

REGULAR CITY COUNCIL MEETING
September 26, 2017

The Regular City Council Meeting was called to order by Mayor Bronson in the Council Chambers at City Hall at 7:00 p.m.

Roll Call:

Present: Temple, Riddle, Couture, Kwiatkowski, Lavender and Bronson

Absent: King

Mayor Bronson asked if we heard from Councilman King. City Manager Eustice replied yes, stating he was not sure he would be here as he was in Gaylord. Mayor Pro Tem Couture added he received a text from Councilman King stating he would not be here.

Councilwoman Kwiatkowski moved to excuse Councilman King; supported by Mayor Pro Tem Couture. Motion carried unanimously.

Councilman Temple led the Pledge of Allegiance to the Flag.

Public Comments:

City Manager Eustice stated under Public Comments Ms. Michelle Andrews from North Central Michigan College is going to speak and update us on the Community College here in Cheboygan.

Ms. Michelle Andrews commented people are always asking her what is new at the College and how is the College doing in Cheboygan and she is happy to give an update. She stated the College is housed at the Straits Area Education Center, 504 Division Street, which is two blocks behind Citizens National Bank. It was known as the Junior High School. Ms. Andrews explained they have been offering classes in Cheboygan since 1973 and in 1998 she came to the College. It is really a labor of love for her and is fascinating to see how much Cheboygan has embraced them and how much they have grown since they have moved to 504 Division Street. This will be their fifth year at the Education Center. They currently have a head count of 172 for Cheboygan, which means students that are taking classes at the Cheboygan site. That is not the entire County, noting we are actually the second highest County of residents to attend North Central with Emmet County being first. Ms. Andrews stated to have 172 students go through the Cheboygan site is something that she feels is pretty special because of the classes that are on the schedule for Cheboygan. They do offer the full Associate of Arts in Cheboygan and Associate of Business Management. They also are in their fourth year of offering the Certified Nurse Assistant Certificate and that is partnered with McLaren and offered at Cheboygan McLaren. When they first moved into 504 Division Street, she remembers they had to look at whether their parking could accommodate everyone. When they really come alive is 6:00 p.m. to 10:00 p.m., but they start classes as early as 8:00 a.m. Their off campus site appeal really is for all types of students, not just first year out of high school. Many of their students are also non-traditional, meaning they work full-time or maybe have several jobs or families so the 6:00 p.m. to 10:00 p.m. time period still tends to be their most popular time to attend classes. Ms. Andrews explained when she took that count, it came out to close to 100 people that come in and out the doors

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during a given day. Many of their students to take a full schedule would be four classes, usually Monday through Thursday nights. Their building does get a lot of usage and you will notice a big difference at night as opposed to the day.

Ms. Andrews went on to explain some things that have improved, now that they are entering their fifth year. Their landlord has done great improvements on the lighting in the facility noting that outdoor security is always an issue. More recently, their landlord resurfaced their parking lot and there have also been lines drawn to indicate a crosswalk for pedestrians and special handicap parking, which they had before, but has been improved within the last year. They also, within the last year, have seen some major renovation inside that includes repainting the lockers and the floors have been completely stripped down and resurfaced. Ms. Andrews commented she always feels good about the opening week of the semester, but this Fall Semester, that started the day after Labor Day, she felt incredibly proud of the fact that not only are we here in Cheboygan but that we could have a presence that she can say they are proud of to have students taking classes there and are not sacrificing their travel to receive a quality education and feel that they matter and make a difference, as well.

Ms. Andrews further stated she was not really convinced they needed to move, but knew it made good business sense. She was probably one of the strongest people against it at the College and she can say that and not feel bad because she knew the reality was how is this building going to maintain itself when she was still dividing her time between their Gaylord site and the Cheboygan site. Just knowing that it was going to take a significant amount of resources on the College's end she was not convinced it was going to happen and if we wanted to see the College invest more it would mean having to approach the taxpayers. She feels it is important the more they can give without having to burden the rest of the taxpayers. The reward she has seen from the time they moved into that site is the students, faculty and staff all pulled together to show the pride of being there and really making the place shine and take care of it like it was their own. Ms. Andrews said she thinks you only get that when you have a building with your name on it. When they were guests at the high school or library, she thought it was great and they were wonderful to them, but to have our own site and see our students and the community embrace that and help take care of it has really been rewarding. She then noted that some of the projects they have taken on have been local food drives; the gardens around the building have been done through volunteer work from faculty and students; there is an annual clean-up; and a recycling program was started. These are all done by the students, including herself, and they are happy to do this. In her career with the College, it has been most rewarding to take on the site and is glad she got to be a part of that. She then thanked Council.

Mr. Bud Darnell introduced himself stating he has been involved with the College since they came here as part of the Cheboygan Communities Foundation. When they got over to the current site they were concerned about the parking, because they were getting a few complaints from people along those streets that people were parking all over the place. At the time, the City did in fact acquire the house on the corner from the County, who had taken it over for tax reasons and the City was able to acquire it. He told them that the Communities Foundation would be glad to tear it down if they would pave it and knows they have run into a few problems since then, but thinks it is time to revisit that issue. The College has been phenomenally successful with 172 young people in Cheboygan being a part of this, and we all ought to really feel good about it. From his standpoint, in working with economic development, there is no more important thing that as a group they could have done then to

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support this. He understands there are 900 uses for money around here, but he thinks it would be appropriate for the City to think about this. It turns into a mud hole in the winter time when cars pull into that lot and it is really a mess. There is a lot of support for this and most of us feel that way and it would really be helpful if they could convince Council to consider this an important use of our tax dollars. Since the College is located downtown, it brings those people downtown, which is a significant thing. Mr. Darnell commented that Ms. Andrews has been absolutely a Godsend for the College and so committed to Cheboygan and the Cheboygan Campus, which is why it has become so successful. The big reason is the building; it's a very special thing for those of us who have not been there. There are huge TV screens and every instructor has an iPad and they are all hooked up to the internet, which is all part of the teaching that takes place. For a young person in this town wanting to go to college, those first two years are 30% of what it would cost you to go to a 4-year institution and they have great programs connected to other 4-year institutions, so you can take your two years here and not lose any of your credits when you transfer to Lake Superior State or other schools. As we ask the College for more classes, they have been very supportive. Now we have three 2-year programs that you can take if you organize your schedule so you don't have to leave here. Those people that start off in the middle of winter and have to drive to Petoskey every night; that is a real good way to convince yourself you don't want to go to school. It is a significant thing for them and he is here to simply plead one last time to find a way to make this thing happen.

An audience member asked Ms. Andrews what the percentage is of the students that go for a 4-year degree. Ms. Andrews stated it is a hard number to gage because they don't have a way of tracking them once they have left. The percentage of students going after an Associates of Arts would traditionally tell you they are going on. It is usually 85% to 90%, but that is misleading because they don't always know what they want to do yet. City Manager Eustice asked Ms. Andrews what the current enrollment for the Fall Semester is. Ms. Andrews replied 172 and it has not dropped much over the years and is considered high for the College. Mr. Darnell stated the College offered, if we would have pulled in Ciena Healthcare, to put that nursing program in Cheboygan. The College has been very cooperative if we can find a need. This makes us a stronger candidate for some of the opportunities. Ms. Andrews added she was not very clear in the beginning about the taxes, but it has paid for all the furnishings, equipment and technology in the building. The College does not own the building. The College has invested quite a bit in the building that they won't get out of the building if they move, such as the whiteboards, carpeting, etc. Mr. Darnell stated the College does not want to particularly own the building, noting it was offered to them. The owner is doing a good job in a very difficult situation. When the roof goes to pieces, it is going to cost a million dollars. He then stated they are doing a lot of special things to manage it.

Approval of Agenda, and Receive and File all Communications:

Mayor Bronson noted Item No. 13 will be postponed to another meeting; there will be an addition, 8-B, Resolution for the Chamber of Commerce; and there will be an addition of 9-H, Paving of Elm Street.

Councilwoman Riddle moved to approve the Agenda with the additions of 8-B and 9-H, and also nullify Item No. 13, and receive and file all communications; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

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Approval of Prior Meeting Minutes:

Councilman Lavender moved to approve the Regular City Council Meeting Minutes of September 12, 2017 as presented; supported by Councilman Temple. Motion carried unanimously.

Department, Boards and Commission Reports:

- **Port Commission Meeting, May 22, 2017** - City Manager Eustice reported the Commission is working with Mr. Chuck Sherman. Ms. Pat Gildner, a local citizen, is trying to coordinate a meeting with Mr. Scherman, who owns a distribution company called Flint Distributing and he has some interest in putting a distribution company in Cheboygan that would utilize water transportation. Right now he ships most everything by rail and truck around the Midwest and thinks he might have a use for water transportation where he could ship to the east coast and possibly overseas. A couple meetings have been schedule, but Mr. Scherman is moving quite a bit right now, so he had to cancel those meetings. We will get a meeting with him soon and see what his needs are and what the possibilities are of his distribution company. Councilwoman Riddle asked if this could entail property in the Industrial Park. City Manager Eustice replied that is certainly a possibility or property behind the Waste Treatment Facility, as it would be just warehousing and moving a product.
- **Planning Commission Meetings, August 21, 2017 & September 18, 2017** - Mayor Bronson asked the City Manager if the Commission is still working on Ordinances. City Manager Eustice stated for all intents and purposes it is done. Mr. Granger has to finalize it with himself and he thinks there are some minor language adjustments they need to make and then we should have it for Council. Mayor Bronson asked if the notes came back from Carlisle Wortman. City Manager Eustice answered yes. Mayor Bronson then commented hopefully we will get that done soon.
- **Parks & Recreation Commission Meeting, August 23, 2017** - City Manager Eustice stated he is trying to get Mr. Harry Burkholder here from LIAA in Traverse City. He thinks he is going to have to back it up when Mr. Burkholder is in town on Friday because he cannot get the Recreation Commission together at the time, 3:30 p.m., he is going to be here. He will try and get him here next week, the first week of October. Mr. Burkholder does a lot of work with parks and recreation throughout the State of Michigan and is very knowledgeable of how to fund programs for parks and recreation and so forth. He thinks he will be a very valuable asset to us. Mayor Bronson asked if the City Manager had to adjust the meeting times again because of the summer as they were moved to the day time. City Manager Eustice replied yes, they did; however, now that Councilman King is in school we are going to have to do them again in the evening or late afternoon. Mayor Bronson stated he does not want to see that fall off a meeting agenda. Councilman Temple commented it seems nice to see a recreation report more than a couple pages long.
- **Downtown Development Authority Board Meeting, September 5, 2017** – Received and filed.

Resolutions:

- **Consideration of Resolution of Appreciation, Fire Chief Thomas E. Bancroft** – City Manager Eustice stated Chief Bancroft has put in 60 years in the Fire Department and just recently retired. He was an 11-year Fire Chief. He was a long time contributor to the Cheboygan Fire Department and we want to recognize his accomplishments and term of service. It is pretty rare that somebody serves on a Fire Department for 60 years. Mayor Bronson inquired about a reception tomorrow for Chief Bancroft. City Manager Eustice replied yes, 3:30 p.m. to 5:30 p.m. in the City Council Chambers.

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Councilwoman Kwiatkowski moved to adopt the Resolution of Appreciation for Fire Chief Thomas E. Bancroft; supported by Councilman Lavender. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Mayoral Proclamation, The City of Cheboygan Celebrates Chamber of Commerce Month, October 2017** – City Manager Eustice stated the month of October is Chamber of Commerce Month and the Executive Director of the Cheboygan Area Chamber of Commerce, Scott Herceg, asked if the Council would draft a Mayoral Proclamation in support of Chamber of Commerce Month.

Councilwoman Kwiatkowski moved to adopt a Mayoral Proclamation celebrating Chamber of Commerce Month, October 2017; supported by Councilwoman Riddle. A roll call vote was taken; motion carried unanimously.

General Business:

▪ **Consideration of Reappointment of Dennis Lindeman to the Downtown Development Authority Board of Directors, Term to Expire September 14, 2021** – City Manager Eustice commented Mr. Lindeman has 32 years on the DDA Board.

Councilwoman Kwiatkowski moved to reappoint Dennis Lindeman to the Downtown Development Authority Board of Directors with a term to expire September 14, 2021; supported by Councilman Lavender. Motion carried unanimously.

▪ **Consideration of Reappointment of Christopher Lindsay to the Downtown Development Authority Board of Directors, Term to Expire September 14, 2021** – City Manager Eustice commented Mr. Lindsay also has 32 years on the DDA Board.

Councilwoman Riddle moved to reappoint Christopher Lindsay to the Downtown Development Authority Board of Directors with a term to expire September 14, 2021; supported by Mayor Pro Tem Couture. Motion carried unanimously.

▪ **Consideration of Reappointment of Sue Lund to the Downtown Development Authority Board of Directors, Term to Expire September 14, 2021** – Mayor Bronson noted Ms. Lund's first term was very short.

Mayor Pro Tem Couture moved to reappoint Sue Lund to the Downtown Development Authority Board of Directors with a term to expire September 14, 2021; supported by Councilman Temple. Motion carried unanimously.

▪ **Consideration of an Ordinance to Amend Section 32.40 of the Cheboygan City Code of Ordinances, Downtown Development Plan and Tax Increment Financing Plan** – City Manager Eustice informed Council this is basically a maintenance item. At the last City Council meeting we amended the Ordinance, Section 32.40, which is the Downtown Development Authority Ordinance, but we need to adopt the Ordinance. Even though the Ordinance exists we are adopting a new

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Ordinance and the language was not put into the last motion that was made.

Clerk/Treasurer Kwiatkowski informed the Mayor and Council that before they can adopt this, we need a motion to reconsider.

Mayor Pro Tem Couture moved to reconsider the motion to amend the Ordinance, Section 32.40 of the Cheboygan City Code of Ordinances by repealing Section 32.40, “Downtown Development Plan and Tax Increment Financing Plan” which shall pass upon requirements of the plans, methods of financing, whether said plan is reasonable and necessary to carry out the statutory purposes, and is in reasonable accord with the master plan of the city, whether public services are or will be adequate to service the area and whether changes in zoning, streets, street levels, intersections and utilities are reasonably necessary for the project in the City; supported by Councilman Lavender. A roll call vote was taken; motion carried unanimously.

Councilman Lavender moved to adopt an Ordinance to amend Section 32.40 of the Cheboygan City Code of Ordinances by repealing Section 32.40, “Downtown Development Plan and Tax Increment Financing Plan” which shall pass upon requirements of the plans, methods of financing, whether said plan is reasonable and necessary to carry out the statutory purposes, and is in reasonable accord with the master plan of the city, whether public services are or will be adequate to service the area and whether changes in zoning, streets, street levels, intersections and utilities are reasonably necessary for the project in the City; supported by Mayor Pro Tem Couture. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of USDA Grant Application Approval for Two 2018 Police Patrol Vehicles -** Mayor Bronson asked if this is something that Chief Jones is going to present. City Manager Eustice asked Chief Jones to elaborate on this. Chief Jones stated at the May 23 Council Meeting, he and the City Manager brought you a proposal that we had applied for a grant to purchase two new patrol vehicles from the USDA. They told us we were close and now they are finalizing giving us two grants of \$25,000.00 each, which is the maximum they would pay for a vehicle. So that will be \$50,000.00 in two grants from the USDA and the additional funding for the vehicles and equipment would come from a 2% interest, 72 month, loan from Citizens National Bank in Cheboygan.

Councilman Lavender moved to authorize City Manager Thomas E. Eustice to execute the final documents required by the United States Department of Agriculture (USDA) to receive two grants of Twenty-Five Thousand Dollars (\$25,000.00) each to the City of Cheboygan for the purchase of two 2018 patrol vehicles; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

▪ **Consideration to Award Bid for Purchase of Two 2018 Patrol Vehicles –** Chief Jones stated this went out for bids right after the May meeting for 2017 vehicles; however, due to factory changeover we ended up having to take 2018 vehicles. The bids are listed in his memo. Chief Jones noted that Berger Chevrolet of Grand Rapids, Michigan, which is basically the State of Michigan purchase price bid, bid \$30,479.00 for a 2018 Chevy Silverado. Fernelius Auto Group of Cheboygan bid \$29,171.00 for a 2018 Dodge Ram 1500. Wheeler Motors of Cheboygan bid \$31,346.00 for a 2018 Chevy

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Silverado. These are per vehicle prices. Chief Jones stated he is recommending the purchase of two 2018 Dodge Ram 1500 vehicles from Fernelius Auto Group at \$29,171.00 each of which \$25,000.00 each will be funded by the USDA Grant and \$4,171.00 will be funded by the 2% loan.

Councilman Temple moved to accept the low bid from Fernelius Auto Group, Cheboygan for two 2018 Dodge Ram Pickups for the unit price of \$29,171.00 each to be funded by the 2017 USDA Grant; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ **Consideration to Authorize Thomas E. Eustice, City Manager, to Execute Paperwork for a Loan Agreement up to \$30,000.00 with Citizens National Bank, Cheboygan for Patrol Vehicles -** Mayor Bronson asked if this loan is for outfitting the vehicles. Chief Jones stated the loan will cover the balance on each vehicle and the balance of the loan is to outfit the vehicles and update the 15 to 20 year old equipment, i.e. radars, car video cameras, cages, lights, sirens, striping, light bars and all the lighting required on these vehicles now days, and all the additional equipment including installation. This total \$21,642.00. Chief Jones noted the monthly payment would be roughly \$441.00 per month.

Councilman Lavender moved to authorize City Manager, Thomas E. Eustice, to execute paperwork for a Loan Agreement up to Thirty Thousand Dollars (\$30,000.00) with Citizens National Bank, Cheboygan, at a rate of 2% for up to Seventy-Two (72) months for two (2) patrol vehicles; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

Chief Jones stated on behalf of his staff and citizens he wants to thanks the Mayor and Council for the upgrades.

▪ **Consideration of Paving a Portion of Elm Street between Huron Street and Main Street -** Mayor Bronson stated this is an addition to the agenda. City Manager Eustice stated this is something we had looked at for more than a year. It is a short section, about 200 feet from Huron Street to Main Street next to Modern Pharmacy, First Community Bank and Williams Office Supply. There are some major issues there and it is about a 3 on the PASER Study, although we have some roads that are a 2. The lower number on a PASER Study the worse the road is. City Manager Eustice went on to state this road has a particular issue at the intersection of Huron and Elm Streets, as it pools a lot of water both during snow melts and normal rains. We will have 4 to 5 inches of water that pools there for several days and it is not moving. DPW Director Karmol did send out Request for Quotes and only got one back; Payne & Dolan and Reith Riley, the bigger paving companies really don't have time to do a small job like this and they are trying to finalize the end of the year jobs they have. The bid is for \$20,300.00 from Spierling Trucking & Excavating of Pellston. City Manager Eustice went on to state he thinks this is a very good bid, noting we paved the same distance next to the Straits Area Federal Credit Union and paid \$26,000.00 and Reith Riley was here and had their equipment here. The paving project is the same square footage for about \$6,000.00 less. If Council approves it tonight, we can it done this year. If not, we will bid it out in the spring. Mayor Bronson asked if we still have money from the millage. City Manager Eustice replied we do and the money will come from the road millage fund. Councilwoman Riddle asked what the curbs are like in that area and are they going to have to be addressed. City Manager Eustice stated near the corner of Huron and Main Streets they made need to

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be addressed; the curbs along Modern Pharmacy are very good. Councilwoman Riddle asked if the curbs are in this bid or is that over and above. City Manager Eustice stated the curbs would be over and above. Councilwoman Kwiatkowski asked if there are manholes cover in that street. City Manager Eustice stated he does not think so, noting there is no water under the street. There is a sewer line but it is relatively new. Mayor Bronson commented the curb along Modern Pharmacy on the south side of the street is pretty high and on the other side there are three driveway entrances. Councilman Temple asked if they are going to grind some of the asphalt off to repave or are they going right over the top. City Manager Eustice stated they are going to grind it. Councilman Temple asked if they will take some of it down so the blacktop is not close to the top of the curb. City Manager Eustice stated we will replace the curbing as needed. Mayor Pro Tem Couture stated he does not see a recommendation from either the City Manager or DPW Director Karmol on this. City Manager Eustice stated his recommendation is to do it, as this is something he has dealt with for quite some time and we get a lot of complaints on it. Councilwoman Riddle commented on the large amount of traffic that goes on that road. Mayor Bronson commented on the traffic for Modern Pharmacy. Clerk/Treasurer Kwiatkowski informed City Council the millage fund has \$54,000.00 in it and it is all undesignated. Mayor Pro Tem Couture asked if it has to be used specifically for streets. Clerk/Treasurer Kwiatkowski stated that was how it was on the ballot. Councilman Lavender asked if curbing and gutter count as street improvements. City Manager Eustice replied yes, as does a storm sewer. City Manager Eustice stated City Engineer James Granger will look at it, too, to make sure what they are going to do meets all the City specs and will look at the curbing. Mayor Bronson stated if it needs curbing, will you come back and ask for additional funds for that. City Manager Eustice replied likely, unless it is less than \$5,000.00. Mayor Bronson stated they want to make sure the curbing gets done. Councilwoman Riddle added we don't want it to look anything like State Street.

Mayor Pro Tem Couture moved that the City Manager award the bid for the repaving on Elm Street to Spierling Trucking & Excavating of Pellston in the amount of \$20,300.00; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

City Clerk's and Treasurer's Comments:

- **Audit** – Clerk/Treasurer Kwiatkowski stated he has finished with all of the budget adjustments for the last fiscal year and all of the interfund transfers and the City's audit will take place the week of October 16, so he will be spending a week with the Gabridge & Company.
- **Insurance Claim at Wastewater Treatment Plant** – Clerk/Treasurer Kwiatkowski stated we have the final paperwork on the insurance claim at the wastewater treatment plant. The claim was 1.2 million dollars. There was a \$5,000.00 deductible and that is all it cost the City out-of-pocket. The final check for that claim should be coming in the next week or two and that will be in the neighborhood of \$255,000.00. Mayor Bronson asked if we will be done with that. Clerk/Treasurer Kwiatkowski stated he has talked to DPW Director Karmol quite a bit about it and they have looked over everything and we have gotten quite a few improvements to the plant thanks to the claim.

City Manager's Report:

- **City of Cheboygan Flags** - City Manager Eustice informed Council there is no need for any motion, but there has been some interest in citizens wanting to buy City of Cheboygan flags. The price had gone up significantly until Ms. Sanders looked for some other options. There are two

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available options, with one being a little darker. The darker one is made by Topwater Goods (Sandy Rose, Bittersweet). We can buy flags at \$14.95 a piece if we order a minimum of 26. City Manager Eustice stated he thinks the quality of the material is a little better. National Office Products has the flag at \$20.75 each. He commented this is really our official flag and wanted to take it to Council to make sure we are not changing anything, other than the depth of the color on the one. We would like to order flags and wanted City Council's opinion if this is something we should do. Councilwoman Riddle stated when we initially ordered flags there was a lot of fading and the quality of the flag did not hold up for exterior use, asking if there is anything on the durability of one versus the other. City Manager Eustice replied he cannot tell her that one will have longer longevity than the other. Councilwoman Riddle commented we should find out. City Manager Eustice stated the material that Topwater Goods uses seems to be more aerated and thinks they are going to fly better, noting that not everybody flies them as some people put them up in their offices. He thinks that the Topwater Goods flag will take the wind a little better. Councilwoman Riddle asked what size of order is anticipated. City Manager Eustice replied 26, as that is the minimum order we can do and we will see how that works. We are likely going to sell them for \$20.00 a piece just to make some monies for services, etc. He noted we probably have 20 flags sold already. Councilman Couture asked if we can reorder. City Manager Eustice replied yes. He then noted they are made local.

- **Meijer's** - City Manager Eustice informed Council that tonight Inverness Township is having a meeting to address the Utility Service Agreement (USA) that the City provided to them about 10 days ago. He thinks it is a very good document and DPW Director Karmol and City Attorney Stephen Lindsay did a tremendous amount of work on it. The preliminary feedback from the Township is that it is probably not going to fly with the Township Board. It is not unexpected and we thought there would be some concerns with it, but we were hoping they would come back and tell us what their concerns are. The USA that we provided them is really something we have to have to be able to provide the services for both water and sewer. It is very reasonable and for them it seems to be a large cost, but both agreements together are about \$120,000.00 annually to provide water and sewer services to Inverness Township. We already provide the operation and maintenance to them, which we get about \$71,000.00 in revenue, but it's not enough. DPW Director Karmol has a 35-page document that lays out the cost the City of Cheboygan is incurring to provide sewer services there, but we are asking Inverness Township to increase their contribution to the sewer system. The Township is concerned about that and they want to keep the current sewer agreement in place, but it's not a reasonable thing to do. The current sewer agreement has another 25 year life on it and it doesn't expire until 2042 and the City of Cheboygan is not going to get any more money in that 25 year period due to the way the original agreement was set up. There was no escalator clause and no rate of inflation and the City of Cheboygan will continue to lose money and more year after year. We have a responsibility to try and remedy the issue. Mayor Bronson said in the original document when they were writing it in the late 1990's early 2000's, they projected an annual increase of between 5% and 8% in growth and we have not actually seen that, as it has gone down. They stagnated on the number of customers on that for quite a while now and the anticipated numbers of growth they were expecting that would bring more money to the City, too. Now that we have hard numbers, we have to address what we know are facts. City Manager Eustice agreed, stating we have a history now and the commercial corridor did not develop as they anticipated so that is part of the problem. The City is not getting the O & M side of it and the Township is not getting their debt service side of it and they are in the process of raising rates. Councilwoman Kwiatkowski stated the development is trying to happen now and has been for 2 ½

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years, asking won't Inverness Township be adding money to their sewer to cover costs. City Manager Eustice replied they absolutely will and are going to levy 50 REUs, which is a significant amount of money. That will help the City of Cheboygan, as well, as we will get \$14,000.00 a year for O & M. Councilwoman Kwiatkowski stated if this development happens, won't there be more development happening and does not understand the problem. City Manager Eustice commented it is certainly the kickoff of good things to come. Mayor Bronson stated we also have a 425 Agreement ready. City Manager Eustice stated the 425 Agreement is done but the Township does not have it yet. Mayor Pro Tem Couture commented this is the document that makes him feel is the right document. Mayor Bronson said everyone, except the Inverness Township Board, supports the 425 Agreement. Mayor Pro Tem Couture stated we need to put this document into the hands of the Township Board and put a timetable on it and if they need help understanding it, let's do it. If we get to the timetable then we take it to the next level, if there is one. He went on to state we need to put both documents in the public eye so everybody can read what's been presented and that is the best we can do as far as the City goes. It will only happen if Inverness Township makes the decision to let it happen, to grow with us as a community and it can't happen without them. Councilwoman Riddle asked if we are now referring to the project as new development. City Manager Eustice replied yes, stating he is trying to explain that without naming this organization too much. Mr. Chris Jones, the representative of Meijer's in the real estate division, is basically the manager of this project. He asked for a conference call with myself, Mayor Bronson, Ron Neuman from Inverness Township and a member of the Citizens Committee, which Bob Andrews represented. It happened yesterday morning at 10:00 a.m. and again it was at the request of Mr. Chris Jones. The reason for Mr. Jones' call was that he would like the Township and the City of Cheboygan as we negotiate these contracts to leave the Meijer name out of it. He understands what has been in the local media isn't negative toward Meijer's and nobody has really said anything negative about Meijer's at the Township meeting or the City meetings, but the Meijer family and its Board have been watching it and they would like their name not to be associated with this project because they are saying this problem is a City of Cheboygan and an Inverness Township problem. It is controversial and we butted heads over the last 2 ½ years and Meijer does not want to be part of that. They are ready to build and their position is they want to put up a 20 million dollar building and you let us know when they can do that. Mayor Pro Tem Couture commented Meijer is absolutely right; this is an Inverness Township and City of Cheboygan issue. Councilman Lavender asked if we are going to see the draft of the other 425 Agreement. City Manager Eustice answered he will e-mail that to him tonight if it's done. Mayor Bronson commented they have told Mr. Neuman of the Township we would give it to him, too. It needs to be given to all of the Township Board. Mayor Pro Tem Couture inquired if the Inverness Township Board voted yet tonight. He went on to state it is important that the 425 Agreement get to the Inverness Township Board as fast as possible with a request for a response in a time allotted that the City Manager thinks the Board has had time to digest it. Mayor Bronson commented the Inverness Board meeting tonight is a special meeting and they will be having a meeting coming up the first Tuesday in October, October 3rd. Councilman Temple asked if the City Manager is planning on getting each one on the Township Board the Agreement. City Manager Eustice replied yes, stating he will send them certified mail again, as he did with the USA. Mayor Pro Tem Couture stated we can wait and then be ready to make a move at that point. City Manager Eustice informed the Mayor and City Council that Meijer's is still very interested in building here and Mr. Jones did say they do not have a build date for the Cheboygan store and they are not going to make a commitment until we resolve the issue of how we are going to get water there, whether it be a 425 or a USA. The 425 certainly from the City's perspective is the most feasible way

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to do it and it is probably financially the best way for us. Mayor Pro Tem Couture commented it might be the same for Inverness Township in the logical sense of looking at the cost of what Inverness Township would have to put into it, it truly is more beneficial for them to get into it, as well. That is for them to decipher or anyone who looks at it to decipher. He feels it is pretty common sense logic to him. Councilman Lavender said there was discussion from the County about coming on board to try and facilitate this whole process, asking if there has been more discussion on this. City Manager Eustice replied Mr. Jeff Lawson was in yesterday and they are still very much willing to have a mediator come in and he thinks that is okay. Also, Mr. Jones was okay with that. He did not want a public meeting to have that happen. If we are going to have a mediator come in, we are going to have to have our Council without a quorum with some of the Township Board Members meeting privately to discuss how we are going to do it. Mr. Jones did not like the public forum. Mayor Bronson stated such as a meeting in the Opera House. City Manager Eustice replied yes and that is not something Meijer's wanted to be involved with. Councilwoman Riddle stated the Committee has been dealing with this for the last 2 ½ years so the communication with the mediator she thinks is probably the best way. City Manager Eustice commented he thinks it will be helpful. Whomever the County chooses, they have some responsible representatives there that could help us, or the County may hire out a mediator because they are that serious about it. They might get somebody independent quickly to sit down at the table with us.

Messages and Communications from Mayor and City Council Members:

- **Homeless Shelter** – Councilwoman Kwiatkowski stated she has been approached about a homeless shelter for Cheboygan and if that were to happen how we would feel about it and if we would work with them. We would not have to do anything except to give them permission or whatever they needed. Mayor Bronson replied this has to come to Council and they need to talk to Council but it would have to be site specific, give us information about the building and what the proposal is. Councilwoman Kwiatkowski stated they have an idea, asking if she should have them call City Manager Eustice to be put on the agenda. City Manager Eustice said it is probably something we would take to the Planning Commission first. Mayor Bronson stated there is really no place here for families, in particular, to go to if they need emergency housing. Councilwoman Kwiatkowski stated it is her understanding there is a big teenage population that are homeless living from couch to couch. City Manager Eustice said that is an issue.
- **Current Truck Used for Police Department** – Mayor Pro Tem Couture asked what the plan is for the current truck used for the Police Department after receiving the two new trucks, wondering if it stays in rotation as a Police truck. City Manager Eustice referred to Chief Jones, asking what his opinion was on this. Chief Jones stated he was planning on turning that one over to the Fire Department and discussed in the past and the 2005 Tahoe would most likely be turned over to DPW Director Karmol. Mayor Pro Tem Couture stated he does remember the discussion of the current Police truck earmarked directly for the Fire Department did not go over so well. City Manager Eustice agreed, stating this is something many Council members displayed their displeasure. This is something he and the Chief need to talk about and see what is the best use for it.
- **Lincoln Avenue & Main Street** - Councilman Temple asked if the City Manager has heard anything more from the State on Lincoln and Main. City Manager Eustice replied yes and it is not good. The City got bids for that intersection. Payne & Dolan came in at \$119,000.00 and the State thought it was going to be much less than that. The State would contribute \$25,000.00 for the project

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and we would have to pay for the rest, noting it is a State highway. City Manager Eustice said he does not think it is a good idea to spend money on a State highway when it's their responsibility. Mayor Pro Tem Couture stated something has to be done there. City Manager Eustice said it is bad. He went on to state they thought they could do it, but Robb Hall, who is their Maintenance Director, can only spend \$25,000.00. Mayor Pro Tem Couture asked is that without putting it back on the list. Councilman Temple stated that is a job the State did to begin with. City Manager Eustice agreed. City Manager Eustice explained it is the State's right-of-way. He then stated he and DPW Director Karmol talked today about how we are going to repair that intersection if the State doesn't do it. The State basically want us to come up with some monies to help them do that. Mayor Pro Tem Couture commented he goes across that 3 to 4 times a day with the school bus and it is brutal even slowing down. He thinks the School has invested a lot of taxpayer dollars into newer equipment and school buses and he does not know if the City Manager can ask for help or some influence from the School or at least a letter to say you are beating up School-owned equipment from a State highway that needs your help.

DPW Director Karmol stated as Council knows we invested a lot of money into Lincoln and then invested more money to crack seal the rest of Lincoln all the way to the Cement Products. This intersection is the last piece of that puzzle because we are trying to make a long-serving road last a little longer. It is unfortunate that when he and Mr. Hall put this out for bid we only got one response, but everybody's response was there wasn't enough time for them to do this project, and that was Spierling's take on it, too. After discussing with the State, and this might be a cumulatively small project in the future, is to add this in with our next big paving project so that a large paving contractor can do this at a less expensive price. If Mr. Hall only has \$25,000.00 funds available, that might be feasible to add it to another large project, which is the same with some of these small block by block street sections that he is trying to do, as well.

DPW Director Karmol then stated he would like to caution Council on curbing, noting he can get Council some pricing on curbing but it is going to be very expensive to go along any of these areas with curbing. For example, on State Street to replace the curbing would have doubled the cost. He can pave another section equal to State Street for the same amount of curbing. He said he wanted to caution expectations that yes we can do some tact curbing, but that is going to stand out, too, if he puts a brand new curb next to old curb. He is not sure what the solution is and we can talk about it, but cautions Council it is going to spending an equal amount of money and there is more area that he would like to fix. Now in the first two years, we have done the easy projects. The Duncan Avenue, Lincoln Avenue and State Street projects were the worst roads with the best infrastructure. As we move forward, it will be harder to pick projects because we will either be compromising the stuff underneath it or just rolling the dice that the infrastructure will hold as we move forward. DPW Director Karmol went on to state he is going to bring choices to Council, none of them will be right or wrong; it is just deciding what we are going to try to cover over. We have run out of the easy paving projects as most of the others have old infrastructure. He can bring Council some of the choices and we will have to look at that together. He can also provide the Council with prices for curbing. Some areas he plans to pave don't have curbing at all and we may have to look at curbing in those. Council will then have to decide if they want to pave two equal amounts of streets or look at the curbing and paving only just one. Mayor Bronson asked DPW Director Karmol if he has gotten prices on pre-capped curbing. DPW Director Karmol replied they did during the State Street project, but at the time

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it was cheaper to have Matt Barber form them. If we get a large project where it might be prohibitive to have somebody come and do the concrete work, then that would definitely be an option. Mayor Bronson commented with pre-cast curbing you can buy a supply and use it as needed. DPW Karmol stated yes and you can add it in, but he is picturing the new pre-cast curbing next to any old curbing that we have that has been scraped by a plow for a number of years or had people run over it; it is just going to stand out just as much as some of the other fixes that we did. Councilwoman Riddle stated that is the point in saying that if you do sidewalk that you can't replace all the sidewalk or all of the curbing, so you have some new curbing next to old curbing. DPW Director Karmol stated the difference with the sidewalk is that he gets another chance to go in and replace slab; curbing once it gets paved over destroys the edge of the asphalt that is under it. The paving is kind of the icing on the cake when it is sitting on the curb, so for him to tear curb out he is repairing asphalt along with it. This is a decision to do before paving. They looked at the same curbing over between Elm Street and Huron Street and there is some that he would like to fix but it's better than some of the other areas that we have. It is almost a judgment call to put icing on that cake. It is so bad, the best thing they can do is to take our worst roads and make them the best and keep repeating that. That would be the simple plan going forward. Councilwoman Kwiatkowski asked if the Elm Street project was not large enough to combine with Lincoln. DPW Director Karmol stated he was just using Lincoln as an example because we paved everything else but that intersection. It was disappointing that the State could not do that project but Mr. Hall committed himself to working with us in the spring to try and match that with something we have going on to make it more affordable. DPW Director Karmol then explained that most of the prices coming in are because the paving contractors have so much work and there is a limited amount of time. We can pretty much call deer season the end of the paving season, so most of them are getting booked. That is why it was important for him to come and support Elm Street any way he could to get it done in this year's projects. There are going to be other projects that he wants support for, which is one that he cannot pave over without replacing the watermain.

▪ **City Parking Lot Across from College** - Mayor Pro Tem Couture asked if last time we looked at paving the parking lot near the College that Mr. Darnell brought up earlier if we had an estimated cost. City Manager Eustice replied we sent out for bids and City Engineer Granger did a design and the lowest bid was \$32,000.00 from Chuck Robiadek. We had bids from \$32,000.00 to \$49,000.00. City Manager Eustice went on to state that was a design that had drainage. Councilman Temple asked if it had wiring underground for lights. City Manager Eustice replied there was no wiring, but there actually was some lighting included in that. Mayor Pro Tem Couture suggested perhaps there is an organization in town that could start the process for a fundraising account for that, noting a lot of people put some hard effort into Kiwanis projects. This is as important as a park; safety is number one. City Manager Eustice stated it is City property and an eyesore. We fight blight throughout the City and that is a mess; when the snow goes it is just a mud hole. It is important that we take care of our own properties if we are going to force people to take care of their private properties. Councilman Temple asked if the City Manager ever checked into what it would cost to take the topsoil off and put Afton stone down and make it a little bit better. City Manager Eustice replied yes we got a couple of quotes, one being from Bryan Lofgren and it was about \$15,000.00. We probably could do it ourselves and just put some gravel down for \$8,000.00 to \$9,000.00, but is not the best option. Councilman Temple commented it is better than grass.

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Adjournment:

Councilman Temple moved to adjourn the meeting at 8:22 p.m.; supported by Mayor Pro Tem Couture. Motion carried unanimously.

Mayor Mark C. Bronson

Clerk/Treasurer Kenneth J. Kwiatkowski

Councilman Joseph Lavender

Councilwoman Winifred L. Riddle

Councilman Vaughn Temple

Councilman Nathan H. King

Mayor Pro Tem Nicholas C. Couture

Councilwoman Betty A. Kwiatkowski