

**REGULAR CITY COUNCIL MEETING**  
**February 26, 2008**

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 Tebo, Lepp, Riddle, Sangster, Charboneau, Muschell and Boardman

Councilman Tebo led the Pledge of Allegiance to the Flag.

Mayor Muschell read his letter of resignation as Mayor of the City of Cheboygan effective February 27, 2008.

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

Mayor Muschell noted one addition to the agenda under 7.B. Communications and Petitions – Letter from Renee Harrington on behalf of the Sault Tribe of Chippewa Indians requesting the use of Gordon Turner Park for a Women’s Water Ceremony.

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

**Public Comments**

Public comment portion of the meeting opened by Mayor Muschell.

• **DPW Supervisor David LaCross – Retirement Health Insurance Benefit**

Mr. David LaCross introduced himself, commenting that he is the DPW Supervisor for the City of Cheboygan and is present to inform Council of his intention to retire on May 1, 2008 after 36 years of service to the City. He reviewed the many different capacities he has served the City, including Pinehill Cemetery, Wastewater Treatment Plant, Cheboygan Fire Department, filling in for the previous three DPW Supervisors and ultimately assuming the DPW Supervisor position. Mr. LaCross requested assistance from the City in order to retire, specifically a request to the City Council for the benefit of fully paid retirement health insurance for he and his spouse until age 65 under the policy adopted June 12, 2001. He noted this is a benefit that was provided to 15 employees who have retired before him, and he is requesting that he be treated equally and with the same respect as the employees he has worked side by side with and have retired before him with the same health care benefit he was promised he would receive. Mr. LaCross commented that he realizes this issue has come to Council in the past and that Council has the latitude to consider this request on an individual basis. City Manager McNeil stated that Mr. LaCross has been an excellent employee and DPW Superintendent. He noted that the issues relative to funding health insurance after retirement are within the Council’s control and determined by Council policy. City Manager McNeil commented on the issues and concerns relative to funding health insurance of existing employees and trying to fund the benefit into the future for retirees. He noted that those funding concerns have caused Council to initiate the latest policy that provides a limited benefit with regards to assistance toward retiree health care.

Councilman Charboneau moved to grant the request of Mr. David LaCross for fully paid retiree health insurance for him and his spouse until age 65 effective upon his retirement from the City of

Cheboygan. Seconded by Councilman Tebo. City Manager McNeil commented that there will be others who have also been good employees that will come to Council with similar requests. He added that if this is something that Council wants to consider, then financial projections and other information should be looked at before a decision is made. Councilwoman Riddle stated that Council needs to be aware of how this will affect the City. She commented that Mr. LaCross has been a very good employee but Council must also consider the long term affect on the City. Councilman Tebo stated that Mr. LaCross falls under a different situation than union personnel and is a supervisor that should be treated accordingly. He noted that supervisors and department heads should be treated differently than the rank and file. City Manager McNeil stated that if Councilman Tebo would like to take a look at a policy based on that particular premise, the ramifications of the policy to that degree should be considered.

Yes votes: Council members Sangster, Muschell, Boardman, Charboneau, Lepp and Tebo

No votes: Councilwoman Riddle

Motion carried.

Public comment portion of the meeting closed by Mayor Muschell.

### **Public Hearings**

- **Consider Rescheduling Public Hearing for Tuesday, March 11, 2008 for Approval of a Brownfield Plan for the Gilbert Property Redevelopment on South Main Street**

City Manager McNeil stated that the requirement of notifying affected taxing jurisdictions of the proposed public hearing was inadvertently missed and therefore it is being recommended that the public hearing be postponed until March 11, 2008 so that the proper notifications can be delivered.

Councilman Tebo moved to reschedule the public hearing for Tuesday, March 11, 2008 for approval of a Brownfield Plan for the Gilbert Property Redevelopment on South Main Street. Seconded by Councilwoman Lepp. Motion carried unanimously.

### **Communications and Petitions**

- **Request from Cheboygan Area Chamber of Commerce for Approval of 2008 Schedule of Events**

Councilman Tebo moved to approve the request from the Cheboygan Area Chamber of Commerce for the 2008 schedule of events as presented by letter dated February 5, 2008. Seconded by Councilman Charboneau. Motion carried unanimously.

- **Request from the Sault Tribe of Chippewa Indians to use Gordon Turner Park**

City Manager McNeil explained that the Women's Hand Drum Group of the Sault Tribe of Chippewa Indians request to hold a woman's water ceremony at Gordon Turner Park on either March 7<sup>th</sup> or March 21, 2008. He noted that part of the ceremony will include a teepee and sacred fire on site. Additionally, Council approval is required for the Park closing and a fire permit would also be required. City Manager McNeil commented that there are no other known contingencies.

Councilman Tebo moved to approve the request from the Sault Tribe of Chippewa Indians to use Gordon Turner Park on March 7, 2008 or March 21, 2008 respectively for a water ceremony. Seconded by Councilman Sangster. Motion carried unanimously.

### **Boards and Commission Reports**

- **Department of Public Safety Monthly Statistics – January 2008**

The Department of Public Safety monthly statistics for January 2008 were received and reviewed.

- **Regular Planning Commission Meeting Minutes – February 18, 2008**

City Manager McNeil stated that the Planning Commission continues to review the recommendations of the Land Use Plan, specifically those that have been completed since the Plan was adopted. The Commission also reviewed recommendations that have not yet been addressed and at the next meeting the Commission will discuss possibly moving one of those recommendations forward in order to take action. Additionally, the Commission recommends the appointment of Ms. Billie Livingston to the Zoning Board of Appeals to fill the vacancy created by the resignation of Mr. Raymon Morrow, Jr. City Manager McNeil explained that the Zoning Ordinance requires that a Planning Commission member also serve on the Zoning Board of Appeals. He commented that the Planning Commission also discussed the vacancies on the Commission and it was noted that the Commission has been able to keep seven members on a consistent basis; however, trying to keep nine members on the Commission has been a challenge. City Manager McNeil stated that the Planning Commission is recommending that Council set a public hearing to consider an amendment to the Planning Commission Ordinance to provide for seven members as opposed to nine members. Councilwoman Riddle asked the reason that initially, the Planning Commission was a nine member Board. City Manager McNeil explained that the statutes always provided for a nine member Board as a maximum and with the most recent Zoning Enabling Act changes, the Board can expand to eleven members with a minimum of seven members.

Councilwoman Riddle moved to appoint Ms. Billie Livingston to the Zoning Board of Appeals, term to run concurrently with term on the Planning Commission. Seconded by Councilman Sangster. Motion carried unanimously.

Councilman Tebo moved to set a public hearing for Tuesday, March 25, 2008 to consider an amendment to the Planning Commission Ordinance to reduce membership of the Commission from nine to seven. Seconded by Councilman Sangster. Motion carried unanimously.

- **Regular Human Relations Board Meeting Minutes – February 21, 2008**

City Manager McNeil stated that the Human Relations Board has been discussing the possibility of hosting a pow wow event to promote the Native American culture which is prevalent in this area. He commented that a representative of the Sault Tribe of Chippewa Indians was present at the meeting to discuss options and a suggestion of a drum social was offered. City Manager McNeil explained that the Human Relations Board is looking at another event with the same kind of mission as the Martin Luther King Day event that could be held in the summer or fall. He added that the Board is also distributing notices relative to cultural competency training that will be held by the State Civil Rights Commission in March 2008.

### **Resolutions**

- **Adoption of Resolution of Appreciation for Raymon A. Morrow, Jr. for Service on Planning Commission and Zoning Board of Appeals**

Councilwoman Lepp moved to adopt the Resolution of Appreciation for Raymon A. Morrow, Jr. for Service on Planning Commission and Zoning Board of Appeals. Seconded by Councilman Tebo. Motion carried unanimously.

### **General Business**

- **Consideration of Approval of Cost Agreements with Michigan Department of Transportation relative to Traffic Signal Maintenance**

City Manager McNeil referred to agreements relative to the sharing of maintenance costs for traffic signals located at Lincoln Avenue and at the Glen's Market. He explained the 50/50 cost maintenance agreement between the City and State noting that the two intersections are under the authority of both MDOT and the City of Cheboygan. City Manager McNeil added that the estimated annual cost is \$864 with \$432 each from the State and City.

Councilwoman Riddle moved to approve the Cost Agreements for Traffic Signal Control located at the intersections of S. Main Street and W. Lincoln Avenue and S. Main Street and the Glen's Market and authorize the City Manager to sign the same on behalf of the City of Cheboygan. Seconded by Councilwoman Lepp. Motion carried unanimously.

- **Consideration of Purchase of Sewer Back-Up Insurance Coverage**

City Manager McNeil stated that with regard to risk placed upon municipalities as a result of Public Act 222 of 2001 which states that if there is a sewage backup and determined to be the fault of the municipality given certain conditions, the municipality must pay for any associated damages. The Act also provides for certain conditions that must be in place in order to do that. City Manager McNeil stated that at the time, insurance premiums were high for fairly low coverage, and therefore the City established a self insured program relative to Public Act 222. He referred Council to a copy of the policy, explaining that through review, the program identified a maximum exposure of \$90,000 and that a fund was established in that amount in the event of potential claims. City Manager McNeil stated that a fairly large part of the program was funded up front from the General Fund and Sanitary Sewer Fund, and then annual contributions were provided for as well as administrative provisions to review claims. He noted that with a different insurance company on board, he inquired with regard to coverage under PA 222 and was advised that the carrier would provide \$75,000 aggregate coverage as well as legal expertise and administration of the program for a premium of \$5,000 per year. City Manager McNeil commented that currently, the administration and legal expenses are the City's responsibility. He noted that the annual appropriation into the self insured program is \$7,500 for very close to the same aggregate coverage the insurance company is offering, and that the premium of \$5,000 per year to the insurance company would allow the City to return the risk fund balance of \$55,117 to the Sanitary Sewer Fund and \$18,372 to the General Fund. City Manager McNeil recommended that the insurance coverage be purchased and return the monies back to the appropriate funds.

Councilman Tebo moved to approve the purchase of sewer back-up insurance coverage from Municipal Underwriters of Michigan, Inc. relative to Public Act 222, as presented in the letter dated February 15, 2008. Seconded by Councilwoman Lepp. Motion carried unanimously.

- **Consideration of Request for Statements of Qualifications for Engineering and Construction Supervision regarding the Cheboygan River Footbridge**

City Manager McNeil stated that as the rules of the Vibrant Small Cities Initiative Grant program become clearer, we find that the grant funds cannot be given to the Downtown Development Authority and must be awarded to the City of Cheboygan. As a result, all procurements, contracts or other issues relative to projects under that grant must be through the City. City Manager McNeil commented that approval of engineers to provide the construction engineering and construction

supervision must be through the City Council. City Manager McNeil recommended that the recommendation of the DDA for the engineer be considered by Council. He requested approval of Council of the Request for Qualifications format and pending approval of the same by the DDA at their next meeting, he will distribute the RFQ information so that the selection process for the engineer can begin.

Councilman Charboneau moved to approve the Request for Statements of Qualifications for Engineering and Construction Supervision regarding the Cheboygan River Footbridge, pending approval by the Downtown Development Authority Board of Directors. Seconded by Councilman Tebo. Mayor Muschell abstained. Motion carried unanimously with one abstention.

- **Consideration of Letter of Support – re: Establishing Veterans’ Clinic in Cheboygan County**

Councilman Sangster moved to approve the letter of support for establishing a veterans’ clinic in Cheboygan County to be signed by the Mayor. Seconded by Councilman Boardman. Motion carried unanimously.

- **Consideration of Letter of Support to Conduct Wanigan Festival Activities at the Cheboygan County Fairgrounds**

Councilman Boardman moved to approve the letter of support to conduct Wanigan Activities at the Cheboygan County Fairgrounds to be signed by the Mayor. Seconded by Councilwoman Riddle. Motion carried unanimously.

- **Consideration of Salary Survey and Updated Department Head and City Manager Salary System**

City Manager McNeil stated that he conducts a bi-annual department head salary survey of selected municipalities based on a policy adopted by the City Council approximately seven years ago. As a result the survey, pay scale ranges that should be established for each position are recommended. He noted that the salaries themselves are established by the City Council later in the budget process. Councilwoman Riddle asked the approximate salary difference in obtaining an individual with engineering capabilities to fill the upcoming vacancy in the Street Superintendent position and if that information could be built into the research on salary ranges. City Manager McNeil replied that he is unsure of the salary difference and would have to evaluate what the advantages might be but that the information could be researched. Councilman Sangster asked how often an engineer is utilized. City Manager McNeil stated that the need for an engineer varies and there could be times when certain repairs might be made where an engineering background may assist in certain decisions but the Department of Public Works is primarily street maintenance and drainage work. Councilwoman Riddle asked if there are a number of instances in other areas of the City that rely upon an engineer. City Manager McNeil replied that engineering pertains primarily to new construction and with the limited DPW staff and the scope of their duties it would be hard for them to devote the time entirely to design and construction supervision with all the other maintenance requirements they have.

Councilman Tebo moved to approve the updated Department Head and City Manager Salary System as presented. Seconded by Councilman Boardman. Motion carried unanimously.

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

- **Nominating Petitions for City Council and Mayor**

Clerk/Treasurer Kwiatkowski stated that March 11, 2008 is the filing deadline for anyone wishing to run for City Council or Mayor. At this point in time a couple individuals have taken out nominating petitions for Mayor and one for Council which has been returned and approved.

- **Appointment of Mayor to Fill Vacancy**

Clerk/Treasurer Kwiatkowski stated that as a result of the resignation of Mayor Muschell, Council must appoint a replacement. He explained the procedure should a current Council member be appointed, noting that Charter states that the appointment must be within 30 days of the date of vacancy.

Councilman Charboneau moved to appoint Councilwoman Riddle as acting Mayor until the election is held in May 2008, if she is willing. Councilwoman Riddle indicated she is willing to serve as Mayor effective February 27, 2008. Seconded by Councilman Tebo. Motion carried unanimously.

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

- **Strategic Plan, Goal No. 4, Water Quality – 4 Month Report**

City Manager McNeil stated that the Strategic Plan document provides for a report on one of the top four goals every four months and that this four month report is a status report relative to the water quality objective. He noted that unfortunately, through that period of time, with the transition in that department relative to the retirement of the department head and reduced staff, not many issues have been accomplished. City Manager McNeil referred to a realignment of the way the new superintendent plans to approach the review of some of the treating methods, which is actually the only change, and a review of some of the treatment suppliers and taking a look at how the treatment of water is analyzed. He added that plans are underway to install the automatic flushing systems this spring, which is about the only change. City Manager McNeil indicated that he discussed with Superintendent Gall the possibly of taking a look at the overall objective of water quality improvement and where the City is heading with this particular plan of action. He stated that the City has been on this plan of action for almost two years now and he feels it behooves the City to reassess and possibly develop a new plan. Councilwoman Lepp questioned the responses from residents on the east side regarding water quality. City Manager McNeil replied that every comment he has received has been that there is a great deal of improvement since completion the water main project.

- **Steven F. Gall, Sr. Begins Duties as Water & Wastewater Superintendent**

City Manager McNeil commented that Mr. Steve Gall began work as the Water and Wastewater Superintendent on February 18, 2008 and will be serving in that capacity. Additionally, Mr. Gall is the first employee to receive retirement benefits from the City and return to work for the City at a reduced salary level. City Manager McNeil explained that Mr. Gall receives benefits from the City with the exception that the salary level is reduced to 65% and the City no longer contributes toward the retirement program on his behalf.

- **Downtown Rental Rehabilitation Program Effort**

City Manager McNeil stated that efforts are underway to bring a rental rehabilitation program back to downtown. Council may recall the rental rehabilitation program was one of the top recommendations of the Hyett Palma study for the downtown and that the effort was originally initiated through the Cheboygan County Housing Commission. City Manager McNeil explained that the City has joined

with the Northeast Michigan Affordable Housing Corporation who administers programs such as these throughout northeast Michigan and on Cheboygan’s behalf the NMAHC can apply to the Michigan State Housing Development Association for administrative monies from the grant program. He further explained that the NMAHC would administer this program to bring monies to owners of the downtown buildings to rehabilitate or renovate their second floor properties into apartment housing. City Manager McNeil stated that notices have been sent to property owners in the downtown area that fit the profile and there will be a meeting in the City Council chambers on March 11, 2008 with regard to the program.

- **Lincoln Avenue Bridge – Project of the Year Award**

City Manager McNeil stated that he is pleased to announce that the Lincoln Avenue Bridge has been nominated as Project of the Year in structures of \$2 million to \$10 million from the Michigan Chapter of the American Public Works Association. He commented that the engineers and representatives of the City of Cheboygan will be invited to a presentation ceremony that the Michigan Chapter of the American Public Works Association will have in May to receive this award. Mayor Muschell stated that there is one other nomination coming which is from the American Concrete Institute as the Lincoln Avenue Bridge is the only bridge in the United States with six spans.

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

There were none.

**Adjournment**

Councilwoman Lepp moved to adjourn the meeting at 7:55 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