

REGULAR CITY COUNCIL MEETING
November 14, 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: Kwiatkowski, Lavender, Bronson, Temple, King and Riddle

Absent: Couture

Councilman King led the Pledge of Allegiance to the Flag.

Mayor Bronson announced Mayor Pro Tem Couture let us know that he would not be at tonight's meeting.

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

Public Comments:

Mr. Ray Lofgren introduced himself stating he has an opinion he wants to pass on, which is seeing a lot of storage steel containers. The first one showed up at the former Pappas house. The containers he is talking about are off-shore shipping steel containers. It is his opinion that people are now using them now for a quick storage. Also, Ryba has three and there are three at the Salvation Army. Mr. Lofgren went on to state four or five years ago, as a contractor, it took a lot of work to try and get a contract with the people that had them for rent. Now it is easy for any individual to purchase them. He thinks that if this comes to the reality that they are allowed, every residence could have one. Mr. Lofgren feels this is something to look into.

Mr. Scott Herceg, Director of the Cheboygan Area Chamber of Commerce, stated he was asked by a couple of audience members to make a quick announcement about the Grand Event on Monday, November 20. The Invest Cheboygan Event held a couple of weeks ago was an entrepreneurial event where 10 different businesses all presented their ideas for what could be future businesses in the Cheboygan area. Originally there were supposed to be four of these around Northern Michigan and then all four events were going to feed into one Grand Event in Petoskey. Charlevoix County and Cheboygan County are the only ones that held events. The Grand Event is being held on November 20, 2017 at 5:30 p.m. at Beard's Brewery in Petoskey. The significant part for Cheboygan is of the 10 presenters that night (business possibilities), 6 presenters are from Cheboygan. Mr. Herceg then invited everyone to attend to cheer on the future of Cheboygan's economy. He noted that Beard's Brewery is now located in the former Whitecaps Restaurant building. He then thanked the City Council for allowing City Staff to be involved in putting the events together.

Ms. Sherry Nelson, Bring It Cheboygan Group, introduced herself stating the November 20 event in Petoskey does require reserving a spot. The last time they checked there were only about 20 remaining and there is space for only about 250 people. For some reason they elected not to come to the Opera House, which would have been much better for everybody else. She went on to update the Council on the Michigan MainStreet Program. They have been meeting with the Steering Committee and have the committees all in gear for the MainStreet Program. The Events and Promotions Committee is

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headed by Sharen Lange who is working with Downtown Enhancement Administrator Guenther to tweak and design some events for the next coming year. The Communications Committee headed by Mr. Jim Soulbey is going to plan a quarterly calendar of events and they are hoping to get those in restaurants on little lucite stands to let people know what is going on around. They are also working on new brochures featuring businesses in the downtown area. The Business Development Group headed by Ms. Pat Gildner is meeting this week with a representative from the Department of Agriculture and who is going to assist in applying for grants and tell where to go to look for some funding for projects the Group is working on. Historic Preservation is Ms. Mary Hebert, of course, who will be speaking momentarily about other historic preservation items. Ms. Nelson went on to state the Design and Beautification Committee is headed by Mr. Vince Lumetta is making progress regarding things around Festival Square; the Seedums Garden Club has agreed to take charge of the four front planters and will design and plant and take care of them. The back four planters the Club will design and two of those have been taken by sponsors already – one being Sharen Lange and the other Jack Pappas. There are two more available for other businesses to claim and undertake. The sponsorships would cost less than \$100.00 to handle the planting and maintenance for the year.

Ms. Nelson informed the Council the Bring It Cheboygan Group meets monthly, noting they now have 320 volunteers they are in contact with regularly. A lot of people are working towards the betterment of Cheboygan and want to be involved and get things done and make a difference. She then stated they appreciate the Council's support in all the venues.

Mayor Bronson asked who would be the contact person for the planters. Ms. Nelson stated either Mr. Vince Lumetta or Ms. Susan Page.

Ms. Mary Hebert stated she wants to meet with whoever in order to reactivate the Historic Commission, which has not met in some time. She has spoken with Mr. Jim Conboy and he does not want to be actively involved in the Commission but would be willing to call together those who have been involved over the years and then chart a course. Ms. Hebert went on to state we need to reconstitute the Commission so it has a purpose with a clear focus so we can keep it engaged in response to issues as they come to City Council. She stated she could perhaps talk to City Manager Eustice. City Manager Eustice explained the Commission was never dissolved; they just quit meeting. It is not any sort of task other than to reconvene it and get Commission members. He noted he has two applications for the Commission, which is a five-member Commission. She asked about the people that were serving so long on the Commission. Councilwoman Riddle stated she was not on the Commission, but on another Committee. Ms. Hebert further explained the Commission was involved in getting the plaques and setting up the guidelines on how we were going to deal with the historical buildings in the community. She is more inclined to be interested in that aspect. Ms. Hebert stated she will contact City Manager Eustice and establish a date and get the notices out. City Manager Eustice said the key is that we need to write Commission Members and they all need to be approved by the Mayor and Council.

Ms. Hebert explained there will be an article tomorrow as part of the Steering Committee, as each one has to write an article for the Tribune and she will deal with historic preservation. It is kind of a call for action asking people if they are interested in historic preservation that they go online for the application and become part of the process. They will then be able to make sure that none of those cargo containers are all over the neighborhoods for one thing

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Approval of Agenda, and Receive and File all Communications:

Councilman King moved to approve the Agenda and receive and file all communications; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

Approval of Prior Meeting Minutes:

Councilwoman Riddle moved to approve the Regular City Council Meeting Minutes of October 24, 2017 as presented; supported by Councilman Temple. Motion carried unanimously.

Communications and Petitions:

■ **Presentation of Level of Service – Jason Karmol, DPW Director** – DPW Director Karmol noted in the Council packet are seven pages for consideration. The first three pages are from the EPA, which are things the EPA wants him to explain to Council. The summary of this information, given to Council to read, is that we have to come up with Level of Service Goals, state them and have Council adopt them. The EPA wants to see if we can come up with things that are above and beyond the Safe Water Drinking Laws. Starting on page 3 the DEQ specs what they think is the minimal level of Service Goals. What they suggest is that we adopt seven Levels of Service that coincide with the EPA's Safe Water Drinking Act, as those are things that we already have to abide by. They want to see if we come up with anything extra that we want to promise the customer. Mr. Karmol then explained what he has done is establish a list based on the seven recommendations and included are things that we already do or are already to do internally. We tried not to overstate any goals and we tried to keep the goals attainable through the three full-time employees we have in the Water Department. On some of these goals we are going to branch out into the other Departments when we talk about our response time to customer complaints – that will not only be for the Water Department, although Council will be asked to adopt them for the Water Department but all of our groups are going to try and apply these with guidance from Council as to how we want to respond.

In two weeks from now he would like to have Council adopt a list because we have to submit reports on January 1 to the DEQ and EPA that includes the list of the Level of Services. The report also has to include a summary of the water system, level of service goals, asset management and a rate study. They have already worked on the first part of the rate study, the asset management is done, and the report is mostly written because the reports he has been given to Council have been done in preparation of this report.

DPW Director Karmol then reviewed the Levels of Service Goals as follows:

Level of Service Goals – Suggested adoption on Nov 28th

- Meet all Federal (EPA) and State (MDEQ) standards
- Maintain water system pressure between 35 psi and 62 psi
- Limit water system disruptions to 72 hours
- Limit non-revenue water to less than 10%
- Maintain the average residential Water / Sewer bill at less than 5% of the community's median household income
- City to maintain a self-sustaining rate structure adjusted as needed
- System and Asset Mapping updated and maintained every 5 years
- Replace all lead service lines by 2038
- Ensure all operators are certified at the appropriate level and receive 12 hours of relevant education per year

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- Sustain a fund to replace water meters over 20 years in age
- Objectionable Water Quality for customers will adjust the Asset Condition and Performance Rating to expedite the Infrastructure replacement solution
- Respond to Customer complaints by the end of the next regular business day

DPW Director Karmol commented they can do the same thing for the wastewater system, which is due next year. He would like feedback from Council as to any more they want to add and any they want clarified, as he would like to have Council adopt this at the next Council meeting so the packet can be presented to the MDEQ early in December. If Council goes into December for adopting it, it will not be that big of a deal for him to put the report together.

Mayor Bronson inquired on the replacing of lead service lines, asking if we are not allowing lead service lines to be hooked back in. DPW Director Karmol stated up until January the rules are going to change. The lead lines have to be replaced if he finds them when digging a hole. Everything has to be replaced in the area that he is working in. This has already been done, but now he is not allowed to leave it like that without recording, so after January if we find another lead line it is not enough for him to replace in the area he is working, but he needs to notify the customer and City Council, so Council can come up with funding to replace the City's end of the lead service line. In some cases, we do not know all of the lead service lines. Right now there are some lead service lines that we know of that we test every three years for lead content to make sure it is safe. DPW Director Karmol noted they just got done with their lead and copper testing; the check was good for lead as did the copper. He is happy to announce this but is unhappy to say there are lead lines. The worst time for that is when he goes and does a repair. There is a coating on the lead line that will sit there and when we do a repair the coating gets broken and starts to flake off. Hopefully, MDEQ will come up with some money to help the homeowners, as well. It is going to be difficult for him to ask Council for a few thousand dollars to replace lead lines, but the homeowner might be in a worse position to have a hole in their front yard and the discovery of a lead line. Now the homeowner has a problem he did not have before. Mayor Bronson asked generally if lead lines are allowed to remain in the ground, even ones that DPW Director Karmol has tested and are safe. DPW Director Karmol responded this is their solution. They are looking at the community to tell them when to hold them accountable. The EPA and MDEQ are trying to adopt a new policy and they are tracking what communities promise and are trying to find a way to hold them to it. They may be back in 2038 to see if we have replaced all our lead lines.

Mayor Bronson asked regarding the water meters, does DPW Director Karmol want to get to the point where there is not a water meter over 20 years old. DPW Director Karmol replied it is not that it can't be over 20 years old, but he does not want to put us in a position if we find a meter that is over 20 years old and we are questioning it, but we don't have the money to replace it. Some of the meters are pretty big. At the High School some meters cost \$4,000.00. We want to sustain a fund so that he has meters on the shelf for every application, i.e. if we find a meter over 20 years old and are questioning it or if we have a meter we want to change out. We are trying to do that now, but are buying as we go. It is kind of expensive to stock meters and meter parts, so to not have it budgeted would be difficult, especially with big meters we are proposing for a proposed development that cost \$28,000.00. We might not have to have that one sitting on the shelf, but we certainly want that money to be able to purchase it.

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Councilman Lavender inquired on the system mapping as to whether it is currently digital or paper. DPW Director Karmol answered all of their mapping is on paper and we have multiple paper maps that overlap. Some have things from 1998 and the improvements that go with it; some have 2011. You almost have to go to the prints that go along with the watermain as to when it was installed. It is one of his goals to consolidate these prints into one set of truck maps so his guys do not have to go back to the Plant and pull out several maps and cross-reference them. Right now we like writing our hand notes on the maps telling where we dug or what we did, because sometimes we find a map that has been written on but was not referenced and we miss a note. It would be helpful to first of all consolidate the maps and then possibly make it digital and then get on the back of the County's GIS System so it is all identified. DPW Karmol informed Council they have applied for a grant from RCAP to do the GIS and are waiting to hear if we have funding.

DPW Director Karmol then informed Council next time he wants them to adopt the Level of Service Goals and then he wants to talk about the Asset Management and Rates. The City enlisted a rates expert, Mike Engels from Michigan Rural Water, who was here on September 26, 2017 and what they did was balance the budget with no improvements; they did a water and sewer rate to balance the budget with no improvements. Mr. Engels is going to be back on November 20 and 21, 2017 and is making himself available all day for questions or concerns, and can relate any questions or concerns of what they would like to see in the rates to him if they cannot meet with Mr. Engels. We need to show rates several different ways to the EPA and MDEQ and how we are self-sufficient so they will be working on that. They are also going to work on what the rates would be if we did improvements. We are going to look at a couple different options that he is going to put out as suggestions to Council, but there is a plethora of options they can select from mostly because we are leaving off improvements. This is the best time to ask anything that has to do with a rate increase or how we are going to fund future projects. Councilwoman Riddle asked where they could meet with Mr. Engels at. DPW Director Karmol replied on those two days he would like to set up meetings in the Council Chambers with the projector so that we can talk about it and see it up on the screen. Also they could put projects up next to it so they can try and figure out what is the best blend of projects in these rates. Once we start plugging these in we will be able to see what might be affordable and what isn't affordable for the rates. Councilwoman Riddle asked if DPW Director Karmol wants most of the Utility Committee at the meetings. DPW Director Karmol stated he wanted Council to know what Mr. Engels is going to be here working on is the suggested rate for the utility customers. If Council wants to get ahead of that and wants to have input in it then by all means contact him. If Council wants to wait and see what suggestions Mr. Engels comes up with, with all the data we have, then Council can wait because they may not know what questions they have until Mr. Engels presents information. However, it would give Council an opportunity to see how the rate spreadsheet works and how we input all of our factors into a balanced budget. Councilwoman Kwiatkowski asked if we could balance our budget without improvements. DPW Director Karmol replied yes, stating the State wants to see that we can pay the people that work for us and that we can pay the electric bills. It is almost necessary because the MDEQ wants to see before, during and after the rates. They want to see if we work in a decline. If we were not collecting enough to stay self-sufficient and they want to see how we correct it and how much we correct it, or if we just cut staff. Flat with them is okay as long as we are not losing money. They want to see we looked at that and want to see that we apprised Council of that.

Councilwoman Riddle asked if in the information provided is there any reference to the availability of funds. DPW Director Karmol stated he has a lot of information, but he is trying to narrow this

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meeting down from Level of Service with a preview of what we are going to do in the next meeting because it all ties together. The first thing he needs to do in the next meeting is to have some level of service adopted and then we can get into the asset management and rate studies.

DPW Director Karmol stated he read in previous City Council meeting minutes that someone would like to see a road report, noting the road report is done. He is not sure when he is going to present that because he has at least three mandates to get out before January 1st. He would like to present the road report, which is really pretty simple as to how they are going to plan to do these roads in the future and it depends on the improvements of the infrastructure.

DPW Director Karmol stated he would like to announce is that Mr. Steve Umphrey will be retiring January 19, 2018, noting he has been here 39 years and if he stayed another 6 months he would have 40 years in. He would like to point out that we will losing his nearly 40 years of service and the Wastewater budget cannot really afford for him to hire somebody to train along with him, so what he will need to do is start the process of hiring and wait until Mr. Umphrey retires to bring somebody on because we are already burdening the Wastewater budget. We are already trying to do double-duty just to get the experience from Mr. Umphrey. Councilman Temple asked if there is somebody down at the Plant that has been working along with Mr. Umphrey that has already picked some of this stuff up. DPW Director Karmol stated yes; but down there everybody has a primary duty and everybody is cross-trained. Mr. Umphrey has his area and he has been there since the Plant was built and he understands sounds, smells and things that a younger person would not pick up. Right now we are having other people go through Mr. Umphrey's primary route, but it is best to learn from somebody who already does that job. Councilman Temple stated whenever he sees Mr. Umphrey out on the road, it is the same person with him all the time, so he would think that employee would be picking up some of the stuff. DPW Director Karmol replied yes, he is, but that person also has his own area that he is doing that he would have the best input on.

■ **Presentation on Recreational Authorities – Thomas Eustice, City Manager** – City Manager Eustice stated he wanted to put this matter on the agenda for informational purposes. He stated he will highlight where we are at and what they are trying to accomplish through the Recreation Commission. The Recreation Commission has taken on the task of seriously working at improving our parks and recreation operations and trying to determine how we can get funding to improve our parks, which are in dire need of major improvements throughout the City. We have a lot of public property in this community, which is a good thing, but it's also financially a very taxing issue on our budget because we have so much public property that we have to take care of and improve upon. Gordon Turner Park is a good example as we need to make a decision to either improve the playground equipment or remove it, because we have already taken some equipment out of the Park but we are getting to the point where it needs to be taken out of there completely. We need to try and fund some funding to upgrade that. For the last 15 years we have had in the Capital Improvement Plan to put in an open air pavilion at the Park, which strategically the City Council and staff would like to do, but we don't have the funding to do that sort of thing. There is much need for improvements in Major City Park, but again funding options are very limited to make those improvements.

City Manager Eustice went on to state the Recreation Commission looked at multiple options, again the Ice Rink is another recreational facility that is costing us money, although we do generate money from that facility, but it does cost us money to operate it. It is an aging facility, almost 25 years old, so it is going to be in need of repairs and equipment replacement in the future. The Commission looked

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at Little League Baseball, Cheboygan Hockey Association, Pee Wee Football and Soccer, and at least for Northern Cheboygan County they all occur in the City. He noted: Hockey Association – 50% of the people that participate are non-City residents; Little League Baseball and Softball – 65% of the participants are non-City residents. All the facilities are paid for by City taxpayers, so we looked at charging a fee for non-City residents over and above what City residents would pay but it didn't appear to generate enough money to make a difference for what we need to put into our parks. We also thought we may lose some non-City residents not being able to pay if we basically doubled the price to play. Then they would lose some kids and it would be a wash anyway. In attendance at the commission meeting was Mr. Harry Burkholder, Executive Director of Land Information Access Association, a non-profit organization out of Traverse City that deals with parks and recreation and how to fund them and how to manage our parks and recreation. One option that is available in the State of Michigan is to develop a recreational authority, which can be a multi-unit of government authority, i.e. the City of Cheboygan, surrounding townships, and it could be as much as including the School District. It would be a political subdivision of the City and the townships that participate. You can levy a millage on the taxable value, which is always a sore subject when talking about levying a millage on property, but this is a way to generate revenue for parks and recreation. It is really something that could be very minimal, i.e. a half mill. For example, if we just developed an authority with Inverness Township, Benton Township and Beaugrand Township, which are the three adjacent Townships to the City of Cheboygan, you could generate about \$150,000.00 a year. The recreational authority would be the entity and there would be a board and that entity would manage those monies and put together a recreation plan for those three Townships and the City. There would have to be a referendum and it would have to go to a vote of the people and all participating units of government would have to pass the referendum. If one Township does not pass it, then we could not do it. These type of things are going to be a little tricky to work through. Mr. Burkholder has committed to helping the City with this. In addition, the City Manager informed the Council he attended the Chamber of Commerce Board meeting last Thursday because Mr. Burkholder recommended that we have an independent moderator and also suggested not having meetings at the City of Cheboygan. He said to make sure the Townships the City wants involved are involved. The Chamber has agreed to moderate a public forum. Mr. Burkholder is going to make a presentation. We will get the surrounding Townships to participate in that public forum to see what level of interest they have in the recreational authority. City Manager Eustice then informed the Council that Inverness Township has already agreed to certainly participate or at least look at participating in a recreational authority and we will likely use Inverness Township Hall for the presentation. We hope to do this in December. Mr. Scott Herceg, Director of the Chamber of Commerce, is helping us with formulating that public forum. Another gentleman from Mr. Burkholder's office will be in attendance, as well.

City Manager Eustice went on to state we need to get a feel from the general public as to whether or this is something that we can approve and be successful. We are going to need to know this going forward. One of the issues is that the biggest need is in the City of Cheboygan because of the amount of public property and almost all recreational activities occur in the City, but monies will be spent in those Townships, as well, because there are parks and recreation in those Townships. The amount for each participant will be determined by the recreation plan for the authority. Mayor Bronson commented this is an independent authority and once it is established what they decide has to come for a vote, unlike a DDA. The authority makes the decision and that money is theirs. There is some loss of control, but we hope there is an advantage. Councilman King asked if it is School District wide would the voting breakdown be the same to where if a certain township in the District did not want it, would it be killed in a vote or would it just be a majority vote within the School District. City

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Manager Eustice replied from what he understands, which Mr. Burkholder will clarify, all participating townships would have to pass the referendum for it to go through even in the School District situation. That could be a tough pass and we may limit who we may choose to be part of that authority. Mayor Bronson commented part of the reason for the meeting is to see what the interest of the townships are. Another thing, you can start out smaller and have the City and one or two Townships and then other Townships could petition to join. Then it would be a vote of just them to join the authority. If we start with a smaller group where we are pretty confident we could pass this, and then have the benefits become obvious to other groups that want to come. City Manager Eustice stated this is the kind of information we are going to have to gather in a public forum.

Councilman Temple asked the City Manager how many ballfields are at Major City Park. City Manager Eustice replied six, one being a small tee-ball field. Councilman Temple then stated what he does not understand is back when he was a kid playing Little League, which was bigger back then as was softball, it was all done on one field on Ball Street, so why are there so many ballfields that we have to maintain with less people playing. City Manager Eustice replied probably more games, as kids now play two to three nights a week and sometimes on weekends. Councilman King commented there are regulation specs for each league as far as field measurements, etc. Councilman Temple stated there were more people playing back then on one field and they had enough time, whatever they needed, to play. Councilman King stated he believes it is also because of tournament regulations. City Manager Eustice stated the Little League fields (minor and major leagues) are full every night. There are always two games on both of those fields every night and sometimes weekends. The other thing is when Councilman Temple played years ago it was just the Cheboygan Little League; now these Little Leagues play other Little League teams in the District, which explains a lot more games.

City Manager Eustice stated he hopes all of Council received the information called Partnering for Parks on the mParks website. He can also supply hard copies to Council. It shows how recreational authorities are established, noting there are currently 17 Recreational Authorities in the State of Michigan. The Newberry area has one and Traverse City has one, there are not many in Northern Michigan; most of them are in the Detroit area. Recreational Authorities can be used not only for public parks, but they can oversee our trail system. He noted the City of Cheboygan is basically managing the Trailhead, which was built by the State. This is costly and has added more to our budget. A recreational authority can help manage those type of trail systems, waterway systems, water trails, etc. City Manager Eustice went on to state Mr. Burkholder is very familiar with our community and wrote our Master Plan for Trails Town, so he has a very good feel as to what kind of assets we have here. He informed Council we are going to need to do something like this if we are going to continue to have the public properties we have and keep them in quality shape and improve them going forward. We are not going to be able to do it financially unless we get the funding to do it. Councilman King commented on raising rates for kids and then having less money because it drives out potential participants.

Bills and Disbursements:

▪ Prepaid Bills and Disbursements for the Month of October 2017.

Ms. Trudy Lofgren inquired on Cemetery Maintenance being two different entities. Clerk/Treasurer Kwiatkowski stated Ms. Larson, Jr. got ahold of him because he issues her at the end of each calendar year a 1099 in her name. She also gets a W-2 for whatever work she does with a different entity and every time she did her taxes there was some confusion with her tax preparer so she called him and

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asked that the checks be made out to Digger Maintenance, so he went into the software for accounts payable and she will still get a 1099, but it will be under that new name.

Clerk/Treasurer Kwiatkowski informed Council that during the audit the auditors wanted to make sure that all of the invoices that are on the prepaid and unpaid lists are available if you want to look at them. We never file any of those until after they are approved, so at any time if someone wants to see an individual invoice let him know. Councilman King asked if FallFest was a pretty successful event financially. City Manager Eustice replied yes. Clerk/Treasurer Kwiatkowski noted revenues exceed expenditures and Ms. Guenther has told him there is one donation still yet to come from, he believes, from DTE in the amount of \$5,000.00, so if that comes through the group that put FallFest on will probably end with around a \$6,000.00 or so profit, which will be quite a bit a seed money for next year.

Councilman King moved to approve the prepaid bills and disbursements for the month of October 2017 in the amount of \$728,171.87; supported by Councilwoman Riddle. A roll call vote was taken; motion carried unanimously.

▪ **Unpaid Bills and Disbursements for the Month of October 2017.**

Ms. Trudy Lofgren inquired if the concession at the Ice Rink is not being handled by a private entity. Clerk/Treasurer Kwiatkowski replied not any longer. Ms. Lofgren then inquired on Pro-Shop supplies, asking what that entails. Clerk/Treasurer Kwiatkowski answered it is basically shoe laces, tape, just minor items right now. Ms. Lofgren asked if this is for the public to pay for. City Manager Eustice replied yes and they are also available at the concession stand.

Councilman Lavender moved to approve the unpaid bills and disbursements for the month of October 2017 in the amount of \$48,917.81; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

Department, Boards and Commission Reports:

▪ **Recreation Commission Meeting Minutes, October 27, 2017** – Received and filed.

▪ **Zoning Board of Appeals Meeting Minutes, November 1, 2017** – City Manager Eustice reported there was an item on the agenda to build a retail pole barn at the corner of Stempky Street and Huron Street in front of Huron Estates and across from Newport Village, the senior housing complex. Mr. Ray Trudeau wanted to build a 40' x 60' pole barn mainly for just private storage rental for boats, snowmobiles, etc. This was not allowable in a B-1, Local Business District. The only place you can put a pole barn that is not accessory to a business is in the Industrial Park or a L-1, Light Industrial, area. There was a lot of discussion, but it really isn't the highest and best use for that property. It is more suited for professional office space, which is what its intended use is. The Zoning Board of Appeals denied the variance request. The property owners were satisfied with the decision and are looking at other properties within the City.

▪ **DPS Monthly Statistics, October 2017** – Received and filed.

General Business:

▪ **Consideration of Designating Clerk/Treasurer Kwiatkowski and City Manager Eustice as Authorized Signers on the Festival Square Debt Account #4003001 2012 with Chemical Bank** – Clerk/Treasurer Kwiatkowski stated as part of the audit he put together a debt reconciliation spreadsheet for the auditors and it shows the remaining principle due on all the debt issues we have.

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One thing the auditors do is contact Rural Development and the various banks that we deal with and verify that his balances agree with the bank balances. In the process this year, Chemical Bank, which used to be Talmer Bank, received a request for verification of the debt and the only signer on that account was former City Manager Stuart. So they would not give out any information to our auditors. Clerk/Treasurer Kwiatkowski then stated he called Chemical Bank and asked what we needed to do and was told that Council needed to take some kind of action so that new signers can be put on. Councilwoman Riddle asked if we have any other things that the previous City Manager was still signatory on. Clerk/Treasurer Kwiatkowski replied not that he is aware of.

Councilman King moved to designate Clerk/Treasurer Kenneth J. Kwiatkowski and City Manager Thomas E. Eustice as Authorized Signers on the Festival Square Debt Account #4003001 2012 with Chemical Bank; supported by Councilwoman Kwiatkowski.

Yes Votes: Council Members Riddle, Bronson, Lavender, Temple, King, and Kwiatkowski; No Votes: None; Absent: Couture Motion carried.

■ **Consideration of City Council 2018 Regular Meeting Schedule** – Mayor Bronson noted the last meeting in December is an open date. City Manager Eustice explained that meeting falls on Christmas Day. There is an option to have it later that week or not at all. Mayor Bronson stated it will depend on what's on the agenda as to whether or not a meeting is called. The second meeting in December 2018 will be left open at this time.

Councilwoman Riddle moved to approve the City Council 2018 Regular Meeting Schedule; supported by Councilman Temple. Motion carried.

City Manager Eustice informed Council that the second regularly scheduled Council meeting in December 2017 is December 26, which is a Holiday for the City. It will be up to Council whether they want to have a meeting December 26. Mayor Bronson asked if this is his call and can he decide not to have it. City Manager Eustice replied yes. Mayor Bronson stated if there is pressing business, then a meeting will be called.

City Clerk's and Treasurer's Comments:

■ **Audit** – Clerk/Treasurer Kwiatkowski stated something new with the audit this year is that the State Treasury requires that every month he is to give Council a copy of the City's Comparative Balance Statement. This is an asset/liability report. He then stated this will give Council the fund balances. Also, if Council has questions on anything he will explain it to Council. He then referred Council to page one reviewing the same, noting that most of the City's revenue comes in July in the form of summer taxes, which is the beginning of the fiscal year. There is another report, which he is working on, that is a comparison of revenues and expenditures. He is hoping to have that for Council this time next month and will be easier to understand. Councilman Lavender inquired as to the General Fund's cash balance and why it is significantly higher. Clerk/Treasurer Kwiatkowski replied part of it is the Port Property we sold for \$200,000.00. Another thing is we do is receivables at the end of the fiscal year and one of the receivables for the General Fund is revenue sharing. We get a check at the end of August and it is revenue for the prior fiscal year, but we don't net that out until after the audit is done and the adjusting entries are done. So not only do you have \$200,000.00 because of the sale of Port property, we are going to subtract about \$90,000.00 from that figure once the audit and everything is done. Councilwoman Riddle asked if that is due to expenses. Clerk/Treasurer Kwiatkowski replied no, it is strictly revenues. We book the revenue at June 30, but when the check comes in it goes

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through the regular receipting process so it is booked in two fiscal years; the last one and the current. He reverses the current. Mayor Bronson asked when the audit will be done. Clerk/Treasurer Kwiatkowski replied soon, noting it has to be done by the end of the year. He has two projects, one being the audit they are finishing up and the other is Munetrix that is on the City's website – he has to put in another year, another budget for the general fund for an upcoming year, everything that happened during the last fiscal year, update the unfunded balance, pension plan, etc.

City Manager's Report:

▪ **Bridge on North Central Trail System** – City Manager Eustice stated on the North Central Trail there is a bridge, which is in the City limits, off of Old Mackinaw Road that the DNR has proposed to close for the winter. This is going to be significant if that happens as far as snowmobile traffic through the City. The Trailblazer Groomers are working diligently to try and come up with a solution to keep that bridge open or put in a temporary bridge. They were not aware of it until they were notified on November 2 that the DNR was considering closing the bridge for safety purposes. City Manager Eustice further stated it looks pretty solid, noting it is an old railroad bridge but the structure underneath is becoming deteriorated and the DNR is concerned for safety. The DNR initially told the Trailblazers they couldn't groom the bridge, as they usually brought their tractor cross the bridge to groom the area. Now the DNR does not want any traffic on the bridge at all, even though the trail groomer can pretty much back in from the Old Mackinaw Road and Western Avenue to the bridge and groom it. The DNR at this point is suggesting that it not be opened at all. Councilwoman Riddle asked if there is a date for the bridge repair or replacement of the bridge. City Manager Eustice replied the DNR does not want to do anything in this budget year, so they have no plan. Apparently they have known about this issue for about nine years and had nothing in their budget to fix it.

City Manager Eustice further explained to Council that users can detour and the DNR and MDOT are working on a detour in the City, but it is still going to be cumbersome. The detour they have planned right now is once you get to Old Mackinaw Road from the north they are going to route snowmobile traffic down Old Mackinaw Road to Slade Road to Levering Road, which turns into State Street, to get back on the trail. It is about a two-mile route. He believes that people will not come down here from Mackinaw City knowing there is a detour because they will not want to deal with that. Mayor Bronson mentioned let alone the people living along there. City Manager Eustice then mentioned it is very hard to keep snow on the blacktop and the snowmobilers would be riding on the blacktop, which they don't like. A comment was made that they will be riding through yards. City Manager Eustice stated there has been a lot of activity the last couple of days on trying to resolve the bridge problem, but he does not feel the detour is the best option. If they can somehow keep that bridge open; perhaps it can be reduced down to one lane with signage. It is going to have a significant impact on our economy not having the bridge open. He then commented we are supposed to have a more than normal snowfall this winter, which will be a very good winter for snowmobiling. Mayor Bronson asked Chamber Director Herceg if the Tourist Bureau is addressing this. Mr. Herceg stated both the Chamber and Tourist Bureau are aware. He has telephone calls into the DNR and the legislators are involved. Rep. Chatfield's legislative assistant is assisting. Mr. Herceg commented on being told the condition of the bridge. He then stated the Trailblazers seem to be on top of it the best and not shying away from it. Mayor Bronson asked if this is the bike trail, also. City Manager Eustice replied yes. Mayor Bronson said he is concerned on how quickly the State moves because it could be two or three years. City Manager Eustice commented the intersection of Main and Lincoln is a good example of something being the State's responsibility and not repaired, and is concerned about the same issue here. The question was asked how much it would cost to repair the bridge. City Manager Eustice

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replied they did not say. Chamber Director Herceg commented there has not been a lot of information other than they are closing it.

- **Girls Night Out** - City Manager Eustice stated that tomorrow night is the DDA event, Girls Night Out. This is held on the opening day of deer season and goes from 3:00 p.m. to 8:00 p.m. and is well attended.

- **Billiards Tournament at Ice Arena** - City Manager Eustice informed Council that a billiards tournament will be held on April 20-22, 2018 at the Ice Arena, noting that the City of Cheboygan is partnering with Mr. Curtis Thornton, owner of Statewide Billiards, to put on this event. Council was given a flyer as information only. City Manager Eustice stated there was a pool tournament about three years ago in the Ice Arena, which was very well attended and very successful. Mr. Thornton has already committed 150 pool players to be at the event, and there will certainly be City of Cheboygan pool players participating. April is the time of year where there is not a lot of activity going on, as winter is just getting over and spring has not really started yet. This event will bring a lot of people to the community to hopefully fill our hotels. Councilwoman Riddle inquired as to when the ice will be taken off the rink. City Manager Eustice replied the ice will be gone by the end of March. Chamber Director commented the door, he thinks, would still be open if Ice Rink Manager Coxe would still be interested in making a presentation to the Tourist Bureau. Councilman King stated there still should be a whole file on all the contacts of everybody that involved the last time a pool tournament was done. This might be something for the Tourist Bureau to look at.

- **Trail Bridge** - Mr. Ray Lofgren asked why doesn't Council authorize that a letter be sent from Mr. Eustice to the Governor and let him know it is going to affect us as far as tourism. He thinks the bridge could be corrected fairly quickly in the right manner.

Messages and Communications from Mayor and City Council Members:

- **Presentation by DPW Director Karmol** - Councilman King thanked DPW Director Karmol for his presentation and it pleases him extremely to see foresight planning ahead, i.e. asset management, level of service, setting goals, etc. and would like to see these things happen department wide throughout our City. Not only is it good for budgeting, but as a Council they will know what things are coming up down the road and what our goals are. With a turnover in staff, this is just the way that things should be done. He mentioned getting assistance from the Municipal League or even going into the administrative offices to see how we can expedite services to our citizens, i.e. hardware and software that needs to be updated over time. Councilman King said this is what we really should be doing stating it should not cost much money to get this plan in place, and thinks down the road it will save us money.

- **Government Students in Attendance** - Councilman King recognized the Government students in attendance asking to be reminded to talk about the issue of the trail in class tomorrow, adding he will probably have them help contact representatives so the students will know how to do that. Also, the students can come up to Council after the meeting to get their agendas signed for attendance.

- **Strategic Planning** – Councilman Lavender stated he was reminded tonight on strategic planning and feels this would be a good thing to do. We touched on it before and then he thinks it kind of branched out and we didn't come together with a strategic plan. Councilman King commented we should try and get a plan in place when we look at different departments.

- **Municipal Review Article** – Mayor Bronson commented on an article in the Municipal Review regarding TELP funding (tax exempt lease purchase), noting one of the examples cited is redoing and upgrading an ice arena through this type of funding. He encouraged Council to read this article. City

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Manager Eustice commented he has not read the article. Mayor Bronson also stated LED lighting for the streets could be funded through this program. The State recently redid this law and are including more things. Mayor Bronson stated he feels this is something we really need to look at. He mentioned that Johnson Controls was mentioned in the article, noting the City has had some issues with them.

▪ **Rink Compressors** – Councilman King commented they had compressors go out at the Rink the other day for a short period due to an outage through Consumers, asking if the City was notified on the power outage. He noted the ice temperature increased during that time. There was also a tournament coming in that day and they were worried. City Manager Eustice stated the City certainly was not notified and the phone was out there also, which was a Charter issue.

Adjournment:

Councilman Temple moved to adjourn the meeting at 8:37 p.m.; supported by Councilwoman Riddle. 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