

REGULAR CITY COUNCIL MEETING
December 11, 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 Riddle, Sangster, Charboneau, Tebo, Muschell, Boardman
Absent: Councilwoman Lepp

Councilwoman Riddle led the Pledge of Allegiance to the Flag.

Councilwoman Riddle moved to excuse Councilwoman Lepp from the meeting due to family illness. Seconded by Councilman Tebo. Motion carried unanimously.

Approval of Agenda and Receive and File all Communications

Councilman Sangster 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 – November 27, 2007**

Councilman Boardman moved to approve the minutes of the November 27, 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.

There being no comments from the public, the Public Comment portion of the meeting was closed by Mayor Muschell.

Public Hearings

- **Consideration of a Amendment to the Downtown Development Authority Tax Increment Finance Plan**

Public Hearing portion of the meeting opened by Mayor Muschell.

City Manager McNeil stated that this is a public hearing to consider an amendment to the Tax Increment Finance Plan for the Downtown Development Authority, adding that this amendment is proposing to extend the TIF plan for an additional two years. He noted that the recommendation comes to Council by way of the DDA wishing to augment the recently awarded grant funds from the Michigan State Housing Development Authority relative to the footbridge and Woolworth building and effectively undertake those projects while at the same time, continue the current programming that the DDA has in place. City Manager McNeil explained that in order to accomplish that with the current budget, an additional two years on the TIF plan appears to be necessary for that to cash-flow properly. He referred to cash flow estimates showing the cash flow scenarios under the existing and proposed TIF plans, noting that the major consideration is the need for the DDA to raise funds by issuing bonds in order to complete the construction of the footbridge. City Manager McNeil explained that the ability to pay for the bonds over a ten year period with the proposed amendment versus an eight year period makes a significant difference in the cash flow estimate. He commented

that the cash flow scenarios illustrate the reasoning of the DDA Board for requesting the two year extension of the TIF plan.

Mr. Mark Bronson introduced himself, stating that he is Director of the Cheboygan Area Public Library. He explained that in principle he is in favor of the tax capture practices of DDA initiatives but is concerned with the impact that the loss of revenue has on the Library through an extension of the TIF plan. Mayor Muschell questioned if there is a time limit for the charter millage for the Library. Mr. Bronson stated that there is no time limit and that the millage is in perpetuity.

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

Councilman Sangster moved to adopt an Amendment to the Downtown Development Authority Tax Increment Finance Plan as presented providing for a two-year extension of the Plan. Seconded by Councilman Tebo. Motion carried unanimously.

Communications and Petitions

- **2007 Water Main Construction Report – Mr. Gary Johnson, Construction Manager, Wade Trim**

Mr. Gary Johnson, Construction Manager for Wade Trim provided a status report on the water main construction project. He noted that currently the contractor has suspended operations for the winter, all of the water main is installed and operational, and that the system is functioning as it was designed. Mr. Johnson commented that there have been many reports from users along the way of how satisfied they are with the change in water quality. He stated that the project is currently under budget due primarily to directional drilling which reduces the amount of restoration and that approximately half the yards have been restored to date with the remainder of restoration taking place in the spring of 2008. Additionally, the driveways have all been surfaced but will need additional gravel in the spring. Mr. Johnson noted that the contractor is prepared to return as soon as weather permits in the spring to make the necessary restoration and that the anticipated completion date is May 15, 2008. He indicated that the concrete is approximately 98% done, explaining that there were a couple areas that were placed in the snow as a hard surface for pedestrian traffic and if that surface does not hold up over the winter or freezes, the concrete will be removed and replaced in the spring at the contractor's expense. Mr. Johnson commented that the contractor met the substantial completion date where the water system is being used by residents as intended. Councilwoman Riddle referred to safety barrels on the side of the road near the Great Lakes Tissue building and asked if that area is stable and whether the barrels will remain there all winter. Mr. Johnson replied that the area is stable, adding that there was an area along there where the contractor was not able to install the curbing which will be done in the spring and that the arrangement met the approval of MDOT and DPW Supervisor LaCross. Mr. Johnson stated that as long as the barrels are not impeding traffic or plowing operations either from the roadway or sidewalk, they will remain in place. Mr. Johnson also mentioned the bi-weekly meetings held while the project was underway and the issue with the concrete being replaced at the contractor's expense was discussed and agreed upon at the last meeting. Councilwoman Riddle commented on the feedback from people on improved water quality and asked if these were in areas where there were previous problems. Mr. Johnson replied that there was no feedback from the Main Street area but that was more of a replacement of an older water main. He stated that the unsolicited responses were received from Duncan Avenue residents and those at and B Street and C Street and that comments pertained to the improvement of the taste of the

water and that residents indicated they were very satisfied with the outcome of the project. Councilman Sangster asked if the City has received any complaints. City Manager McNeil replied that complaints were received as the project progressed and were discussed at the bi-weekly progress meetings and then addressed by staff in the field. Councilman Charboneau questioned the status of new water meter connections. Mr. Johnson indicated that not all homes have been connected to new meters. City Manager added that is a project that will be undertaken next year.

Mr. Ray Lofgren commented that he would not reiterate everything he stated to Council at the last City Council meeting but referred to his displeasure in observing some of the inspection being done and some of the equipment that was allowed to be used which he feels was not the appropriate equipment for that type of construction. He added that in his observation, he does not see that the project is substantially completed. Mr. Lofgren commented on the amount of restoration that remains, citing approximately \$50,000 in restoration for Duncan Avenue alone, and that he feels that 10% rather than 3% of the fee should have been retained. He commented that he strongly feels that the project could have been supervised a little better and that the contractor should return as early as possible to complete the project. Mr. Johnson stated that during the entire water main project, there were representatives from the City DPW Department working with the contractor and Wade Trim to ensure the project ran as smoothly as possible because there were residents without water and there were transition issues going on. He added that from a construction standpoint, there is some restoration that needs to be taken care of which mostly involves top soil and there may be sidewalk and curbing issues but not a substantial amount of work.

- **Request for use of Gordon Turner Park on Saturday, July 19, 2008 for Fenner Family Reunion**

Councilman Charboneau moved to approve the request for the use of Gordon Turner Park on Saturday, July 19, 2008 for the Fenner family reunion prior to 12:00 noon until sunset. Seconded by Councilman Tebo. Motion carried unanimously.

Bills and Disbursements

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

Mayor Muschell referred to an amended copy of the bills and disbursements for November 2007 which includes two additional expenses not listed on the original report.

Councilwoman Riddle moved to approve the bills and disbursements for the month of November 2007 in the amount of \$801,605.48. Seconded by Councilman Boardman.

Mayor Muschell abstained from voting. Motion carried.

Boards and Commission Reports

- **Regular Downtown Development Authority Board of Directors Meeting – Dec. 4, 2007**

City Manager McNeil commented that Council will note two action items as a result of this DDA meeting which he will review as well as discussion about the Vibrant Small Cities grant that he has listed under City Manager's report. He stated that the DDA Board discussed events that take place under the Downtown Enhancement Administrator's department and plans to evaluate those events and offer feedback to staff relative to their perspective of the effectiveness of those events and whether they should continue. City Manager McNeil commented that the evaluation is planned for February 2008.

- **Consideration to Schedule a Public Hearing for January 8, 2008 to Consider an Amendment to the Downtown Development Authority Ordinance to Allow 12 Members on the DDA Board of Directors**

City Manager McNeil stated that the recommendation to schedule a public hearing is to consider a proposed amendment to the DDA Ordinance to allow an additional member to serve on the DDA Board. He explained that the DDA reviewed two applications from very qualified and motivated candidates and would like to accommodate both individuals on the Board. City Manager McNeil stated that before Council is a request and recommendation to amend the DDA Ordinance to allow 12 members on the DDA Board of Directors.

Councilman Tebo moved to schedule a public hearing for January 8, 2008 to consider an amendment to the Downtown Development Authority Ordinance to allow 12 members on the DDA Board of Directors. Seconded by Councilman Charboneau. Motion carried unanimously.

Councilwoman Riddle questioned the outcome of a tie vote with a twelve member Board and if one of the members could be a non-voting member. City Manager McNeil stated that it is his understanding that the particular motion would fail without a majority vote. Additionally, there are two ex-officio voting members on the DDA Board which includes a Council Member and Executive Director of the Chamber of Commerce. He noted that the policy could change where one of those ex-officio members would be non-voting to accommodate the situation Councilwoman Riddle refers to if that were deemed necessary.

- **Consideration of Appointment of 2 Council Members to Serve on the Former F.W. Woolworth Building Site Redevelopment Committee**

City Manager McNeil stated that the DDA Board is requesting consideration of the City Council to appoint two Council members to serve on the Former F. W. Woolworth Building Site Redevelopment Committee. He explained that the DDA has decided to proceed more aggressively with regard to the former F. W. Woolworth building as a result of the uncertainty relative to the grant program and in light of the project being the number one priority in the Strategic Plan. City Manager McNeil commented that the DDA foresees working on two major fronts which include acquiring the property and seeking a developer, and reviewing those items to determine what challenges presents themselves in that particular direction. Mayor Muschell and Councilman Tebo volunteered to serve on the Committee. Councilman Boardman noted that Councilwoman Lepp may have some interest in serving on this Committee as she is very involved with the Cultural Arts and Education Center initiative. City Manager McNeil commented that those involved with the Cultural Arts and Education Center objective are looking at the Woolworth building with some interest as a possible site.

Councilman Tebo moved to appoint Mayor Muschell and Councilwoman Lepp to serve on the Former F. W. Woolworth Building Site Redevelopment Committee. Seconded by Councilman Charboneau. Motion carried unanimously.

Councilwoman Riddle recommended amending the motion to indicate that if Councilwoman Lepp is not interested in serving on the Committee that Councilman Tebo be appointed to serve on the Committee instead. Councilman Tebo moved to amend the motion to indicate that he would serve on the Former F. W. Woolworth Building Site Redevelopment Committee if Councilwoman Lepp is not interested. Seconded by Councilman Charboneau. Motion carried unanimously.

General Business

- **Consideration of Reappointment of Stephen Lindsay and Dave McKinley to the Zoning Board of Appeals – Terms to Expire January 9, 2011**

Councilman Charboneau moved to reappoint Stephen Lindsay and Dave McKinley to the Zoning Board of Appeals with terms to expire January 9, 2011. Seconded by Councilman Boardman. Motion carried unanimously.

- **Consideration to Appoint Scott E. McNeil, City Manager, as Code Official pursuant to International Property Maintenance Code Ordinance**

City Manager McNeil noted that as previously reported, he and Chief Jones evaluated the administration of the International Property Maintenance Code to provide the Mayor and Council a recommendation as to who they thought would be best suited for the Code Official position. He explained that the Code Official is the Chief Administrative Officer under the International Property Maintenance Code Ordinance with the authority to appoint deputies and other enforcement officials. City Manager McNeil stated that the recommendation comes to Council to appoint himself as Code Official. He commented on the plan to proceed with addressing several buildings in town under this Ordinance very soon and that enforcement measures will take place through the Code Enforcement Officer in the Department of Public Safety.

Councilwoman Riddle moved to appoint Scott E. McNeil, City Manager, as Code Official pursuant to the International Property Maintenance Code. Seconded by Councilman Tebo. Motion carried unanimously.

- **Consideration to Take Bids for Ferris 2007 IS 2000Z Mower for Recreation Department**

City Manager McNeil referred to the request to take bids and specifications for the Ferris 2007 IS 2000Z mower as Recreation Director Hancock has put together. This is included in the budget and we are recommending taking bids.

Councilman Charboneau moved to take bids for a Ferris 2007 IS 2000Z mower for Recreation Department. Seconded by Councilman Boardman. Motion carried unanimously.

- **Consideration of Release and Indemnification of Trustee & Acceptance of Gift from Gordon Spies Trust**

City Manager McNeil explained that notification has been received from the Merrill Lynch Bank & Trust Company that that City of Cheboygan through its Recreation Commission is a beneficiary of the Gordon Spies Trust Fund and that the funds come to the City with a stipulation for use in the construction, operation and maintenance of a swimming pool. He further explained that the Trust Officer is requesting that by accepting the gift, the Release and Indemnification document be executed. City Manager McNeil noted that the document has been reviewed by the City Attorney and meets with his approval. Additionally, it is their recommendation that the Mayor be authorized to execute the document and accept the gift. City Manager McNeil commented that the amount of the gift is undetermined at this time.

Councilwoman Riddle moved to accept the Gordon Spies Trust Fund gift, authorize the Mayor to execute the Release and Indemnification and refer to the Recreation Commission use of the funds as required by the Trust. Seconded by Councilman Tebo. Motion carried unanimously.

City Clerk's and Treasurer's Comments

- **Information from the State of Michigan Department of Treasury – Nine Fiscal Distress Indicators for the City of Cheboygan for the 2006 Fiscal Year**

Clerk/Treasurer Kwiatkowski reported that the City recently received a communication from the State of Michigan Department of Treasury regarding fiscal distress indicators. He referred to the report which illustrates the nine indicators of fiscal distress. Clerk/Treasurer Kwiatkowski explained that the State reviews the City's financial report which is then rated. He commented that a low score indicates very low fiscal distress and that high scores indicate concerns. Clerk/Treasurer Kwiatkowski stated that the City's score is two, which is very good and is due in large part to City Manager McNeil being very conservative as far as spending and budgeting, and through very conservative investment of the City's excess funds.

City Manager's Report

- **Strategic Planning Task Force Meeting of November 30, 2007**

City Manager McNeil stated that as a result of the Strategic Planning Task Force review relative to the status of activities toward the objectives of the Strategic Plan, the Task Force identified four particular items. The Task Force is requesting that two City Council members remain active on the Task Force; reuse of the former F. W. Woolworth building site be as aggressively addressed as possible; all additional revenue sources available to the City be compiled and considered toward implementation of a sidewalk rehabilitation program; and that a sub-committee of himself, Mr. Craig Beachnaw and Ms. Kimberlee Pappas was formed to evaluate current marketing efforts and consider additional efforts.

- **NLEA Entrepreneurial Development Division**

City Manager McNeil stated that the Northern Lakes Economic Alliance has formed a new division as the Entrepreneurial Development Division with objectives in four areas – local community efforts to assist entrepreneurs; building a multi-site incubator program; working with local Chambers of Commerce to maximize resources; and business counseling assistance. He commented that the remaining staff at the NLEA will continue to assist local governments and work with existing businesses in their retaining efforts.

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

City Manager McNeil commented that as Council and the DDA Board have been informed, due to the mention in the Notice of Interest for the Vibrant Small Cities Initiatives grant that the City is seeking a developer for the former F. W. Woolworth building site, the City became ineligible to receive funds under the blight category that was originally awarded. He explained that in order to proceed under the blight category, federal regulations indicate that no discussion should take place with or about developers and since that objective was included in the Notice of Interest, the Michigan State Housing Development Authority has advised that the City does not qualify for those funds. City Manager McNeil commented that after further consultation with MSHDA representatives, the City can avail itself to funding for a downtown marketing study which would include analysis relative to redevelopment of the former F. W. Woolworth building site. Additionally, the remaining funds after the study is conducted can be used toward implementation of the recommendations of that study which can include the former F. W. Woolworth building site. City Manager McNeil noted that at this particular point we are taking a look at fashioning the grant application in that manner and proceeding with a significant share of the funding toward construction of the footbridge. Mayor

Muschell questioned who would use the study once it is completed. City Manager McNeil noted that the study would be the property of the City of Cheboygan Downtown Development Authority.

- **Wastewater Treatment Plant (WWTP) Study Grant Update**

City Manager McNeil explained that the Wastewater Treatment Plant Study grant is driven to assist Great Lakes Tissue through an engineering study to review their water treatment challenges and determine what type of upgrades would be needed to change the City of Cheboygan Wastewater Treatment Plant capacity to assist Great Lakes Tissue. He noted that as the engineers reviewed the scope of work that was needed, it was determined that the grant funds would not cover half of the costs and as a result, additional funding was applied for and awarded. City Manager McNeil stated that a contract with the engineers was requested and is currently under review by himself and representatives of Great Lakes Tissue. He added that he anticipates a recommendation relative to that engineering study agreement will be before Council at the next meeting.

- **Michigan Coastal Management Program (MCMP) Grant – Footbridge**

City Manager McNeil reported that the City received \$40,000 from the Department of Environmental Quality Michigan Coastal Management Program toward the footbridge engineering and construction and is included in the DDA budget.

Messages and Communications from Mayor and Council Members

- **Lincoln Avenue Bridge**

Councilman Tebo commented on the many compliments received regarding the Lincoln Avenue Bridge. Councilwoman Riddle stated that many residents have mentioned the slope of the bridge and expressed concern with avoiding traffic accidents during icy road conditions. Councilman Tebo noted that the slope is not as steep as the former bridge and is actually safer. City Manager McNeil stated that keeping ice off the bridge is a priority of the Public Works Department.

Adjournment

Councilman Boardman moved to adjourn the meeting at 8:02 p.m. Seconded by Councilman Charboneau. 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