

REGULAR CITY COUNCIL MEETING
October 24, 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: Riddle, Kwiatkowski, Lavender, Bronson, Temple and King

Absent: Couture

Councilwoman Riddle led the Pledge of Allegiance to the Flag.

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

Public Comments:

Ms. Trudy Lofgren asked if City Manager Eustice will have an update on Meijer's during his report. City Manager Eustice replied yes.

Approval of Agenda, and Receive and File all Communications:

City Manager Eustice announced an addition to the Agenda, 6-B, Approval of Community Development Plan. He explained Council has to approve a Community Development Plan, which was in the Council packet. The Council first needs to approve the Plan so it can go in with the Application. The main reason for this Community Development Plan, which is part of the Façade Grant Application, is we have to create a Plan that basically will assure the State that we will not displace any persons or businesses by applying for this Grant. The Plan is all pretty much generic as far as the types of activities we hope to do and develop future housing and promote local schools and work initiatives and so forth.

Councilwoman Kwiatkowski moved to approve the Agenda and receive and file all communications with the addition of 6-B, Approval of Community Development Plan; supported by Councilman Lavender. Motion carried unanimously.

Approval of Prior Meeting Minutes:

Councilwoman Kwiatkowski moved to approve the Regular City Council Meeting Minutes of October 10, 2017 as presented; supported by Councilman King. Motion carried unanimously.

Approval of Community Development Plan for Façade Program:

City Manager Eustice stated the Council has before them the City of Cheboygan Community Development Plan, which is a requirement of Façade Grant Application. It basically lists some generic opportunities and support type services. Also, the amount of the proposed Block Grant is \$271,317.10, which is what the two businesses are applying for from the State of Michigan and the Plan is to minimize the displacement of persons and assist displaced persons and no persons or businesses will be displaced as a result of this project.

Councilman King asked if this Plan will work at all toward anything for the Main Street Program. City Manager Eustice stated it certainly can and there are ties to it absolutely.

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Councilman King moved to approve the City of Cheboygan Community Development Plan as presented; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

Public Hearing – Pending Application to the Michigan Economic Development Corporation for Funding under the Community Development Block Grant Program for the Downtown Cheboygan Façade Project:

City Manager Eustice stated this is a Public Hearing to submit the Application to the State of Michigan for two buildings that we are going to improve in downtown Cheboygan, one being the Creation Station and the other is Simply Marcella's. The Resolution, contained in the meeting packet, needs to have a dollar amount inserted of \$288,301.00. City Manager Eustice then read the Resolution as follows:

Community Development Block Grant Program Authorizing Resolution

WHEREAS, the City of Cheboygan is invited to submit an application for a \$271,317.10 Community Development Block Grant (CDBG) administrated by the Michigan Economic Development Corporation (MEDC); and

WHEREAS, the City will use the CDBG funds for the Downtown Facades; CDBG Area Benefit Project; and

WHEREAS, the matching funds in the amount of \$288,301.00 will be paid by the participating building owners; and

WHEREAS, the proposed project is consistent with the City's Community Development Plan as described in the Application; and

WHEREAS, the proposed project will benefit all residents of the project area and 61.0 percent of the residents of the City of Cheboygan are low and moderate income persons as determined by census data provided by the U.S. Department of Housing and Urban Development; and

WHEREAS, no funds to be invested in the project have been obligated/incurred and will not be obligated/incurred prior to a formal grant award, completion of the environmental review procedures, and formal written authorization to obligate/incur costs from the Michigan Economic Development Corporation; and

NOW, THEREFORE, BE IT RESOLVED that the City of Cheboygan hereby designates the City Manager as the Environmental Review Certifying Officer, the person authorized to submit/certify the Michigan CDBG Application and all attachments, the person authorized to sign the Grant Agreement and all amendments, the person authorized to sign the Grant Payment Requests and/or certify Portal Disbursement Requests, and the person authorized to execute any additional documents required to carry out and complete the grant.

Mayor Bronson opened the Public Hearing. No comments. Mayor Bronson closed the Public Hearing.

Councilman Lavender moved to approve the pending Application in the amount of \$271,317.10 to the Michigan Economic Development Corporation for Funding under the Community Development Block Grant Program for the Downtown Cheboygan Façade Project and Adopt the Authorizing Resolution; supported by Councilwoman Kwiatkowski. A roll call vote was taken. Yes votes: Lavender, Temple, King, Kwiatkowski, Riddle and Bronson; No votes: None; Absent: Couture. Motion carried unanimously.

City Manager Eustice apologized, stating the City approved the Northern Lakes Economic Alliance to be the Grant Administrator for this project, noting Jessica Lovay is a Certified Grant Administrator that is going to manage this project all the way through. She could not be here tonight because she was ill, but these are really the last approvals we need to do to get this to move forward. It will take about 30

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days to get this through SHPO (State Historic Preservation Office), which is the last State entity that reviews the Application and the project. We are hoping to begin expending funds and letting the business owners expend funds by December 1. Councilwoman Riddle commented she knows Creation Station cannot begin with their portion until things are moving, so hopefully this will work out well for her. City Manager Eustice commented they do not have to start the façade project and can start the matching part of their project first.

Department, Board and Commission Reports:

- **Department of Public Safety Statistics, August and September 2017** - Received and filed.
- **Downtown Development Authority Board Meeting, October 3, 2017** – City Manager Eustice commented the DDA Committee is still working on the entryway. Brenda Butts, from the Hospital, was in today and is on the committee and stated if the City removes the existing tree they want to replant it at the Hospital. They have a tree there now but it is so large they cannot decorate it anymore. The City will decorate it this year and nothing will happen until the spring.

General Business: *None.*

City Clerk's and Treasurer's Comments:

- **Audit** – Clerk/Treasurer Kwiatkowski reported they had the audit last week and the auditors spent five days here. When they have a conference call with them, they will be doing what is called an exit interview where they'll discuss concerns when it comes to the audit and different departments and he was asked to have all the department heads at the meeting. Typically it has always been just himself and the City Manager. Other than that, next month they will be working back and forth finalizing the financial statements and PA 51 Report to MDOT and the F65, which is the big one that goes to the State.

- **Cheboygan Area Public Library Resolution to Exempt Taxes from Capture by the City of**

Cheboygan Downtown Development Authority – Clerk/Treasurer Kwiatkowski commented that the Library will be opting out of tax capture in the DDA District. It is about \$8,000.00 that we would normally capture. Mayor Bronson, commented as Library Director, the State set up different options in January for the libraries to be exempt from tax capture and changing the boundaries of the DDA is one of the criteria that allowed us that option so the Library Board exercised that option. Councilwoman Riddle commented that will help the Library financially. Mr. Bronson replied it sure will. City Manager Eustice stated the City's DDA was well aware of them losing that tax capture. Mayor Bronson stated the DDA had a couple of discussions before the change. Councilwoman Riddle commented our local Library is very active in pursuing programs that benefit the community in addition to being a library, so they are really a good steward for the City. Clerk/Treasurer Kwiatkowski mentioned from an economic standpoint is that it is good timing for the Library. The debt service on the footbridge will be retired this year, which is a \$60,000.00 payment that the DDA makes every year on that debt service, so at the same time we are losing \$8,000.00, but will be actually gaining \$60,000.00 in expenses.

City Manager's Report:

- **Meeting Monday with Department of Environmental Quality** – City Manager Eustice stated the MDEQ was here yesterday, noting they typically do an annual inspect anyway. But we got them here a little early because we have a serious issue with the watermain on Center Street mainly west of Palmyra Street. About seven homes in that area have very poor water quality and they have been dealing with it

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for about three weeks. There has been a high content of iron and one property owner has the whole house filtered and he typically changes the filter about every six months and now is changing it about every three weeks due to debris and iron into the system. They had the MDEQ in to try and remedy this. We have flushed fire hydrants and have done some things that we thought might help, but it does not appear to help. We are going to on all the homes put water run valves and meter valves, in most cases on the faucet, and continually run water to see if we can clear that line with a constant flow of water through the pipe. It seems to be the issue was we had a valve on a fire hydrant that was leaking for some time and when we fixed that valve the problem occurred, which is because it used to have water continually running through the line and flushing the line out. There is no question the line needs to be replaced all the way down Center Street, but it is an expensive fix and number one on our list for funding. It is not something we can do this year, but we have to have a temporary solution. Mayor Bronson asked if this was about a half million dollar cost to replace the line. City Manager Eustice replied yes. Councilwoman Riddle stated if this is an environmental concern we would not be able to apply for grants because we still have an outstanding grant. City Manager Eustice replied we have an outstanding ICE Grant, but we would not apply for an ICE Grant on that type of line anyway. It is likely we would get a USDA loan and we are considering multiple areas in the City to fix the issue. He does not see any reason we cannot do this line in the spring. Councilwoman Riddle asked if the property owners this is going to be affecting are aware of the plans that are in place for the valves being put in and the water running continually. City Manager Eustice answered most of them are, but part of the issue is three of the homes at the end of Center Street are vacant and for sale, so we have some concerns there as far as running water in their house when there is nobody there and something we will have to monitor very closely. Councilwoman Riddle asked if the three houses for sale are listed with realtors. City Manager Eustice replied yes. He stated in the home with the family with a full house filter, the City is going to put a valve and meter outside and then route it to a storm drain so that it flushes their system before it gets to their house. They are hoping this will solve the problem to get them through the winter.

▪ **Meijer's** – City Manager Eustice stated as far as Meijer's is concerned there is nothing new from the Township, noting he talks to the Township, specifically Mr. Ron Neuman, every day. Tomorrow the County has agreed to step in and help out because basically it is the County's system and owned by the County, per the Agreement, with the Township acting as an agent. We finally have gotten the attention of Mr. Jeff Lawson, County Administrator, and he is going to meet with him, the Mayor and DPW Director Karmol. He is going to start the mediation between the Township and the City and we are going to try and come to a resolution whether it be a 425 Agreement or USA. The Township has both Agreements. City Manager Eustice noted that Mr. Lawson will not be the mediator himself; however, he is going to individually meet with each of the Township Board Members alone and try to educate them on what might be the best option for the County and everybody. He explained the County is basically backing the loan so they do have some skin in the game, so to speak. If we go to a mediation session, as stated Mr. Lawson will not be the mediator but will probably be a participant in it because the County has an interest in the project. The County has agreed to hire an independent mediator to facilitate the mediation. Hopefully we will not get to this point. He noted that Mayor Pro Tem Couture has met with individual Township Board members, as well. Maybe it will make a difference if Mr. Lawson gets involved. The first meeting is tomorrow at 1:00 p.m. at the City Hall, but it is not an open meeting, to start the process.

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▪ **East Side Drainage** - City Manager Eustice reported they continue to monitor the east side drainage, noting Mr. Louis Vallance was at the last City Council meeting and has had some long-term concerns about how the east side drains. The water seems to be moving well, but the biggest issue we have is the Lake level. We are pushing water to Lake Huron and it is very hard when the Lake levels are up as high as they have been in 30 years. We are still draining it okay, but we are supposed to get multiple days of rain. Mr. Scott Schramm of the DPW was in today and he is watching it very closely and he does most of the ditch maintenance for the City. He says he cannot go any deeper and on Eastern Avenue we are already at the culvert levels and can't go lower than what the culverts are because it won't do any good and the water will just sit there. It is an issue where we are trying to move water a long distance at the same elevation. There isn't anything we can do unless we put in a pump system or something along those lines. Mr. Schramm said the eastern drain runs between Duncan Avenue and Lake Huron, at the end of Eastern Avenue, but there is also one that comes off of Sutherland Street that crosses Duncan Avenue that he feels it is more critical that we clean that out than the eastern drain, which is a much larger drain. They looked at that today on satellite and that might be the first thing we do is clean the other drain out. Councilwoman Kwiatkowski commented there is usually no water at the taxidermy on the other side of Duncan Avenue. City Manager Eustice stated he does not know if there is an absolute resolution to it, as it has been a battle for the City forever. Councilwoman Riddle asked what the elevation is of most of the property in the east side area. City Manager Eustice replied the elevations are above sea level, 580 feet. He explained there is really no change in the elevation from Vanyea Road to Lake Huron, which is about a 2 ½ to 3 mile stretch that is flat and the same level. The storm water naturally migrates north, but not fast enough because of the level. When you get south of Vanyea Road it starts to go up a little bit.

▪ **Zoning Ordinance** - City Manager Eustice informed Council he and James Granger met last week to finalize the Zoning Ordinance. We have to make a couple of edits as far as taking some language out but it is basically complete. He will probably have a Special Planning Commission Meeting, since they did not meet in October, to review it and get a recommendation to send it to Council. Hopefully we can get it to Council the first meeting in November.

▪ **Invest Cheboygan** – City Manager Eustice stated next Wednesday, November 1, 2017 in the Opera House there is a program called Invest Cheboygan. It is basically a program that the NLEA started and the City and Chamber are involved. There is a committee that put this together. Most of it is funded from business owners and DTE and Consumers Energy were significant. There were a lot of local businesses such as Citizens National Bank and Calcite Credit Union that help fund the Program. This came out of our E-Team Committee (Entrepreneurial Team) with the NLEA. Ms. Hannah Sanderson of the NLEA has been instrumental in helping to try to get new entrepreneurs in our community. This Program is a lot like Shark Tank. They had 16 applications to participate and they pared it down to 10 participants and cannot tell the Council who they are at this point. Councilman King noted the 10 participants have been posted. Councilwoman Riddle asked what time this begins. City Manager Eustice replied 7:00 p.m. The Program itself should only take about 60 to 70 minutes. Each of the participants have four minutes to make a presentation on their entrepreneurial pitch. The first place prize is \$10,000.00, which has to go to your off start of a business, but cannot go towards paying rent. It is going to be interesting and they expect about 200 people for the event and there is no cost. There will be a reception afterwards and there are five judges. The judges will go into closed session after the presentations are done and make their determination on first, second and third place. There is also a People's Choice Award of the people in attendance, which is \$500.00. Councilwoman Riddle inquired as to second and third place prizes. City Manager Eustice replied he thinks they are both \$1,500.00.

▪ **Zoning Board of Appeals Meeting, November 1, 2017** – City Manager Eustice commented at the same time as the Invest Cheboygan Program in the Opera House is a Zoning Board of Appeals

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Meeting, which should go relatively quickly. Mr. Ray Trudeau has applied for a zoning variance to put a storage building on the corner of Stempky Street and S. Huron Street, which is not an allowable use. He tried to direct Mr. Trudeau to the Industrial Park because you can put these buildings in the Industrial Park. Mr. Trudeau stated one of the reasons he wanted this property is that Habitat for Humanity owns it, so he is going to pay more than its value and write some of it off. He has been working with Habitat and wants to make a donation and this is the reason somewhat why he wants the property. City Manager Eustice stated he does not know of any case where the ZBA has passed a zoning variance for something like this. The only plus he has is there are storage buildings in behind it, in Huron Estates, so maybe the Zoning Board will look at that. Mr. Trudeau wants to construct a 40' x 64' building. If he could put a storefront in the front of it then that would be okay, but it is an accessory building and must be accessory to something, but he does not want to do that; he only wants the building for storage.

- **City's New Website** – City Manager Eustice stated he hopes all of Council got an e-mail on the website and a link to the website. We are really close to that going live. Some of the content might not be correct, but the important thing is to get Council's opinion on the look and format. He asked for any ideas or changes by either telephone or e-mail. Councilman King commented he had his students review it and as far as getting around it navigationally they found what they were looking for. They did ask who was on the City Council and how to contact them. Councilman King suggested maybe having an easy way to reach members on the boards and commissions, and maybe a brief bio. He stated he is pretty happy with it because you can navigate and it incorporates the basic color scheme and comes up really nice on a mobile device; a big improvement. Councilman King suggested on-line forms like for Festival Square requests, not a PDF. City Manager Eustice stated he will talk to Matt Ginop and see if we can set something up like that. Mayor Bronson commented it might be better than handwritten.

- **Parks & Recreation Commission Meeting, November 3, 2017 at 10:30 a.m.** – City Manager Eustice informed Council on Friday, November 3, 2017 at 10:30 a.m. there is a Recreation Commission meeting scheduled and he knows that is not a good time for Councilman King. Mr. Harry Burkholder will be here most of the day on Friday. He is with the LIAA, the Land Institute in Traverse City, which is a non-profit organization. Mr. Burkholder does a lot of consulting work for parks and recreations throughout the State of Michigan. He has a lot of valuable experience and understands funding sources and has multiple funding sources, one of which might be a millage. If we are going to improve our parks and recreations operations we need additional funding. We can't do it with the monies we have. City Manager Eustice went on to state we have a lot of public property, which is a good thing but it is also an expensive thing to have if you want to do improvements. It is a situation where we are able to just take care of what we have; we cannot make any improvements with the monies we have. We need to find a way to fund improvements and Mr. Burkholder has some very good ideas to help the City. He thinks Mr. Burkholder will stay on board, noting he worked with him a little bit on our Trails Town as Mr. Burkholder worked with the Top of Michigan Trails Council and he wrote the Trail Town Master Plan for the City and is very knowledgeable and easy to work with and will be a big help. Most of what Mr. Burkholder does there is no cost. He does consulting work and actually is a Recreation Director for a small city around Traverse City. For the most part everything that Mr. Burkholder will provide for us is at no cost, which is a big plus. City Manager Eustice then commented Mayor Pro Tem Couture will be in attendance on Friday.

- **River of Life Homeless Shelter** – City Manager Eustice reported to Council he met with Mr. Gary Fenlon, the Pastor of River Life Chapel. In the ministers group he is with, they are looking at a homeless shelter in Cheboygan as there are a lot of homeless people here. Pastor Fenlon asked him what the City Council would think about that; he responded Council would probably look at it very favorably. City Manager Eustice commented we have had people sleep here at City Hall. The group is

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considering buying a motel in Cheboygan for a homeless shelter. This is in the early stages, but they are just starting to brainstorm, find out what they can do and funding. City Manager Eustice told Pastor Fenlon zoning wise we will look at how the City can help them with guidance and support. For a lot of people it is an unknown problem but it is a problem not only in the City but also the County. About three summers ago we had six or seven people that were living under the Lincoln Avenue Bridge, building a bonfire at night. Pastor Fenlon and another minister visited the Traverse City homeless shelter commenting it looked like The Brook.

- **Recognition for Ellis Olson** – Mayor Bronson inquired on the thing for Ellis Olson. City Manager Eustice replied he does not have specific times, but was going to talk with Kathy Johnson today. To his knowledge it is going to be November 4. Mayor Bronson then stated it is 11:00 am to 1:00 pm, noting Mr. Olson’s daughter put it on Facebook. Councilwoman Riddle asked what they were talking about. City Manager Eustice stated Mr. Olson’s daughter wants to have an event to have special recognition for Mr. Olson for his accomplishments and it will be held in the Opera House on Saturday, November 4, 2017 from 11:00 a.m. to 1:00 p.m. He has not heard from his daughter again since she was in. Mayor Bronson stated he does not think she is in town right now. City Manager Eustice stated as soon as he gets more detail he will send out an e-mail to everybody. Mayor Bronson said he is assuming we need to do a Resolution similar to what they did for Mr. Bancroft. The City Manager agreed. Mayor Bronson added the public is invited.

Messages and Communications from Mayor and City Council Members:

- **Community Garden Meeting** – Councilwoman Riddle stated she has spoken with Amy Thomas, who is her Co-Chair for the Community Garden and Ms. Thomas is tentatively planning on setting up a meeting for Friday at 12:00 noon at the Purple Tree for anyone interested in getting involved. They need to do some things this fall and want to see how to get a timeline set up. Councilwoman Riddle then stated she has not received definite confirmation yet.

- **Article on Thomas Bancroft** – Councilman King complimented the Tribune on the great article on Mr. Bancroft.

- **Farmers’ Market** - Councilman King stated he had a friend here from Grand Rapids area, who is on the Board for their Farmers’ Market in the city and was really impressed with our downtown, décor, options and amazing prices. He went on to state he sees a lot of action going on during the weekends.

- **Master Plan** – Councilman King inquired on the Master Plan and where that is at. City Manager Eustice replied that is the next thing the Planning Commission will address once the Zoning Ordinance is done. We have a draft that really has not been reviewed or changed since late 2013, so we will have to go back and address it. There are some things in the draft that are still very pertinent. City Manager Eustice noted we need the Master Plan for the Redevelopment Ready Communities designation and they are watching very closely. We also need a Capital Improvement Plan. He noted he sent Mr. Burkholder the Recreation Plan, Riverfront Development Plan and Master Plan.

- **“C” Street Burned-Out House** – Councilwoman Kwiatkowski inquired on the “C” Street house. Chief Jones replied they issue a citation about once per month and he waiting for a bench warrant.

- **DDA Master Plan** – Councilwoman Riddle asked if there is anything set up for reviewing the DDA Master Plan because there are some points in it that are very outdated and no longer current. City Manager Eustice answered they talked about this at last Friday’s Steering Committee Meeting. They had a Committee put together to review this and Nancy Lindsay was the Chair, but she has resigned from the DDA. They are going to be getting that Committee back together and start reviewing the Development Plan of the DDA because it is very dated. Councilwoman Riddle stated we accepted the DDA Master Plan in September and she knows there was a reason that Council had to vote on that. City Manager Eustice replied that was for the redistricting of the DDA (boundaries). He then stated

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there are 29 items in the Development Plan and one is the Downtown Mall. At one time they had the idea they were going to cover Main Street and turn it into a mall. Those kind of things need to be readdressed and taken out.

▪ **Website** – Councilman Lavender stated with regards to the new website, he thinks the contact section is pretty generic because it requires you fill it out and submit, but there are no individual contacts for any Council, etc. City Manager Eustice replied those can certainly be added.

▪ **Vince Lumetta** – Mayor Bronson said he was talking with Mr. Vince Lumetta who was inquiring about downtown lighting, asking if the Clerk/Treasurer got the information for Mr. Lumetta. Clerk/Treasurer Kwiatkowski replied no, stating Mr. Lumetta talked with him last week and he was neck deep in audit. Mayor Bronson stated he believes Mr. Lumetta was looking for the number of street lights. Clerk/Treasurer Kwiatkowski asked if Mayor Bronson knew what area of downtown, because there are those lights on the Lincoln Avenue Bridge. Mayor Bronson stated he believes he was talking about all the street lights in the City. Clerk/Treasurer Kwiatkowski explained Consumers is working on replacing street lights; they will replace what we have in the neighborhoods for free and anything upgraded, which we have already looked at, will cost us and it is a pretty hefty price tag. Mayor Bronson commented he believes Mr. Lumetta was looking at doing solar. Clerk/Treasurer Kwiatkowski said Mr. Lumetta was looking at doing that for the downtown area. What he has to do is get a hold of Mr. Dobrowolski because there are several meters for the power downtown and he is not sure where all of them are because Mr. Lumetta wants copies of the invoices that we get from Consumers and we have to identify those meters first. Mayor Bronson commented he talked to Mr. Lumetta that the Library be interested in something similar to that for their internal lighting.

Adjournment:

Councilman King moved to adjourn the meeting at 7:55 p.m.; supported by Councilman Temple. 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