

REGULAR CITY COUNCIL MEETING
February 23, 2010

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 Sangster, Couture, Kopernik, Bronson, VanFleet, Lepp and Jewell

Councilman Couture led the Pledge of Allegiance to the Flag.

Approval of Agenda and Receive and File all Communications

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

Correction and Approval of Prior Meeting Minutes

- **Special City Council Meeting – January 28, 2010**

Councilman Bronson moved to approve the minutes of the January 28, 2010 Special City Council Meeting as presented. Seconded by Councilwoman Lepp. Motion carried unanimously.

Public Comments

Public comment portion of the meeting opened by Mayor Sangster.

- **Ken Glasser – State Representative Candidate**

Mr. Ken Glasser introduced himself and commented he is a candidate for State Representative 105th District seat. He provided personal and professional background information.

Public comment portion of the meeting closed by Mayor Sangster.

Communications and Petitions

- **Consideration of a Request from the Cheboygan Chapter of the Warthogs' Motorcycle Club to hold a Poker Run on June 26, 2010 from 10:00 a.m. to 12:00 noon in Washington Park**

Councilman Couture moved to approve the request from the Cheboygan Chapter of the Warthogs' Motorcycle Club to hold a Poker Run on June 25, 2010 from 10:00 a.m. to 12:00 noon in Washington Park. Seconded by Councilman VanFleet. Motion carried unanimously.

Reading of Ordinances

- **First Reading – An Ordinance to Amend Sections 32.15, 32.16, 32.17, 32.18 and 32.19 by Repealing said Sections and Enacting New Sections 32.15, 32.16, 32.17, 32.18 and 32.19, Planning Commission**

City Manager McNeil explained that in 2008 the State Legislature passed the Planning Enabling Act which includes many different rules relative to land use regulation in the State of Michigan and how that impacts the local government level. He noted that proposed changes to the portion of the City Ordinances relative to establishment and operation of the Planning Commission are before Council for consideration and is intended to meet the requirements of the new statute. City Manager McNeil commented that the amendment in particular lays out the required language for removal from office through a public hearing process; requires the Planning Commission to adopt By-Laws; allows the Commission to accept gifts for the purpose of carrying out its functions; allows the Planning

Commission to contract with consultants, etc. based on appropriations from the City Council; and most notably the statute requires the Planning Commission to appoint its members based on people groups. He referred to four people groups recommended by the Planning Commission which include management/professional/ scientific; residential; business/commercial; and recreation. He also commented on the need to ensure that future appointees represent one of the people groups.

Councilman Kopernik moved to schedule a public hearing for March 23, 2010 to consider an Ordinance to amend Sections 32.15, 32.16, 32.17, 32.18 and 32.19 by Repealing said Sections and Enacting New Sections 32.15, 32.16, 32.17, 32.18 and 32.19, Planning Commission. Seconded by Councilman Bronson. A roll call vote was taken. Motion carried unanimously.

Department, Boards and Commission Reports

- **Department of Public Safety Monthly Statistics – January 2010**

The Department of Public Safety Statistics for the month of January 2010 were received and reviewed.

- **Regular Planning Commission Meeting – February 15, 2010**

City Manager McNeil reported that the two main issues discussed at the Planning Commission are also on this agenda and include the plan elements of the Major City Park Master Plan and Riverfront Development Plan Report which was approved by the Planning Commission. He commented that the Riverfront Development Plan originates from the Strategic Plan and serves as a result of that first element of study from the Planning Commission.

- **Regular Human Relations Board Meeting – February 18, 2010**

City Manager McNeil reported that the Human Relations Board, since abandoning the annual Martin Luther King, Jr. Day event, has since been taking a look at other ways of fulfilling their mission. The Board has invited different people to meetings that they might deem as stakeholders in their mission to determine what the Human Relations Board should be doing or making a priority. Additionally, there was discussion regarding the Board's mission statement.

Unfinished Business

- **Consideration of Engineering Agreement for Professional Services with Wade Trim, Inc. with regard to the 2010 Water Main Improvement Project**

City Manager McNeil referred to an engineering agreement for professional services with Wade Trim relating to the 2010 water main replacement project. He noted that the consideration before Council is if the City is to enter into this engineering agreement which has a cost associated with it that exceeds \$300,000 then Council must be committed to the loan that has been secured with the USDA Rural Development. City Manager McNeil stated that with the loan comes the servicing of that debt by increasing the water rates. Additional information has been provided to Council regarding what that may mean to the average user based on information put together to bring forth the preliminary application. He commented that the average user would see an increase of about \$4.12 per month and the commercial user about \$13.63 per month based on that data. City Manager McNeil stated that the estimated cost for this project with engineering is \$3.1 million and it is proposed that a loan be secured from USDA Rural Development that has a 40 year loan term with an interest rate of 2.375%. In conjunction with that he has submitted a notice of intent to the Michigan Economic Development Corporation with assistance through Northern Lakes Economic Association. He noted that the grant application is for \$.5 million and matching funds would be a loan from USDA Rural Development and if funded would reduce the loan to \$2.6 million. City Manager McNeil stated that

Mr. Paul Repasky from Wade Trim is here and can elaborate more on the project and answer questions. Council discussed at length the increase in water rates to service the debt, the previous reduction in water usage that recently increased rates, the importance of continuing with the water main projects and concerns regarding the cost to users. Also discussed was the age and poor condition of the mains being replaced, the anticipated life expectancy of water mains, the priority of the Strategic Plan for improving water quality, the possibility of incremental rate increases and the number of residents still affected by poor water quality. Mr. Bill Burnett commented on the water situation along State Street. Council discussed water main replacement in conjunction with MDOT road improvements to that portion of the State highway. Ms. Janet Gahn commented on the need for water quality improvement, the possibility of incremental rate increases to offset future expenses, and encouraged Council to proceed with the project.

Councilwoman Lepp moved to approve the Engineering Agreement for Professional Services with Wade Trim, Inc. with regard to the 2010 Water Main Improvement Project and authorize the City Manager to sign the same on behalf of the City of Cheboygan. Seconded by Councilman Kopernik. A roll call vote was taken. Motion carried unanimously.

- **Review of Proposed Five-Year Cheboygan Ice Rink/Pavilion Management Agreement**

City Manager McNeil stated that the Ice Rink/Pavilion is managed through an agreement with the Cheboygan Hockey Association. He added that there has been some discussion relative to a transfer of responsibilities for snow plowing to the Hockey Association that were previously under the City of Cheboygan Department of Public Works. City Manager McNeil explained that with the bouts of extreme weather experienced last winter and the City's reduced DPW staff levels, City staff was not able to sufficiently clear the ice rink parking lot for the needs of that particular operation as City streets and municipal parking lots are top priority. He noted that Council has attempted to negotiate within the agreement to transfer the snow removal responsibility from the City to the Hockey Association but the Hockey Association has expressed some concerns with that particular provision so Council is reviewing that issue again. Council discussed the language in the management agreement that indicates the City will provide snow removal at the Ice Rink/Pavilion parking lot when able and the intent for the Hockey Association to arrange snow removal otherwise. City Manager McNeil commented that the Hockey Association is willing to undertake snow removal but would prefer the City provide that service when possible. A lengthy discussion was held regarding snow removal at the Ice Rink/Pavilion, the financial resources available to the Hockey Association to contract snow removal, potential long term future management of the facility by the City, and possible year-round use of the facility. Ms. Janet Gahn commented on DPW staffing and the need to ensure that City streets are plowed before the Ice Rink/Pavilion parking lot. Mr. Ray Lofgren commented on management of the Ice Rink/Pavilion by the Hockey Association rather than the City and the possibility of a one year agreement at this time. Council discussed the language in the contract being open to interpretation and the need for the wording to be clear. Also discussed was revenue coming into the facility and how that revenue is allocated by the Hockey Association, concession revenues, facility maintenance expenses, and the possibility of a one year agreement with the beginning date of October 27, 2009.

Councilman Couture moved to allow the existing Cheboygan Ice Rink/Pavilion Management Agreement to continue for one year to expire October 27, 2010. Seconded by Councilman VanFleet. A roll call vote was taken. Motion carried unanimously.

- **An Ordinance to Amend Section 154.002 of the Zoning Chapter of the Cheboygan City Code by adding a new definition for “Medical Marijuana Dispensary” and, further, amending Section 154.067(C) (8) by adding an additional use of “Medical Marijuana Dispensary”**

City Manager McNeil explained that with the passage of the Michigan Medical Marijuana Act and the subsequent rules that were created to implement that Act, a provision allows primary care givers who can assist those that are approved for medical use of marijuana to be compensated, thus creating a commercial activity. He noted that the Planning Commission is recommending that commercial activity be given a definition in the Zoning Ordinance and then have the Zoning Ordinance provide for the General Business District where those type of activities would be allowed. Additionally, the Planning Commission, by way of this proposed Zoning amendment, is recommending that a new definition of Medical Marijuana Dispensary be added as part of the amendment. City Manager McNeil read the definition of Medical Marijuana Dispensary into the record. He stated those that comply with the rules to be primary care givers and those that comply with the rules to be able to use marijuana for medical purposes can receive the help from these caregivers at medical marijuana dispensaries within the General Business Districts. Council discussed the use of medical marijuana dispensaries in other communities, concerns of dispensary locations near schools and churches, State requirements for care givers and medical marijuana users, possible misuse, and responsibilities of policing the medical marijuana dispensaries through the Department of Public Safety.

Councilman VanFleet moved to adopt an Ordinance to Amend Section 154.002 of the Zoning Chapter of the Cheboygan City Code by adding a new definition for “Medical Marijuana Dispensary” and, further, amending Section 154.067(C) (8) by adding an additional use of “Medical Marijuana Dispensary”. Seconded by Councilman Couture. Discussion was held regarding location of dispensaries next to schools and churches. City Manager McNeil stated that the motion and recommendation here is that medical marijuana dispensaries be allowed only in the General Business Districts. A roll call vote was taken.

Yes votes: Council Members Couture, Bronson, Lepp, Sangster and VanFleet

No votes: Council Members Jewell and Kopernik

Motion carried.

General Business

- **Consideration of Recommendation – Major City Park Master Plan**

City Manager McNeil referred to the Small Town Initiative through the Michigan State University Department of Landscape Architecture to develop a Conceptual Master Plan for the Major City Park. He noted this was done in conjunction with two different public meetings to gather information and one final public meeting for presentation of this Conceptual Plan. City Manager McNeil commented that he provided the Conceptual Plan to the Planning Commission and Downtown Development Authority for review and recommendations on which of the amenities the Plan presents should receive priority. He added that he attempted to provide the Plan to the Recreation Commission by calling two different meetings and failing to produce a quorum at either of the two meetings. City Manager McNeil referred Council to the recommendations from the Planning Commission and Downtown Development Authority who are recommending approval of the Conceptual Plan as presented. He noted that the Planning Commission and Downtown Development Authority reviewed the Plan and between the two groups are recommending the following as the top priorities: entryway improvements, riverfront development with the multi-use trail as the top priority there, acquisition of the Consumers Energy property and reforestation of the natural areas. He stated that the only other issue that Council might consider is whether another public meeting or public hearing for input might

be in order although there have already been several public meetings. Council discussed acquisition of Consumers Energy property, consideration of a campground facility, walking trails along the River and entrance to the Major City Park. City Manager McNeil agreed that the entranceway and the Riverfront improvements in his view are two projects that could be addressed right away, both have a significant impact and run parallel with the other plan that has been submitted relative to a sports complex in that area. Council also discussed the four priority issues being recommended, possible grant funding and accomplishing the project incrementally. City Manager McNeil commented on adopting the priorities then determining funding and design options.

Councilman Kopernik moved to approve the recommendation for the Major City Park Master Plan as presented. Seconded by Councilman Bronson. Discussion held on the order of the priorities. City Manager McNeil noted the priorities are in no particular order.

A roll call vote was taken.

Yes votes: Council Members Couture, Bronson, Lepp, Kopernik, Sangster and VanFleet

No votes: Councilman Jewell

Motion carried.

- **Consideration of Bylaws of the City of Cheboygan Planning Commission**

City Manager McNeil referred to the proposed new Ordinance that requires the Planning Commission to adopt Bylaws. He noted that these standard Bylaws provide for regular meetings, officers of the Board, issues of conflict of interest, and establishing quorums, among other issues, and are provided for Council's review and approval. Discussion was held regarding the contents of the proposed Bylaws, governing the Planning Commission before the adoption of Bylaws, participation by communication and whether that is considered part of the quorum, whether the proposed Bylaws have been reviewed by the City's legal counsel, and the need for Bylaws if none were in place before now. City Manager McNeil explained that legal counsel could review the proposed Bylaws and that the Bylaws have been established as required by State law with the enactment of the Planning Enabling Act of 2008.

Councilman Couture moved to approve the Bylaws of the City of Cheboygan Planning Commission as presented contingent upon review and approval by the City Attorney. Seconded by Councilman VanFleet. A roll call vote was taken. Motion carried unanimously.

City Clerk's and Treasurer's Comments

There were no comments.

City Manager's Report

- **Woolworth Site Reuse Grant Update**

City Manager McNeil referred to the reuse grant for the Woolworth site, commenting that the Review Board of the MEDC will be reviewing the notice of intent and will hopefully approve the proposed project. He explained that the grant funding is for demolition of the Woolworth building and the construction of a covered pavilion for year-round use. City Manager McNeil noted that the estimated cost of the project is \$575,000 and the City is seeking grant funding for 80% of that estimate. Council discussed the grant and proposed start date of the project if the grant is approved.

- **Riverfront Development Plan Report**

City Manager McNeil referred Council to a Riverfront Development Plan report from the Planning Commission as a result of the directive of the Strategic Plan to review the City's land use and priority

of riverfront development. He noted that the Riverfront Development Plan defines the river in three different areas; the north corridor being that part of the river north of State Street; the central corridor between State Street and Lincoln Avenue; and the south corridor is south of Lincoln Avenue. The Plan is meant to be presented to Council for review and is recommended that this be discussed in detail by the City Council at a future planning session.

- **Capital Improvement Plan and 2010/2011 Preliminary Budget Update**

City Manager McNeil stated he offered a draft of the five year Capital Improvement Plan for the Planning Commission’s consideration prior to his leaving and that he will present a preliminary budget for the upcoming budget year at the next City Council meeting which will include a balanced budget with recommended capital purchases based on department head recommendations.

- **Community Swimming Pool Committee Update**

City Manager McNeil referred Council to a marketing study completed by Ballard and Associates, part of a tandem team of consultants for the proposed community swimming pool. He explained that the marketing plan addresses the demographics of the area, recommendations for operations and what type of amenities the pool should have. City Manager McNeil noted that the remaining part of the engineering services includes recommendations on amenities and from there design the pool and establish operating costs in addition to construction costs.

Messages and Communications from Mayor and Council Members

- **City Manager Replacement**

Councilman Couture questioned the steps needed in finding an interim City Manager. Mayor Sangster stated that Michigan Municipal League will assist in the search and a Committee of Council will be formed. Discussion was held on the recruitment process, interview process and the formation of a Committee of Council. Council also discussed tentative dates for a Special City Council meeting to discuss the procedure of selecting and hiring an interim City Manager and agreed on Thursday, February 25, 2010 at 9:35 a.m. in Council Chambers.

Adjournment

Councilwoman Lepp moved to adjourn the meeting at 8:36 p.m. Seconded by Councilman VanFleet. 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