

REGULAR CITY COUNCIL MEETING
September 22, 2009

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

Present: Council Members VanFleet, Lepp, Jewell, Sangster, Couture, Kopernik

Absent: Councilman Bronson

Councilwoman Lepp moved to excuse Councilman Bronson from the meeting. Seconded by Councilman VanFleet. Motion carried unanimously.

Councilman Couture led the Pledge of Allegiance to the Flag.

Approval of Agenda and Receive and File all Communications

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

Correction and Approval of Prior Meeting Minutes

- **Regular City Council Meeting – August 11, 2009**

Councilwoman Lepp moved to approve the minutes of the August 11, 2009 Regular City Council Meeting as presented. Seconded by Councilman Kopernik. Motion carried unanimously.

Public Comments

Public comment portion of the meeting opened by Mayor Sangster.

- **Water Quality**

Ms. Barb Lennon introduced herself and commented on a recent independent study done on the water at her residence and a cost estimate provided by DPW Director Gall for installation of a new water line from the meter to the street due to odor issues with the cold water. She provided water samples, commenting she does not understand the quote that includes the property owner's responsibility to hire a contractor for the service. Ms. Lennon noted that the water meter pit is shared with the next door neighbor who has also indicated a strong odor even with a water softener at her residence. She added that the testing resulted in very hard water and a high amount of total dissolved solids in the water. Ms. Lennon commented on the eight homes in that area and added that the plumber advised that bleaching the water line would be very inexpensive and may clear up the bacteria causing odor in the water. She asked if that is a possibility that could be considered. Mayor Sangster requested a copy of the independent report. City Manager McNeil commented that the matter would be deferred to DPW Director Gall. Councilman Kopernik commented on water quality issues on the east side of town.

- **Pavement Markings**

Ms. Lennon also commented on orange markings on the pavement at one end of South D Street and questioned is that pertains to road repair. City Manager McNeil replied there is a paving project that started today which may be in conjunction with those markings but he would have to defer to DPW Director Gall for details.

- **Chamber of Commerce Update**

Ms. Kim Pappas introduced herself and provided an update on Chamber of Commerce activities including publication of Cheboygan Today and Visitor Guides, craft shows, car shows, summer concert series, 2009 Riverfest, Clean up Cheboygan program, 4th of July and Christmas parades, Cheboygan Home Show, Bass Fishing Tournament, Captain's Meal, and National Trails Event. Ms. Pappas commented on the need for bike racks as a result of the increased trail usage and requested financial assistance from the City. She noted that 10 bike racks are needed and five have been purchased by the Chamber with the possibility of the City and DDA contributing toward the purchase of the remaining five bike racks. Ms. Pappas commented on improved signage on the trailhead, hanging baskets downtown, sponsorship of Seedums Garden Club, and coordination of welcome materials and ribbon cutting for the baseball State championship. Mayor Sangster noted that direction would be needed from the DDA with regard to financial assistance with the bike racks. Councilman VanFleet questioned the status of the E-Chamber Connect. City Manager McNeil commented on an anticipated proposal from Ms. Pappas and review of the City's website through the Marketing Committee. Councilman VanFleet commented on the marketing budget and activities of the DDA and questioned the reason for two event planning entities. He asked if appropriating an annual dollar amount to the Chamber in terms of marketing or other needs in lieu of creating a marketing budget would be more in the best interest of the City. Councilman VanFleet suggested \$3,000 - \$5,000 a year, noting that the marketing budget is currently \$24,000 annually. Mayor Sangster stated that caution must be used when spending tax payer dollars because membership is not just City-driven. Councilman VanFleet commented that the City should not be spending money on events when the Chamber is doing the same thing. He also commented on the conflict with events and advertising, and the blending and overlapping that occurs between the DDA and Chamber and suggested one event planning entity. Mayor Sangster recommended also coordinating events with civic groups and tournament event planners at an off-site meeting to ensure all issues are addressed. City Manager McNeil explained that when the DDA first established the Downtown Enhancement Administrator position, the idea was that the Chamber would continue their normal activities and the Downtown Enhancement Administrator would add value and bring other events to the community. He commented on the marketing study presented by McKenna Associates noting that one of the desired elements expressed in public surveys and identified for downtowns was events and activities. City Manager McNeil noted that a joint effort to discuss current and future events with the Chamber has merit but there is information within the new marketing study to review also. Mayor Sangster commented on the possibility of working in the direction of an area designed and built specifically for holding events, and that a meeting should be scheduled to encourage dialogue. Councilman Kopernik commented on combining efforts and enlarging events to bring more people downtown. Councilman VanFleet referred to budget issues and explained that the idea behind one event planning entity is to save money. He commented on whether there is a need to add to what the Chamber is doing in terms of events or if providing a venue for events would be a means of contributing in a different way. Mayor Sangster commented on dialogue with the DDA Board about specific projects. City Manager McNeil noted he felt there has not been dialogue since the original inception and establishment of the Enhancement Administrator position when it was decided that position would add value to what the Chamber had established. Discussion was also held regarding bike racks and proposed locations.

- **Mackinaw Avenue Sidewalks**

Mr. Jim Smith introduced himself and commented on the repaving and expansion of Mackinaw Avenue. He expressed concerns regarding the safety of pedestrians on the street during the winter months because the sidewalks are impassible and the increased speed of heavy trucks once the road is

paved. He commented on efforts to reduce the speed limit without success and the need for City police enforcement of the speed limit. Mr. Smith also commented on the condition of existing and missing sidewalks in that area. Mayor Sangster referred to a study on sidewalks, the Walkability program, and enforcing the Ordinance to clear certain sidewalks within the City. City Manager McNeil outlined the areas of town that require sidewalks to be cleared and commented on amending the current Ordinance to include the sidewalks along Mackinaw Avenue. Mayor Sangster requested a report on the sidewalks and commented on possibly amending the Ordinance. City Manager McNeil indicated his recommendation is relative to that and will be addressed. Discussion was held regarding sidewalks along Mackinaw Avenue.

There being no further comments from the public, the public comment portion of the meeting was closed by Mayor Sangster.

Public Hearings

- **Consideration of the Vacation of Part of Second Street, “A” Street and an Alley in Blocks 34, 35, 36 and 37, Plat of West Duncan Contained within the Property Known as BP Products North America, Inc., 311 Coast Guard Drive, Cheboygan, Michigan 49721 (parcel No. 052-W59-034-00100)**

Public hearing portion of the meeting opened by Mayor Sangster.

City Manager McNeil provided an overview, stating that this issue is relative to the property commonly known as the bulk fuel storage tanks on the east side of the river. He explained that as the title was researched relative to the proposed sale from BP Products to U.S. Oil, it was discovered that there were some platted streets within the property that had not been formally vacated. In order to allow the transaction to take place with clear title, the buyer proposes the City formally vacate the streets that as a matter of record, do not appear to be vacated. City Manager recommended that Council approve vacating the streets and allow clear title to facilitate the sale of the property. Discussion was held regarding the property. City Manager McNeil explained another legal process to acquire the title through prolonged occupancy but this is a much simpler means and makes sense. Mayor Sangster commented on verification of property lines. City Manager McNeil referred to the legal description that falls within that property.

Mr. Mark Wagoner of U.S. Oil introduced himself and commented that his purpose here is to verify whether the vacation is approved by Council and if there is anything else required of U.S. Oil. City Manager McNeil commented that provided Council approves this vacation, a document would be recorded and the transaction would be complete.

Mr. Ray Lofgren introduced himself and commented on the varying cost of fuel at other locations. He recommended Council investigate why Cheboygan is suffering on the cost of fuel in comparison to other locations. Mr. Lofgren also suggested that weight restrictions be applied to Coast Guard drive in an effort to maintain the street more efficiently. Mr. Wagoner commented on the cost of fuel, noting that US Oil is not a refinery and does not dictate prices but logistically cheaper fuel could be found somewhere. Discussion was held regarding the varying cost of fuel in light of U.S. Oil located in Cheboygan being a distribution center. Supply and demand was mentioned as a possibility for varying prices of fuel.

There being no further comments, the public hearing portion of the meeting was closed by Mayor Sangster.

Councilman Kopernik moved to grant the request to vacate part of Second Street, “A” Street and an alley in Blocks 34, 35, 36 and 37, Plat of West Duncan contained within the property known as BP Products North America, Inc., 311 Coast Guard Drive, Cheboygan, Michigan 49721 (parcel no. 052-W59-034-001-00), described as follows: That part of Second Street, “A” Street and an alley in blocks 34, 35, 36 and 37, Plat of West Duncan., which lie within the following described property: Beginning at a point at the intersection of the northeasterly line of Third Street and the northwesterly line of “B” Street; thence N 57 degrees 30 minutes 30 seconds W 403.69 feet to a point on the river’s edge; thence N 28 degrees 57 minutes E 526.57 feet along the river’s edge; thence S 57 degrees 36 minutes 30 seconds E 447.27 feet to the intersection with the northwesterly line of “B” Street; thence S 33 degrees 41 minutes 30 seconds W 526.53 feet along the northwesterly line of “B” Street to the Point of Beginning. And any land between the above described property and the water’s edge of the Cheboygan River shall also be included with the above-described property. Seconded by Councilman Couture. A roll call vote was taken. Motion carried unanimously.

Communications and Petitions

- **Consideration of a Request from Knights of Columbus, Cheboygan Council No. 791 to conduct its 35th Annual Drive for the Mentally Impaired on October 9, 10 and 11, 2009**

Councilman Couture moved to approve the request from Knights of Columbus, Cheboygan Council No. 791 to conduct its 35th Annual Drive for the Mentally Impaired on October 9, 10 and 11, 2009. Seconded by Councilman Jewell. Motion carried unanimously.

Department, Boards and Commission Reports

- **Department of Public Safety Monthly Statistics – August 2009**

The Department of Public Safety Statistics for the month of August 2009 were received and reviewed.

Unfinished Business

- **Consideration of Ice Rink/Pavilion Management Agreement**

Councilman Kopernik commented on discussion regarding the Ice Rink/Pavilion Management Agreement specifically the minimal amount of public skate time and the City crew plowing the parking lot in the winter. He noted an option to provide an inexpensive truck with a plow attachment to manage the area themselves in the event the City cannot plow the lot for specific events. Councilman VanFleet commented on increasing attendance at hockey events and that the parking lot at times was a problem. City Manager McNeil stated the contract requires the City to plow the parking lot and that more attention will be given to determine how costs may be allocated this year and evaluated next year against possibly privately contracting that out. Councilman VanFleet referred to complaints expressed last year about how the Ice Rink/Pavilion management charges different rates for various functions and questioned how rates are established. Discussion was held regarding use of the facility for various functions, use of the building after the hockey season and ice is removed, amended language in the contract regarding snow removal, and referrals regarding out of town hotel accommodations. City Manager McNeil Ice Rink/Pavilion Manager will be providing Council with a programming overview and present the budget at the next City Council meeting. He outlined the complaint procedure within the agreement that provides for complaints to be directed to the Hockey Association and their Board of Directors and any unresolved issues would be referred to him then ultimately the City Council for resolution. Discussion was held regarding snow removal and contracting the service versus providing snow removal through the City. Also discussed were maintenance of the sidewalks and grounds even during the off season as well as what the Hockey Association and the City is responsible for in the contract. City Manager McNeil indicated that the

Hockey Association maintains the sidewalks and Parks & Recreation staff maintains the grounds. Councilman VanFleet commented on loose ends with regard to how the facility is managed outside of the hockey season and recommended the issue be tabled until Mr. Watson can provide a report. City Manager McNeil commented that Mr. Watson will be available for a report at the next City Council meeting.

Councilwoman Lepp moved to table consideration of the Ice Rink/Pavilion Management Agreement until a report is available from management. Seconded by Councilman Jewell. Motion carried unanimously.

General Business

- **Consideration of Sidewalk Repair and Replacement Program per Ordinance (Sections 98.46 & 98.47, also Chapter 33, Special Assessments)**

City Manager McNeil referred to a map of the City illustrating proposed areas for sidewalk replacement prior to enforcing the guidelines of the Sidewalk Ordinance. He also referred to information from United Design Associations, the City Engineer as to what role they play in this process. City Manager McNeil outlined the six proposed phases of sidewalk replacement in order of priority and explained the rationale for that priority. He added that inspections within each of those areas would take place in the fall and notification would be given to property owners relative to those that would be affected by the determination. City Manager McNeil explained the special assessment process, indicating that public hearings and cost estimates along with other information would be made part of that process. He added that funds are available within the sidewalk appropriation and he recommends allocating the professional service fees to that line item. Mayor Sangster referred to the Safe Route to Schools grant program. City Manager McNeil explained the Safe Route to Schools program and his desire to direct grant funding to new sidewalks. Council discussed at length replacement of existing sidewalks and construction of new sidewalks; the current Sidewalk Ordinance; the special assessment process for property owners; concrete versus asphalt sidewalks; engineering fees and possibly bidding out the service; and keeping the scope of work manageable within each phase of the sidewalk replacement program. Also discussed was public safety particularly with regard to Mackinaw Avenue; financial concerns and funding for the City's portion of sidewalk replacement; the possibility of DPW Director Gall determining preliminary specifications as opposed to an engineer as a cost saving measure; public concern on the cost of sidewalk replacement; and sidewalks along commercial as well as residential property.

Councilman Bronson entered the meeting at 8:20 p.m.

Mayor Sangster commented on the goal of Council to accelerate the sidewalk plan and determine cost cutting objectives because sidewalks are a top priority of the Strategic Plan. Ms. Janet Gahn conveyed concern regarding corner sections of sidewalks paid for by the City versus multiple sections paid for by the property owner. She also mentioned a problem with curbing in some areas. City Manager McNeil indicated there is no one size fits all scenario which is why an engineer should be involved because there will be individual situations with all kinds of different conditions that must be dealt with. Council discussed the financial hardship to property owners as well as the City's financial obligation. City Manager McNeil indicated that phase one would be conduct the inspection work, develop the cost estimate and go from there. Council discussed time estimates for the project and cost estimates from contractors. City Manager McNeil stated he would attempt to provide a firm number or some type of time estimate from United Design Associates for Council to consider. Council discussed obtaining outside proposals, whether an engineer is needed and if a

contractor could provide the same service. City Manager McNeil commented on developing specifications or whatever the requirements of the professional are going to be in order to proceed any further. It was the consensus of Council to table the matter.

Councilman VanFleet moved to table the issue until more information is available. Seconded by Councilman Kopernik. Motion carried unanimously.

- **Consideration of Traffic Control Order No. 002-09**

Councilman Kopernik moved to approve Traffic Control Order No. 002-09. Seconded by Councilwoman Lepp. A roll call vote was taken. Motion carried unanimously.

- **Consideration of Forbearance Agreement with Great Lakes Tissue regarding 2006, 2007 & 2008 Delinquent Personal Property Taxes**

Clerk/Treasurer Kwiatkowski explained that Great Lake Tissue is requesting a forbearance agreement with regard to freezing the interest on their 2006, 2007 and 2008 delinquent personal property taxes effective March 31, 2009. He commented that the County considered the same issue with regard to real property taxes and ultimately agreed to a forbearance agreement and will recoup approximately \$185,000. Clerk/Treasurer Kwiatkowski stated that if this forbearance agreement is approved and the interest rate is frozen as of March 31, 2009, Great Lakes Tissue would owe the City and other units a total of \$39,835.98. He briefly outlined the distribution of funds, noting that the forbearance agreement also has provisions where if Great Lakes Tissue defaults, the interest can be added back on. Mayor Sangster questioned if this has ever been done before and if there is an immediate impact on the City. City Manager McNeil explained that this is part of the restructuring through the bankruptcy proceedings and allows Great Lakes Tissue to structure some of the liability and pay that in a manner they feel can be accomplished. Discussion was held regarding current and past taxes. Clerk/Treasurer Kwiatkowski noted that 2006, 2007 and 2008 taxes have not been paid but both real and personal property taxes for 2009 are paid.

Councilman Kopernik moved to approve the Forbearance Agreement with Great Lakes Tissue regarding 2006, 2007 & 2008 Delinquent Personal Property Taxes contingent upon City Attorney approval. Seconded by Councilman Jewell. Discussion held on the bankruptcy proceedings. City Manager McNeil recommended the motion be amended because he feels it is important that the record note authorizing the Mayor sign the agreement. A roll call vote was taken. Motion carried unanimously. Councilman Kopernik amended the motion to approve the Forbearance Agreement with Great Lakes Tissue regarding 2006, 2007 & 2008 Delinquent Personal Property Taxes contingent upon City Attorney approval and authorizing the Mayor to sign the same. Seconded by Councilman Jewell. A roll call vote was taken. Motion carried

City Clerk's and Treasurer's Comments

- **City Audit**

Clerk/Treasurer Kwiatkowski noted the Management Discussion and Analysis portion of the City audit is in the process of being completed and an audit presentation is anticipated the second week in October.

City Manager's Report

- **Update on 2010 Water Main Project Financing**

City Manager McNeil stated that he has been advised by the USDA that the City's loan application along with a block of other loan applications will soon be brought forward for formal consideration.

He explained that USDA staff will be arranging meetings during the next four to six weeks with City staff including himself and the engineer to talk through the formal application process. City Manager McNeil commented that the City engineer recommends proceeding with the survey work which will help with the specification process. He added that in order to have the project proceed in a timely manner next summer he has asked the engineer for a proposal which should be available for review at the next City Council meeting.

Messages and Communications from Mayor and Council Members

- **Personal Property Taxes**

Councilwoman Lepp questioned what measures are being taken to collect unpaid personal property taxes from businesses. She referred to a letter sent to Council on the amount of outstanding taxes. Clerk/Treasurer Kwiatkowski explained that he addresses current personal property taxes and that letters could be initiated to businesses owing delinquent taxes. Councilwoman Lepp commented on the recent forbearance arrangement with Great Lakes Tissue, the businesses that pay personal property taxes on time every year, and the efforts that should be made to collect delinquent personal property taxes. Mayor Sangster requested that letters be sent regarding collection of delinquent personal property taxes. Clerk/Treasurer Kwiatkowski indicated he would address that issue.

- **Sidewalks**

Councilman Couture expressed concerns regarding significant cost to the City relative to sidewalk replacement even if property owners are able to fulfill their portion of responsibility. He commented on having a cost estimate before Council makes any determination. City Manager McNeil commented that obtaining cost estimates is part of the initial process.

- **Downtown Cheboygan**

Councilman Bronson related positive comments conveyed to him regarding the impressive appearance of downtown Cheboygan. Councilman Jewell commented on water quality improvement experienced by CarQuest since the Main Street reconstruction project.

Adjournment

Councilman Jewell moved to adjourn the meeting at 9:02 p.m. Seconded by Councilwoman Lepp. Motion carried unanimously.

Mayor Richard B. Sangster

City Clerk Kenneth J. Kwiatkowski

Councilman Nicholas C. Couture

Councilman William K. Jewell

Councilwoman Theo Lepp

Councilman Mark Bronson

Councilman Michael J. VanFleet

Councilman Roger Kopernik