

REGULAR CITY COUNCIL MEETING
March 9, 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 Couture, Kopernik, Bronson, VanFleet, Lepp, Jewell and Sangster

Councilman Kopernik led the Pledge of Allegiance to the Flag.

Approval of Agenda and Receive and File all Communications

Mayor Sangster noted a revision on the Unpaid Bills and Disbursements for February 2010.

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

Correction and Approval of Prior Meeting Minutes

- **Regular City Council Meeting – February 9, 2010**

Councilman Couture moved to approve the minutes of the February 9, 2010 Regular City Council Meeting as presented. Seconded by Councilman VanFleet. Motion carried unanimously.

- **Regular City Council Meeting – February 23, 2010**

Councilman Couture moved to approve the minutes of the February 23, 2010 Regular City Council Meeting as presented. Seconded by Councilman VanFleet. Motion carried unanimously.

Public Comments

Public comment portion of the meeting opened by Mayor Sangster.

- **Motor Coach Community/Trash Cans/Street Sweeper**

Mrs. Trudy Lofgren introduced herself and commented on the public hearing regarding the Motor Coach Community with no representation from the City other than Councilman Kopernik. Additionally, she questioned if the street cleaner is scheduled soon. City Manager McNeil noted that the DPW has been advised but the downtown area may be a while because of frozen conditions in the early morning when street sweeping would be done. Mrs. Lofgren asked if the trash cans could be put out downtown. City Manager McNeil noted that is also in the works. Councilman Jewell commented on the public hearing for the Motor Coach Community, noting there has been a letter drafted to send to the DNR and everyone on Council is invited to sign that letter to show their support.

Public comment portion of the meeting closed by Mayor Sangster.

Public Hearings

- **An Ordinance to amend Section 154.002 of the Zoning Chapter of the Cheboygan City Code by Adding a new definition for “Vacation Home Rental” and, further, amending Sections 154.062(b)(3), 154.063(b)(7), 154.064(b)(9), 154.068(b)(14) and 154.069(b)(7) by adding an additional use of “Vacation Home Rental”**

City Manager McNeil stated that this public hearing is to consider a recommendation from the Planning Commission that proposes to amend the Zoning Ordinance in two different manners. The

first is to add a definition of vacation home rental which was read into the record. City Manager McNeil stated the licensing provision is another Ordinance revision which Council has already held a public hearing on and appears later in the agenda. He noted the second part of the amendment is relative to the recommended zoning areas where vacation home rentals would be allowed and include Two Family Residential, Multi-Family Residential, Tourist Service, General Commercial, and Office Districts.

Public hearing portion of the meeting opened by Mayor Sangster.

Councilman VanFleet requested clarification on the zoning districts where vacation home rentals will and will not be allowed. City Manager McNeil stated that the zoning districts where vacation home rentals are proposed not to be allowed are Single Family Residential, Business, Industrial and Waterfront Marine Districts. Ms. Debbie Messler introduced herself and questioned the penalty if vacation homes were rented in a section of town not allowed by Ordinance. City Manager McNeil indicated the Zoning Ordinance has enforcement provisions that apply to any violation and includes being subject to fine, court, or ultimately incarceration. Ms. Trudy Lofgren requested further clarification on the definition of vacation home rentals and allowed locations. City Manager McNeil explained the definition of vacation home rentals, licensing requirements and allowed locations, adding that there are other provisions in the Ordinance that require persons that occupy dwellings within a Single Family Residential District to meet the requirements of single family. Discussion was held on the definition of single family.

Public hearing portion of the meeting closed by Mayor Sangster.

Council discussed the proposed changes in the Ordinance and regulation of vacation home rentals that identifies areas where vacation home rentals are and are not allowed and helps those in Single Family Residential Districts to maintain a residential atmosphere. Council also discussed Ordinances already in place that prohibit excessive noise, public intoxication, trespassing, and other nuisance violations. Discussion was held on vacation home rentals constituting a business and compromising homestead exemption status, the situations on Riverside Drive that prompted vacation home rental regulation, supplemental income generated from vacation home rentals, and Ordinance enforcement.

Councilman Couture moved to deny adoption of an Ordinance to amend Section 154.002 of the Zoning Chapter of the Cheboygan City Code by Adding a new definition for “Vacation Home Rental” and, further, amending Sections 154.062(b)(3), 154.063(b)(7), 154.064(b)(9), 154.068(b)(14) and 154.069(b)(7) by adding an additional use of “Vacation Home Rental”. Seconded by Councilman Jewell. A roll call vote was taken.

Yes votes: Council Members Jewell, Couture and Sangster

No votes: Council Members VanFleet, Bronson, Lepp and Kopernik

Motion failed.

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 “Vacation Home Rental” and, further, amending Sections 154.062(b)(3), 154.063(b)(7), 154.064(b)(9), 154.068(b)(14) and 154.069(b)(7) by adding an additional use of “Vacation Home Rental”. Seconded by Councilman Kopernik. A roll call vote was taken.

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

No votes: Council Members Jewell, Couture and Sangster
Motion carried.

Communications and Petitions

- **Resignation Letter from Stephen E. Lindsay from Historic Resources Commission and Zoning Board of Appeals, Effective February 1, 2010**

Councilman Couture moved to accept the resignation of Stephen E. Lindsay from the Historic Resources Commission and Zoning Board of Appeals effective February 1, 2010. Seconded by Councilwoman Lepp. Motion carried unanimously.

City Manager McNeil commented on the need for Council to fill the vacancy on the Zoning Board of Appeals because in order to consider or grant a use variance, the Board must have at least four members and with Mr. Lindsay's resignation, the membership is now at three. He noted that a recent request for a variance cannot be facilitated until the vacancy is filled.

- **Consideration of Request from Churchill Classic Committee to hold the Churchill Classic Run on August 21, 2010 and to close Water Street from W. State Street to Division Street for Entire Race and Division Street from Water Street to N. Western Avenue at the Start of the Race for approximately 10 Minutes**

Councilman Couture moved to approve the request from the Churchill Classic Committee to hold the Churchill Classic Run on August 21, 2010 and to close Water Street from W. State Street to Division Street for the entire race and Division Street from Water Street to N. Western Avenue at the start of the race for approximately 10 minutes. Seconded by Councilwoman Lepp. Motion carried unanimously.

- **Consideration of a Request from East Side Business District for Way Finding Signage**

Mrs. Laura Derk introduced herself explaining that she represents East Side business owners with a proposal for way finding signage for the east side business district. She referred to information provided to Council regarding proposed way finding signage for the east side which includes a draft illustration of signs that are 2 x 4 feet each and a smaller directional sign. Mrs. Derk noted that the proposed locations for the two larger signs are at the intersection of Main and State Streets, Lincoln Avenue and Main Street and the smaller directional sign at the intersection of East Lincoln and Lafayette Avenues. She commented that the cost of the three signs is estimated at \$700 and requested that the City purchase the signage. Council discussed the proposed design, location and installation of the way finding signage, as well as the cost. It was noted that the proposed design for the east side way finding signage match the downtown way finding signage program

Councilwoman Lepp moved to approve the request from the East Side Business District for way finding signage with a maximum expense by the City of \$1,000 contingent upon approval from Council on the finished design product before going out for quotations. City Manager McNeil stated staff can come back with a quotation listing for Council. Seconded by Councilman VanFleet. A roll vote was taken. Motion carried unanimously.

- **Consideration of a Request from the Francis A. Barlow Post #95 of the American Legion of Cheboygan to hold annual Poppy Day Sale on May 28th and 29th, 2010**

Councilman Couture moved to approve the request from the Francis A. Barlow Post #95 of the American Legion of Cheboygan to hold annual Poppy Day Sale on May 28th and 29th, 2010. Seconded by Councilwoman Lepp. Motion carried unanimously.

Bills and Disbursements

- **Pre-paid Bills and Disbursements for the Month of February 2010**

Councilman Kopernik moved to approve the pre-paid bills and disbursements for the month of February 2010 in the amount of \$1,374,303.90. Seconded by Councilman Couture. A roll call vote was taken. Motion carried unanimously.

- **Unpaid Bills and Disbursements for the Month of February 2010**

Mayor Sangster noted the revisions to the unpaid bills and disbursements for the month of February 2010.

Councilman Couture moved to approve the unpaid bills and disbursements for the month of February 2010 in the amount of \$28,186.34. Seconded by Councilwoman Lepp. A roll call vote was taken. Motion carried unanimously.

Department, Boards and Commission Reports

- **Regular Downtown Development Authority Board of Directors Meeting – March 2, 2010**

City Manager McNeil stated the DDA discussed the Retail Incentive Program where the DDA has established the ability to assist new retail businesses in the downtown area by subsidizing part of the rent along with the landowner. He referred to an Economic Committee that will oversee the program including review of applications, recommendations for approval or disapproval on participation of the program and monitoring businesses on an ongoing basis. City Manager McNeil reported that the DDA Board also approved the taking of bids for the way finding signage program which was approved for payment of half the cost through the Vibrant Small Cities Grant program. City Manager McNeil reported that the DDA Board discussed resolution of a dispute with the contractor over change orders and amount of liquidated damages in a settlement regarding the foot bridge, which was approved by the Board and accepted by the contractor. City Manager McNeil provided an update on the Woolworth site grant noting that the DDA Board discussed how the program might take place and is hopeful of having some input on the final design although the authority is with the City Council rather than the DDA. He commented that a final grant application must be put into place and if all the criteria is met it appears the grant funding will be available and then a grant agreement would be developed for consideration. City Manager McNeil noted that the grant agreement will lay out the terms of the grant fund expenditures and will include language on the maximum grant payment.

Unfinished Business

- **Consideration of Quote from UIS Programmable Service for SCADA System at Wastewater Treatment Plant**

DPW Superintendent Gall stated that he negotiated with UIS Programmable Service for SCADA system improvement at the Wastewater Treatment Plant and provided an overview of the scope of the work included in the quote. City Manager McNeil mentioned that Council may recall this was included in the study completed by Wilcox Associates as a needed upgrade and has been included in the capital improvement plan and the current budget. Discussion was held on the function of the SCADA system, annual fees and proposed system improvements.

Councilman Couture moved to approve the quote from UIS Programmable Service to furnish and install a Motorola SCADA System for the Wastewater Treatment Plant in the amount of \$148,325. Seconded by Councilman Kopernik. A roll call vote was taken. Motion carried unanimously.

- **New Ordinance – License Requirements for Vacation Home Rentals**

City Manager McNeil stated that this follows the recent adoption of the Zoning Ordinance which provides for a definition of vacation home rental and which zoning districts those rentals are allowed in. He referred to the proposed Licensing Ordinance for Vacation Home Rentals which provides for the license to be issued by staff based on the determination that the criteria in the Ordinance is met as well as criteria that would allow for the revoking of the license and an appeal process.

Councilman Bronson moved to adopt a new Ordinance for License Requirements for Vacation Home Rentals. Seconded by Councilman Kopernik. A roll call vote was taken.

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

No votes: Council Members Jewell and Sangster

Motion carried.

General Business

- **Consideration of City of Cheboygan Fraud Policy**

Clerk/Treasurer Kwiatkowski referred to a proposed Fraud Policy modeled after the policy in effect through Cheboygan County and required by the annual City audit. He commented on a very detailed risk assessment that is part of the annual City audit and that the problem the City has every year is proper separation of duties because of the minimal staff. Clerk/Treasurer Kwiatkowski added that the Fraud Policy outlines the steps to protect the City's assets.

Councilman Couture moved to adopt the City of Cheboygan Fraud Policy as presented. Seconded by Councilwoman Lepp. A roll call vote was taken. Motion carried unanimously.

- **Consideration of Request for Proposals for Website Design Services**

City Manager McNeil referred to a request for proposals for website design services which is being recommended by the Marketing Committee that was established based on the priority of the Strategic Plan for marketing. He noted that the request for proposals has been reviewed by the Marketing Committee who is recommending the City proceed with obtaining proposals for website design services. City Manager McNeil commented that the Marketing Committee is also willing to evaluate the proposals and provide a recommendation to Council. Discussion was held on the design of the website, review process and associated cost.

Councilman Kopernik moved to take Request for Proposals for website design services. Seconded by Councilman Bronson. Motion carried unanimously.

- **Consideration of Bids – 2010 Patrol Car**

Chief Jones referred to a tabulation of bids received on the purchase of a 2010 patrol car, commenting he is recommending the low bid from Shaheen Chevrolet in the amount of \$18,556. He explained the circumstances leading up to the need to replace the vehicle noting that it is anticipated that approximately \$4200 would be retrieved in retribution for the damaged vehicle and if not a claim would be made to the insurance company.

Councilman Couture moved to approve the purchase of a 2010 patrol car from Shaheen Chevrolet in the amount of \$18,556. Seconded by Councilman Bronson. A roll call vote was taken. Motion carried unanimously.

- **Appointment of Clerk/Treasurer Kwiatkowski as Certified Officer for Environmental Review pursuant to Community Development Block Grant Requirements**

City Manager McNeil referred to pending grants relative to way-finding signage, the Woolworth project and hopefully for the water main replacement project. He explained the environmental review process associated with grant funding and recommended Clerk/Treasurer Kwiatkowski be appointed.

Councilman Kopernik moved to appoint Clerk/Treasurer Kwiatkowski as Certified Officer for Environmental Review pursuant to Community Development Block Grant requirements. Seconded by Councilman Jewell. A roll call vote was taken. Motion carried unanimously.

- **Consideration of Appointment of Matthew Friday to the Historic Resources Commission**

Councilman Couture moved to appoint Matthew Friday to the Historic Resources Commission. Seconded by Councilman Bronson. Motion carried unanimously.

City Clerk's and Treasurer's Comments

- **Certification of Tax Liens to be Levied on the Summer 2010 Tax Roll**

Clerk/Treasurer Kwiatkowski referred Council to a listing of tax liens to be levied on the summer 2010 tax roll as required by City Ordinance. He noted that these are the delinquent water/sewer accounts that are six months or more past due. Clerk/Treasurer Kwiatkowski commented on an omission on the summer 2009 tax roll that should have included demolition of the Beethem property which will be added to the summer 2010 tax roll.

City Manager's Report

- **2010/2011 Preliminary Budget dated March 4, 2010**

City Manager McNeil referred to the 2010/2011 preliminary budget for Council's review, noting that the submission of this report meets the requirements of the City Charter relative to delivery of a preliminary budget. He indicated within the preliminary budget some adjustments with the updated revenue information relative to a reduction in property tax revenue of about \$75,000 and the same adjustments as discussed earlier regarding further reductions in State shared revenues. City Manager McNeil commented that the preliminary budget also lists some capital expense recommendations which are usually addressed by Council at a Special City Council meeting. He noted a budget is required to be adopted by July 1 of each year.

- **Pending Projects Status Report**

City Manager McNeil referred to a status report of pending projects, commenting he has provided a brief narrative relative to each of these issues which includes recommended staff or consultants that could oversee specific projects. He commented he is available over the next several days to answer any questions in that regard. Additionally, he will be reviewing this information with department heads.

Messages and Communications from Mayor and Council Members

- **Interim City Manager**

Councilman Bronson commented on the Committee's progress regarding the search for an interim City Manager. He noted the Committee met and has been in contact with some of the interim candidates and are recommending a Special City Council meeting be scheduled to discuss the options. Discussion was held on appointing an interim while searching for a replacement.

Council discussed scheduling a special City Council meeting and agreed on Friday, March 12, 2010 at 9:00 a.m. in Council Chambers.

- **Resolution of Appreciation – City Manager McNeil**

Mayor Sangster read and presented a resolution of appreciation to City Manager McNeil in recognition of his years of service and many duties in serving the City of Cheboygan. He noted that Council also has a recognition plaque to present to City Manager McNeil at the open house on Thursday, March 11, 2010.

- **Sidewalk Repair**

Councilman Jewell commented on a section of sidewalk on Main Street that needs repair. City Manager McNeil noted that MDOT has been contacted and the matter is being addressed.

- **Property Taxes/City Water & Sewer**

Councilman Jewell commented on concerns expressed by a City taxpayer regarding seasonal leaf pick-up and being by-passed three years in a row, as well as a comparison of property taxes with a neighboring property just outside the City limits. Also expressed were concerns of City water/sewer connection and paying taxes on utilities not being received. Council discussed services provided by the City and included in property taxes. City Manager McNeil indicated that concerns regarding leaf pick-up will be referred to DPW Superintendent Gall and the issue relating to property taxes most likely pertain to the special millages that support bond payments to the 1997-98 water improvement project that was approved by voters.

Adjournment

Councilwoman Lepp moved to adjourn the meeting at 8:42 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