve the request from the Cheboygan Area Arts Council for the 2007/2008 annual allocation to the Cheboygan Area Arts Council in the amount of \$17,900.

Seconded by Councilwoman Lepp.

Yes votes: Council Members Riddle, Boardman, Lepp, Tebo, Sangster and Muschell

No votes: Councilman Charboneau

Motion carried.

- **Consideration of Amended City of Cheboygan Strategic Plan**

City Manager McNeil referred to the proposed Strategic Plan document which has been amended to reflect recommendations of the most recent Strategic Planning sessions. He stated that the Objectives and Action Plans remain the same as those in the original 2005 Strategic Plan document, but are now placed in a manner of priority and numbered based on the priorities identified during the Strategic Planning sessions. City Manager McNeil commented that the overview section has been updated in order to provide a narrative relative to the recent Strategic Planning sessions, which has resulted in the proposed amendment. He noted that other than that, the only addition is the 2005 memo which was added as an attachment and provided the first and second priorities that were chosen in 2005. Additionally, the document has been reviewed by the Strategic Planning Task Force.

Councilwoman Riddle moved to adopt the Amended City of Cheboygan Strategic Plan. Seconded by Councilman Sangster. Motion carried unanimously.

- **Consideration of Appointment of Ms. Billie Livingston to the DDA Board of Directors, Term to Expire September 13, 2010**

Councilman Sangster moved to appoint Ms. Billie Livingston to the DDA Board of Directors with a term to expire on September 13, 2010. Seconded by Councilman Charboneau. Motion carried unanimously.

- **Consideration of Pre-Application for Loan and/or Grant to USDA-Rural Development for Water System Improvements**

City Manager McNeil stated that pursuant to the Water Quality Action Plan and the Strategic Plan, consideration of a loan or grant funding falls under the water quality objectives. He referred to a pre-application to submit to the federal government for consideration in conjunction with the upcoming Farm Bill and appropriations from Washington, DC. City Manager McNeil commented that he expects that an application similar to this will be before Council with regard to possible Wastewater Treatment Plant upgrades. He noted that the items listed total \$3.7 million and pertain to water main replacements, a proposed water storage tank, and other actions which have either been identified as a result of receiving additional water quality complaints, or appear on the City's five-year Water System Reliability Study. City Manager McNeil added that this is a preliminary application and will be addressed further should the City qualify for grant funding. He commented that based on his preliminary calculations, water rates would need to be increased by approximately 30 cents per unit for every million dollars in borrowed funds, which is something Council needs to keep in mind. He recommended that Council authorize him to sign the application documents for submission to the USDA. Mayor Muschell noted that on the basis of the information available, the chances for receiving funding are favorable as long as Council realizes that an increase in water rates would be required. City Manager McNeil agreed, commenting that once the City can show where the new water rates are going to be should the loan be implemented, he feels the City would qualify for grant

funding. He added that may happen on the sanitary sewer side as well. Councilwoman Riddle questioned the 30 cent increase in water rate, asking if that is per billing, per household or per usage. City Manager McNeil explained that the increase would be 30 cents per 1,000 gallons of water usage, adding that the current rate is \$2.89 per 1,000 gallons.

Councilman Tebo moved to approve the pre-applications for a loan and/or grant to the USDA-Rural Development for water system improvements. Seconded by Councilwoman Lepp. Motion carried unanimously.

- **Consideration of Recommendation of Attorney Compensation Review Committee**

City Manager McNeil stated that the Attorney Compensation Review Committee comprised of Councilwoman Riddle, Mayor Pro Tem Tebo, himself and Clerk/Treasurer Kwiatkowski, met and considered the compensation provided to the City Attorney. He explained that this action was necessitated by the current health insurance provider's ruling that the attorney does not qualify for coverage on the City's health insurance program; however, health insurance up to this point, has been part of the compensation package. City Manager McNeil commented that the Committee met with Mr. Hoffman and negotiated a rate of \$160 per hour, which is being recommended to Council for consideration. City Manager McNeil stated that the reasons, in his view, for the recommendation is that this structure would better benefit the City financially in the long run than continuing to provide health insurance, as well as the attorney's 30 years of experience and efficiency in research, billing rates and time provided as a result. Councilman Sangster questioned how long the agreement is effective. City Manager McNeil replied that the agreement would be reviewed on an annual basis and is effective until Council decides to change it. Councilman Tebo commented on the City Attorney's vast experience and that the \$160 hourly rate is less than what other city attorneys are compensated. Councilwoman Riddle noted that the figure the Committee came up with is in range with what the attorney is being paid along with medical insurance coverage and is not a significant change.

Councilman Tebo moved to approve the rate of \$160 per hour effective September 1, 2007 for City Attorney compensation. Seconded by Councilman Charboneau. Motion carried unanimously.

- **Consideration of Cost Agreement with the Michigan Department of Transportation for US-23 (W. State Street) at M-27 (N. Main Street) – re: Traffic Signal Maintenance**

City Manager McNeil stated that he believes the proposed Cost Agreement with MDOT to be a renewal of the current agreement that is in place. He commented on the cost of installation of new equipment which is being covered by some federal funds, and the estimated annual upkeep cost, which is based on historical cost. City Manager McNeil noted that 25% of the cost is allocated to the City and 75% allocated to the State. He explained that the agreement pertains to the intersection of State and Main Streets, adding that there is a four-street intersection at that location, one of which is a City Street and the other three are State highways. City Manager McNeil stated that the estimated annual maintenance cost would be approximately \$1,056 and that he is recommending approval of the agreement.

Councilwoman Lepp moved to approve the Cost Agreement with the Michigan Department of Transportation for US-23 (W. State Street) at M-27 (N. Main Street) regarding traffic signal maintenance. Seconded by Councilman Roadman. Motion carried unanimously.

- **Request from Cheboygan Area Jaycees to use Gordon Turner Park on August 19, 2007 from 11:30 a.m. to 6:00 p.m. for Kiddies Day Event**

Councilman Sangster moved to approve the request from the Cheboygan Area Jaycees to use Gordon Turner Park on August 19, 2007 from 11:30 a.m. to 6:00 p.m. for the annual Kiddies' Day Event. Seconded by Councilman Charboneau. Motion carried unanimously.

City Clerk's and Treasurer's Comments

- **November 2007 Election**

Clerk/Treasurer Kwiatkowski commented on the upcoming November election, noting that the seat currently maintained by Councilman Sangster needs to be filled and that the term would be from November 2007 until May 2010. He noted that the deadline to submit a nominating petition is September 10, 2007 and that to date, no petitions have been requested.

City Manager's Report

- **Vibrant Small Cities Initiative (VSCI)**

City Manager McNeil stated that the Small Cities Initiative was discussed earlier in the meeting.

- **2007 Water System Capital Improvement Plan CIP Update**

City Manager McNeil stated that with regard to the water main project currently underway, the water main is buried on B, C, and D Streets or should be buried by the end of this week and that service connections will begin next week. He noted that by Labor Day, installation of new valves will take place on State Street with water main replacement commencing on Duncan Avenue after that. City Manager McNeil commented that once water main replacement on Duncan Avenue is completed, water main replacement will begin on the South Main Street section. He added that the water main replacement project is going very well and at this particular time, the project is ahead of schedule. Councilwoman Riddle asked if the City is keeping good records of what is being installed. City Manager McNeil stated that photo and video records are being taken.

Messages and Communications from Mayor and Council Members

- **Catch Basin Repairs on Mackinaw Avenue**

Councilman Tebo commented on the traffic barricade on Mackinaw Avenue. City Manager McNeil explained that MDOT is in the process of completing repairs on a catch basin, which is the drainage portion of the State highway.

Closed Session – re: Collective Bargaining

Councilman Tebo moved to adjourn the meeting to closed session at 7:36 p.m. Seconded by Councilman Boardman. Motion carried unanimously.

Councilman Tebo moved to reconvene the meeting from closed session at 7:53 p.m. Seconded by Councilman Boardman. Councilman Charboneau was absent. Motion carried unanimously.

Adjournment

Councilwoman Lepp moved to adjourn the meeting at 8:54 p.m. Seconded by Councilman Tebo. Motion carried unanimously.

Mayor James Muschell

City Clerk Kenneth J. Kwiatkowski

Councilman Richard B. Sangster

Councilman Gerald R. Boardman

Councilwoman Winifred L. Riddle

Councilman Charles Charboneau

Councilman Leslie A. Tebo

Councilwoman Theo Lepp