

REGULAR CITY COUNCIL MEETING
April 11, 2018

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: Bronson, Riddle, Couture and Kwiatkowski

Absent: Lavender, Temple and King

Mayor Bronson announced there are three Council Members out tonight; two are ill and one had a previous engagement.

Mayor Pro Tem Couture moved to excuse Councilmen Lavender, Temple and King; supported by Councilwoman Kwiatkowski. Motion carried.

Mayor Bronson led the Pledge of Allegiance to the Flag.

Public Comments:

Ms. Susan Cheli commented she was at the meeting last night stating it was good. She questioned the sidewalk comments and the \$4,000.00 estimate, stating she can see why people are not signing up to have their sidewalks repaired. City Manager Eustice stated that cost was based on City Ordinance because if you build a sidewalk you have to do it to City specifications. Ms. Cheli suggested that this is a good opportunity to brainstorm, because she can understand why people wouldn't be able to afford that. She then spoke on start-up/pop-up businesses. She went on to state she has been doing a lot of thinking about the blight, noting people are not penalized for that and is suggesting the City do a stiff penalty of \$500.00 if they don't clean their place up and thinks it would give the owner a tremendous amount of incentive. Ms. Cheli then commented on tree planting on all the approaches to the City of Cheboygan, including having a community day event at the City park. Everyone can contribute to making the City beautiful because residents and non-residents all use it. Kids can be part of the labor force. We could do the State Park, the City Beach, Memorial Park and Cemetery. Mayor Pro Tem Couture said they are looking for a task force to do that and suggested she put one together. Ms. Cheli also suggested helping the elderly who can no longer do their own yard work. Councilwoman Riddle told Ms. Cheli a good example is the Ottawa Park area in that the community was involved in putting that Park together. Ms. Cheli then spoke on having the Townships on board.

Ms. Kim Pappas, representing the Cheboygan Adult Service Advocate group, noting a meeting was held a few weeks ago with City Manager Eustice and some of Council attending. Their group meets monthly. City Manager Eustice interjected that the Council should have a handout entitled CASA Community for a Lifetime, To-do List. Ms. Pappas explained their group is comprised of representatives from NEMSCA, Department of Health & Human Services, Cheboygan Housing Commission, Probate Court, McLaren, Catholic Community and the Salvation Army, just to name a few. Their goal and objective is to make sure that the Cheboygan Community is elderly friendly. One of the things that was brought to their attention is the designation of Community for a Lifetime. As the Michigan population ages,

Regular City Council Meeting – April 11, 2018

communities adapt to meet the needs of older adults, their families and caregivers, and they want to attract and obtain more residents and be able to provide them with a better quality of life. Ms. Pappas commented on studies that have been done and Florida found that for each senior leaving their community 2 ½ jobs are lost, so it also has an economic impact on commerce. For every \$3.00 in public services received a senior gives back \$4.00. A retiree couple could affect 3.7 jobs. There is a lot of impact, not only from an economic standpoint through the services but everything from the public library to our healthcare system and school system. Ms. Pappas then informed Council they have completed an application and met with various members of the Community on everything from a walkability study, trails and stores downtown that are senior friendly. They are not here to change everything, but want to bring awareness to the community and make sure we are doing everything we can as our population is aging. We are a retiree community and are seeing more of the elderly population (65 and over), as well as having young families in the community. She noted that right now the State of Michigan has 26 communities, the closet being Alpena and Gaylord, along with larger communities such as Traverse City, Holland and Farmington Hills, just to name a few. The ten criteria they are looking at are walkability, bikeability, supportive system, access to health care, safety and security, housing affordability, rent availability, housing modification and maintenance, transportation, commerce enrichment and inclusion. Ms. Pappas then asked Council for a resolution in support of their group efforts in having this Community for a Lifetime designation. Also, by doing this there are grants that if the City or DDA were to apply for or the County, having that designation could enable us to have another star on the application process and give more points. Mayor Pro Tem Couture asked Ms. Pappas if the City adopts a resolution, what is she looking for other than the adopting of a resolution – as far as help in the future with this. What would she like the City to do? Ms. Pappas responded she thinks as a group and they have a list of action items they would like to discuss not only with the City, but the County and Townships in our community and see if there are things that we can better our community and be more elder friendly. Not only is it for the elderly population, but it would also help out those that are disabled and the younger population, and she feels it would be a win-win situation for everybody. City Manager Eustice stated one of the biggest examples of entryways of not being elderly and handicap friendly are right here at City Hall. We have elevators, but the doors that access that elevator are not handicap accessible. They need to be power doors, and they are working on that and are going to try and upgrade those. Councilwoman Riddle asked if Ms. Pappas has thought about attending a Main Street Committee meeting because that Committee is working on things that need to be done for the Main Street area of the City and having that information brought forward might be a good addition. Ms. Pappas replied that is part of their action to get involved so that they can combine forces and not have all these separate entities trying to reinvent the wheel. They have also invited the Bring It Cheboygan Committee to a meeting, noting there were members from the Main Street program and were able to answer some questions, as well, on the application.

Mayor Bronson inquired as to the numbers contained on the handout. Ms. Pappas explained they had 10 chapters to complete and these are specific questions they would be asking of City Manager Eustice and Chief Jones. She did not expect answers this evening and it is an outline of outstanding questions they have that are specific for the City. Mayor Bronson stated we should have a written resolution. City Manager Eustice stated the Council can give him a directive to draft a resolution for the next meeting. Mayor Pro Tem Couture commented it seems straightforward and no negativity can come to light of it, but wants the City Manager to

Regular City Council Meeting – April 11, 2018

look into it and make sure there is nothing legally binding, but he is absolutely all for it. Ms. Pappas then asked if the City still has a City planning and do they still meet on a regular basis. City Manager Eustice replied we have a monthly Planning Commission meeting and we do have a Master Plan in progress. Ms. Pappas asked if they could have a copy of the City's Master Plan to send in with the application to show there is an active Master Plan. City Manager Eustice answered sure. Mayor Bronson noted this is something they are working on now. Mayor Pro Tem Couture stated the last time it was updated was 2012. Ms. Pappas stated she would take one from 2012. She knows that any of their committee members would be willing to help or sit on that Commission for any type of support system. Mayor Pro Tem Couture asked if the group is local. Ms. Pappas replied 80% of their group is from Cheboygan. NEMSCA actually brought it to their attention that this is something we might be able to take advantage of; the group is a non-profit group. They try and bring resources to our community, noting they have a directory if someone needs help and/or is new to the community. There is also an annual event where they have a caregiver expo, where they try and bring services to people. Some things you don't actually think about until you actually need it or in that position of opening doors and things of that nature. Ms. Pappas informed Council they are trying to get an application in before the first of May, asking if the Resolution will be brought to Council at the next Council meeting. City Manager Eustice answered yes. Ms. Pappas thanked the Council for their time.

Approval of Agenda, and Receive and File all Communications:

Councilwoman Riddle moved to approve the Agenda, with the corrected copy of 8-B, Unpaid Bills, and receive and file all communications; supported by Mayor Pro Tem Couture. Motion carried unanimously.

Approval of Prior Meeting Minutes:

Councilwoman Kwiatkowski moved to approve the Regular City Council Meeting Minutes of March 20, 2018 as presented; supported by Councilwoman Riddle. Motion carried unanimously.

Public Hearings:

■ **Consideration of an Ordinance to Amend Section 96.52 of the Parks and Recreation Chapter of the Cheboygan City Code by Repealing Section 96.52A and Enacting a New Section 96.52A to Redefine the Minimum and Maximum Number of Commissioners –** City Manager Eustice stated this just a simple language change in the Parks and Recreation Ordinance; they would like to expand the minimum number of members from five to seven. The main reason for this is they are having a difficult time getting a quorum. If we could add two additional members it would be helpful. Clerk/Treasurer Kwiatkowski commented this is a Public Hearing and has to be open to the public. Councilwoman Riddle asked if they do not have to be a City resident to be on the Commission. City Manager Eustice stated they have to be a City resident. Councilwoman Riddle then asked if we go with a Recreational Authority, will this have to be adjusted. Mayor Pro Tem Couture informed her that the Authority will be separate. City Manager Eustice added there would be participation from the surrounding townships. Councilwoman Riddle asked if there would be representation from the City's Parks and Recreation Commission on the Authority. City Manager Eustice replied yes.

Mayor Bronson opened the public hearing.

Regular City Council Meeting – April 11, 2018

Ms. Lois Ballard commented she went to a meeting at Inverness Township where they discussed representation, but there is only one. Mayor Bronson stated that is something different and not what we are talking about here. That meeting was talking about setting up a Recreational Authority; this public hearing is on the City Recreation Commission.

Mayor Bronson closed the public hearing.

Councilwoman Riddle moved to Amend Section 96.52 of the Parks and Recreation Chapter of the Cheboygan City Code by Repealing Section 96.52A and Enacting a New Section 96.52A to Redefine the Minimum and Maximum Number of Commissioners; supported by Mayor Pro Tem Couture. A roll call vote was taken; motion carried unanimously.

■ **Consideration of an Ordinance to Amend Section 155.03(B) of the Historic Resources Chapter of the Cheboygan City Code by Repealing the First Sentence of 155.03(B) and Enacting a New First Sentence of Section 155.03(B) to Redefine the Residency Requirements of the Commission** – Mayor Bronson opened the public hearing.

Ms. Lois Ballard said she thinks we can get a lot of good people from just outside the City limits like historically minded people, such as herself, much more so than a lot of the City people. She thinks this definitely should be part and it makes sense to use the expertise because there is some. She mentioned historic houses in the City and other townships.

Mayor Bronson closed the public hearing.

Mayor Pro Tem Couture asked if this is to allow non-City residents on the Historic Resources Commission. Mayor Bronson replied yes, noting he still appoints the members, so there is control.

Mayor Pro Tem Couture moved to Amend Section 155.03(B) of the Historic Resources Chapter of the Cheboygan City Code by Repealing the First Sentence of 155.03(B) and Enacting a New First Sentence of Section 155.03(B) to Redefine the Residency Requirements of the Commission; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Miscellaneous:

Councilwoman Riddle asked the City Manager to explain why there was no public hearing this evening on the Zoning Ordinance Re-Write. City Manager Eustice stated when the public hearing was set at the second meeting in March we were only 14 days away and you have to have a 15 day notification to have a public hearing. Mayor Bronson asked if that will be on April 24. City Manager Eustice answered it will be the first meeting in May now. He then informed the Council there are a few issues with the Zoning Ordinance they are trying to correct.

Regular City Council Meeting – April 11, 2018

Bills and Disbursements:

▪ **Prepaid Bills and Disbursements for the Month of March 2018.**

Ms. Lofgren asked on no. 24, Consumers Energy, does the City pay the whole bill and then get a credit. Clerk/Treasurer Kwiatkowski responded no, the entire bill was more than \$60,000.00.

Ms. Ballard asked if the minutes for these meetings published in the Tribune. Mayor Bronson replied not any longer; there is a notice stating they are available at the City Department or on-line.

Mayor Pro Tem Couture moved to approve the prepaid bills and disbursements for the month of March 2018 in the amount of \$549,978.07; supported by Councilwoman Riddle. A roll call vote was taken; motion carried unanimously.

▪ **Unpaid Bills and Disbursements for the Month of March 2018.**

Councilwoman Riddle moved to approve the unpaid bills and disbursements for the month of March 2018 in the amount of \$30,308.82; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Unfinished Business:

▪ **Policy for Purchase of Supplies & Equipment and Procurement of Contracted Services**

– City Manager Eustice stated this was tabled at the last meeting for clarification. We are amending 3C, on page 3. He went on to state he wanted approval of Council and Council wanted the approval of Council with the recommendation from the City Manager to extend contracts. That language was not in the last amendment, so City Attorney Stephen Lindsay amended it and he hopes it is clear as far as the process to be able to extend these contracts. The City Manager has the ability to recommend that contracts be extended, but they do have to come to City Council for approval; Council then has the right to ask that request for proposals be sent out, even if his recommendation is to extend them. Mayor Bronson commented he thinks this is what Council wanted.

Mayor Pro Tem Couture moved to adopt the amended Policy for Purchase of Supplies & Equipment and Procurement of Contracted Services effective April 11, 2018; supported by Councilwoman Riddle. A roll call vote was taken; motion carried unanimously.

General Business:

▪ **Consideration of Cheboygan County Interlocal Agreement Regarding County Recycling Surcharge ending on March 31, 2023**

- Mayor Bronson questioned “D” on page 1 – “for a period of five (5) years, 2018 through 2022, inclusive” and “7” on page 3 – “ending on March 31, 2023”. He then stated it has to do with the tax calendar. Clerk/Treasurer Kwiatkowski explained that March 31 is basically the end of tax season for 2022. Mayor Bronson said that is what he wanted to clarify. Mayor Bronson then referred to page 2, under Agreement, item 1, that the collection of “household hazardous waste, tires, batteries, and yard clippings” are in here for the period of this Contract. Mayor Bronson said we can take this waste there without no additional charge. Councilwoman Riddle asked if it includes paint and would like that included. Mayor Bronson commented we are not going to be able to change

Regular City Council Meeting – April 11, 2018

the language. He wants to make sure there is not going to be a feud later and we are in that time period now; the question that started us on that path was in the original contract you could take stuff there and then later they started charging. City Manager Eustice said that will no longer be the case; you can take toxic materials there. Mayor Bronson clarified the household can, but a business cannot. Councilwoman Riddle asked who we would talk with to find out if paint is included. Mayor Bronson replied the County has someone in charge of that. City Manager Eustice stated it is Mr. Dan O’Henley and he will ask him for clarification. Mayor Bronson commented the other contract expired and we are the last one to bring this up for a vote. Mayor Pro Tem Couture asked if the \$25.00 goes on a tax bill once per year. Mayor Bronson answered yes. Councilwoman Riddle said it was \$24.00 and they raised it \$1.00. City Manager Eustice commented it has been as low as \$20.00, but it can’t go past \$25.00.

Mayor Pro Tem Couture moved to approve the Cheboygan County Interlocal Agreement Regarding County Recycling Surcharge ending on March 31, 2023 to be signed by Mayor Bronson on behalf of the City; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

■ **Certification of 6-Month Delinquent Water/Sewer Utility Bills as Liens on the 2018 Summer Tax Roll** - Mayor Bronson asked if the list has changed since the last time. Clerk/Treasurer Kwiatkowski answered yes, stating the initial list amount was a little over \$102,000.00, and currently it is \$99,750.00. Ms. Herring just sent out the notices to all the property owners, so it will probably drop by another 20% before we send to the County.

Mayor Pro Tem Couture moved to approve the placing of 6-month delinquent water/sewer bills as liens on the 2018 Summer Tax Roll and direct the City Assessor to spread these amounts against the properties; supported by Councilwoman Riddle. A roll call vote was taken; motion carried unanimously.

■ **Consideration of Extension of City of Cheboygan Independent Contractor Agreement for Maintenance and Interments Services at Pinehill Cemetery with Gracie Larson, Jr. –** Clerk/Treasurer Kwiatkowski stated Ms. Larson worked for more than 10 years with Mr. Ellis Olson; for the last three years she had the Contract for Maintenance and Interments at the Cemetery. She has done a very good job working with the funeral homes, City staff and families. With his leaving it is going to get complicated because you are going to have a person who has never dealt with the Cemetery. His recommendation is for an extension of the Contract for another three years; barring that, at least for an additional year. Mayor Pro Tem Couture asked if this goes against what we just approved for the Continuation of Services or Purchases Under Limited Circumstance. Clerk/Treasurer Kwiatkowski answered no. Mayor Pro Tem Couture then asked if this Contract has been extended more than two times. Clerk/Treasurer Kwiatkowski replied no, noting Ms. Larson has had the contract for one 3-year term. Mayor Pro Tem Couture stated it is expired now, correct. Clerk/Treasurer Kwiatkowski replied yes. City Manager Eustice informed Council even if it was, the Policy that was just adopted is from tonight going forward. In each case Council can extend each Contract (Larson or McGovern) twice. He can do that and if Council does not want to do that, Council can make a motion to send out request for proposals. Mayor Pro Tem Couture explained he wanted to be sure we were not contradicting what Council just did. Councilwoman Riddle said she is in favor of keeping the person in the Cemetery at least for

Regular City Council Meeting – April 11, 2018

one-year because of Clerk/Treasurer Kwiatkowski's leaving, but what would be the reasoning for going for the full three years as opposed to going with just one year. City Manager Eustice explained the original request for proposals was for a three-year contract, noting with Clayton McGovern he is only recommending a one-year extension because the original request for proposals was for one-year. Councilwoman Riddle stated we are going with the wording of the original contract. City Manager Eustice replied yes, but the Council can limit it. Clerk/Treasurer Kwiatkowski stated one remark he would like to make is the Ms. Larson is always available, 24-7, and has been involved with the Cemetery for 13 years. If you put it out after a year, you will probably never get that service again. If a contractor has any other business, they are going to be juggling their schedule with what the families want as far as burials, etc. Mayor Pro Tem Couture asked the City Manager if it is his recommendation to extend the contract for a three-year period. City Manager Eustice replied yes, it is his recommendation, as well, for a three-year period.

Mayor Pro Tem Couture to approve the extension of the City of Cheboygan Independent Contractor Agreement for Maintenance and Interments Services at Pinehill Cemetery with Gracie Larson, Jr. for a period of three year(s) at a cost of \$30,000.00 per year; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

■ **Consideration of Extension of City of Cheboygan Appraiser Contract to Assist Assessor with Clayton McGovern** – City Manager Eustice stated we sent out request for proposals when he became City Manager to contract with an Appraiser to assist him in the assessing process and Mr. McGovern got the bid. It was a one-year contract and the City Manager is recommending that we extend the Contract for a one-year period at \$37,000.00, which was the original bid for one-year. City Manager Eustice said in his opinion Mr. McGovern is doing an outstanding job for the City and with everything going on right now, he thinks it would be wise to continue this contract. Mayor Bronson commented Mr. McGovern is also in the middle of doing a reassessment. City Manager Eustice stated it was basically a 5-year plan for reassessment and he is in the third year of his contract.

Councilwoman Riddle moved to approve the extension of the City of Cheboygan Appraiser Contract to Assist Assessor with Clayton McGovern for a period of one year at a cost of \$37,000.00 annually; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

City Clerk's and Treasurer's Comments: Clerk/Treasurer Kwiatkowski informed Council they have been given, as information only, a Monthly Operating Fund Reconciliation dated February 28, 2018 and March 31, 2018. He stated if Council has any questions, he can answer them. Councilwoman Riddle asked if it would be good to have this at the Budget meeting before the next meeting. Clerk/Treasurer Kwiatkowski replied these have nothing to do with the budget. Mayor Bronson stated at the Budget meeting they will be talking about next year's budget, not the current budget. Clerk/Treasurer Kwiatkowski explained what Council is looking at are operating funds of the City which consist of 20 plus separate funds. He reconciles this at the end of every month and it has to agree with the bank statement to the penny. There are some negative numbers at the bottom of the report and those will be reconciled at the end of the fiscal year with interfund transfers. These are all the funds he deals with on a daily basis. Mayor Bronson commented the other document Council received

Regular City Council Meeting – April 11, 2018

on management costs would be helpful for the meeting. Clerk/Treasurer Kwiatkowski stated on the document on the management cost the Council can see where the figures for the City's Retirement Fund are not included. City Manager Eustice noted he has an explanation with this, noting it may not be correct but it will be corrected for the Budget meeting. He just used a ballpark figure, explaining we pay a lump sum for three retirees in that program that are currently working. He, Clerk/Treasurer Kwiatkowski and Recreation Director Hancock are in the same retirement pension plan as all the retirees and it is charged to us, so it looks like we are getting a tremendous amount of money in retirement because it is charged to the current employees, when, in fact, it is paying for the retirees in the program. Clerk/Treasurer Kwiatkowski commented it is paying for unfunded liability. Mayor Pro Tem Couture stated he sees we have a Budget Workshop on April 24th, asking the City Manager if he is comfortable with the questions of transparency and ease of reading the budget, asking if he has somebody to help with that. Would it be helpful for him to bring somebody in to help with that even if it is for setting it up for next year to see that transparency a little bit better, or some other ideas? He does not want to throw a huge wrench into recreating everything. There has to be a way to make it a little bit more transparent. The scenario just given sounds like a mess to show where all the numbers lie and does not know if it is easy to clean up, but it should be transparent. Clerk/Treasurer Kwiatkowski commented the pension liability will not show up in anybody's. Mayor Pro Tem Couture replied fair enough, noting Clerk/Treasurer Kwiatkowski works with the budget quite often, but it is not clear to him. It should be clear to everyone. Mayor Bronson said for someone outside coming in and looking at that retirement cost would see \$60,000.00 and say that the City Manager is getting a huge benefit. Without the input from the City Manager and Clerk/Treasurer to decipher or translate that, and as to what Mayor Pro Tem Couture is talking about it is hard for Council to look at the budget the way it is set up and decide what is happening today. He does not believe it is in the nature of the BS&A software to do it that way. We should be looking for somebody because we might need it presented in a different format, a spreadsheet or graph, which he thinks will be more understandable for the Council. Clerk/Treasurer Kwiatkowski said we almost have to contact our retirement company, MERS, and see what they have as far as a presentation tool. He has dealt with the pension plan for 23 years and he could not present something to Council that would show an individual cost for each employee. Councilwoman Riddle stated if he can get that information it might be helpful for his replacement to understand and become more familiar with the budgets. Mayor Bronson stated the requirements for the job is that they understand the BS&A language. It is up to Council to make sure that they can understand. City Manager Eustice said he will try and export information into Excel and try to make salaries and that sort of thing more transparent. He did provide in the Budget the 2017 actual salaries, without benefits; the actual cost per employee based on their W-2 report so Council can determine what each employee cost the City on an hourly rate and salary rate. This is broken down for every employee in the City. Mayor Bronson then questioned if this is part of the City Manager's Report. City Manager Eustice replied yes.

City Manager's Report:

- **Preliminary Budget Review** - City Manager Eustice informed Council he would like to have a Budget Workshop on April 24 from 5:00 p.m. to 7:00 p.m. He and Clerk/Treasurer Kwiatkowski need to edit a little of what was provided to Council. The 15 page document is basically the Major Funds, General Fund and the Water/Sewer Fund. The General Fund budget projected is \$2,135,700.00, which is about \$18,000.00 higher than last year, which is

Regular City Council Meeting – April 11, 2018

basically the increase in the property taxes. There is a projected increase in State Revenue Sharing, noting this has been pretty stagnant for a lot of years. This should help a little bit. City Manager Eustice went on to state the PA51 monies are expected to increase. Mayor Pro Tem Couture inquired if this is the roads. City Manager Eustice replied yes, road maintenance, noting we get monies for plowing the main thoroughfares and so forth. 2019 is supposed to be the start of bigger increases for municipalities. In late 2016 there was legislation that moved monies out of the MEDC and that is where the Façade Program went awry when the monies were put back into road funding. City Manager then stated the General Fund budget is really not a lot different and that will be talked about at the Budget meeting. He informed Council that the City of Petoskey recently did a Regional 3 Study on salaries and benefits, but the format it came in is somewhat difficult to read so he is trying to get it into an Excel spreadsheet. Typically our Police & Fire Departments are 42% of the General Fund budget and that is pretty typical when looking at the range of Departments in Northern Michigan; however, Boyne City is not, they are about 29% of its General Fund budget. He noted Boyne City does not have any box stores or low income housing to deal with. He will have that report, noting it is pretty interesting data.

City Manager Eustice noted the Water & Sewer Fund based on the water and sewer rates will have a significant increase. Those are revenues that we will experience in the next fiscal year, but their intention is to pay for projects. The monies will be spent back out as soon as we can. There are a lot of special projects that need to be taken care of in both Water and Sewer and also a water tower. We still are considering a water tower and we need big dollars to complete all those projects. At this point it looks like we are eligible for grant funding because of the decision this legislative body made to go with Option C which gets us into a range where we can not only get loans, but we can get Federal dollars to help us with funding some of these projects. Councilwoman Kwiatkowski questioned the City Manager stating before that the water tower was a done deal and he now says we are considering. City Manager Eustice replied we need it at some point, but are not certain it is one of the first things we do. There is no funding for the water tower yet. Mayor Bronson stated when we get grant funding that would affect the calendar of doing that project. He then stated that DPW Director Karmol is starting that process of seeing what grant applications are available. City Manager Eustice commented most grant funding will come from the USDA (United States Department of Agriculture) and they are working with Mr. Blake Smith and Rural Water (Mike Engels) to try and obtain some grant funding.

City Manager Eustice told Council based on the expected revenues of the Ice Arena versus the expenses, we are at about a \$40,500.00 shortfall for next year's budget. It will be interesting to see how this pool tournament event goes; he does not know what kind of profit we are going to make on the tournament, but it may help. It appears the number of people playing hockey continues to go down and they don't expect a huge increase. They had one team at every level; the Mini Mites had a few extra players. We do not expect that to change next year. City Manager Eustice explained the biggest revenue generator is selling ice and it is always a dilemma of do you raise the hourly ice rate and not get as many teams and people, or do you leave it alone and try and get more kids. It is a tough situation. Mayor Bronson commented it sounds like it might be worth a special meeting just to discuss the future of that facility and what we expect to happen or not happen. Mayor Pro Tem Couture said the Ice Arena has to have refrigeration and you have to have ice, so the costs are there. The ballfields do not have

Regular City Council Meeting – April 11, 2018

to continue to be maintained and they haven't been, so those costs should have been put in there so they might have shown a shortfall, as well. The thing is we don't have a great comparable of document. Mayor Pro Tem Couture then stated he does not know about the Opera House; how much revenue does the Opera House bring in versus its costs. That is something that we need to do City-wide with every building or every entity that is a branch of the City and put a focus on that. It comes down to all of the recreational facilities are losing. Mayor Bronson commented we have to compare the same thing. Mayor Pro Tem Couture said it is not just the Ice Rink, but it absolutely is and it is one of those things where we are going to have to make a decision on how we are going to address it because what prioritizes, what comes first, what are things we should be doing – should we be putting sidewalks in instead of having the availability of an Ice Rink. Those are question marks that we have to answer and he thinks in the near future, because we can't continue to take losses, unless we decide we are going to subsidize that out of the General Fund, or find other ways to fund it. Mayor Bronson said that the Recreational Authority is one of the options. City Manager Eustice stated our Parks & Recreation budget, other than the Ice Rink, is about \$200,000.00 and we generate no revenue, so that is a \$200,000.00 expense. Mayor Pro Tem Couture said the Ice Rink is part of the Parks & Recreation, or it should be. Clerk/Treasurer Kwiatkowski explained it is what is considered an Enterprise Fund and is supposed to be self-sustaining. Councilwoman Riddle asked if the Opera House is an Enterprise Fund. Clerk/Treasurer Kwiatkowski stated we do not see any revenues from the Opera House and never have; we subsidize the Opera House at \$21,000.00 a year and have done that ever since he walked through the door. Councilwoman Riddle thought that this year we subsidized it by a much larger amount. City Manager Eustice stated we did not. Clerk/Treasurer Kwiatkowski stated there is not a single line item in the City's General Fund budget regarding the Opera House other than the subsidy; we don't pay any of the day-to-day costs for the help and all that. It is all through the Arts Council and our subsidy. Mayor Pro Tem Couture stated at some level we are going to have to come up in the budgeting process and start seriously thinking about a nest egg fund, either one or multiple funds, for the future upkeep of these buildings and capital improvements; we have to start looking ahead instead of being slapped in the face with a quarter million dollar project. What are we putting away for the roof of this place and for the reconditioning of the doors and making them handicap accessible; is there is a line item for that? Somewhere we have to find some additional funds in the budget; we have to prioritize and cut and find money if that is the way we prioritize it. He thinks we have serious budget workshops ahead of us. Mayor Pro Tem Couture commented he does not know what else to do as far as that goes; we can't continue to just chip away at our Fund Balance.

Mayor Bronson said some of what he thought the Recreation Commission should be working on is defining what is recreation in the community and that is why they are looking at getting more people on the Commission so we can get some meetings on a regular schedule to have that discussion and continue that discussion. Mayor Pro Tem Couture said it would be almost to the point where he would want to make a motion that the Council make their wishes of the Recreation Commission that by a certain time period they have defined our Recreation Plan; defined our recreation and put it into one Plan; we have to have that. In order to move forward with any Recreation Authority we have to start that, we have to find out what are we talking about as part of our Recreation Plan. Mayor Bronson then commented on the meeting last night where they saw the desire for more recreation, too.

Regular City Council Meeting – April 11, 2018

Ms. Pappas commented she knows other communities do, but does not know if Cheboygan has any marketing tools within the DDA/City of Cheboygan to market Cheboygan and lure new families into this community. We have a great asset with the Coast Guard community; are we doing anything for those families making sure they are welcomed when they come into town and that their family needs are being met. We have a lot of assets with our current residents, but we need to attract more residents and young people. We have lost a lot of students and a lot of residents of aging and what are we doing as a community to bring those new people into town. Is this something we could work with with the schools? Would it behoove the City to partner up and do some sort of a plan together and pool those resources rather than separate? We all want the same goals of having more tax paying families and growing families in the community. Mayor Pro Tem Couture stated that ball has kind of been starting to roll in a different facet than we have in the past. Ms. Pappas stated there might be some grant opportunities for those monies, too. There are some actual fantastic videographers in our area that might donate their time. She suggested we look at the Petoskey website; they have a very strong Chamber and a very strong volunteer base and a group of young entrepreneurs that really want to lure and attract more people into their community and they are doing a bang up job over there. She thinks we might be able to learn and take a look at what they are offering and maybe meet with them. City Manager Eustice said those were very good comments.

Ms. Cheli commented it goes back to what she was saying about expanding the concept of community to raise a consciousness in the Townships and the County that we are a family, a community, and we affect each other. She then commented on being able to go to neighboring communities and learn from them, how they did what they did to be where they are at, rather than trying to come up with our own unique plan when we have so much out there. Mayor Pro Tem Couture asked City Manager Eustice who in the City is in charge of economic development, knowing it is him, and basically who is that person; who is getting paid to do some of that. City Manager Eustice replied nobody. Mayor Pro Tem Couture then stated that is another line item we have to add somehow. Councilwoman Riddle asked on the marketing line item and what has happened with that. Were those monies spent and then nothing more? City Manager Eustice stated we still have marketing monies and do budget for that, but it is not a lot. We basically use it for advertising and promotion. He then stated he basically makes those decisions, noting he markets the Port and run ads in the Great Lakes Seaway Review. Mayor Pro Tem Couture said he thinks this is a conversation or brainstorming, even in a public forum. The two hours on April 24 isn't going to do it. We need to have some lengthy meetings that start in the morning and go and we are going to have to start brainstorming on this stuff. Taking ideas we get from the public is great and the survey that is coming out and all of the comments it brings in, and then Council needs to whittle it down. He does not expect that to be on the City Manager and to be one person's agenda to be able to prioritize that and the City Manager is going to need the help of not only Council but other experts to do that. He thinks we are in that position and before we start chunking our General Fund balance, before we start taking those chunks off of it, let's figure out where we need to go. We don't want to lose all the services we are offering because it is tough to market our City right now versus not living in the City. There are a lot of benefits we do have, also, and we just need to enhance them and to showcase them. City Manager Eustice replied absolutely and we need somebody that is doing exactly that; spending 100% of their time on those types of projects. He can market the City, but he does not have two hours a week to work on that. We need somebody working 40 to 50 hours a week on promoting our City and trying to recruit new investors to

Regular City Council Meeting – April 11, 2018

come here and try to hit the right markets and get people here. It is time consuming. Mayor Pro Tem Couture stated there are groups we should be partnering with; that is what the Chamber of Commerce should be doing because that is what that group is for. If it is not the Chamber, maybe there is another group that focuses on that like the one that is being created at the County level and then a partnership. Maybe other Townships will get involved and that starts the intergovernmental working together which is what we have tried to do for years at a lot of different Township levels or the County level. Until we start having a conversation and come up with a game plan nobody can get on board with our plan if we don't have a plan.

Ms. Cheli stated there are probably resources out there in the retired community. The more they give the community their voice and listen to the suggestions and stay open, there may be people already in our community that might want to volunteer guidance. She gave the example of the survey that will get the conversation going and get the input and give the community a chance to step up and expand our concept of what community is. It's not a burden that should be on the City of Cheboygan alone; it should be shared by the Townships and the County itself. We all avail ourselves of Cheboygan. Mayor Pro Tem Couture said it is an easy thing and having a pretty logical conversation, like they are having not, but making it turn into action is a very, very hard thing to do. Turning this conversation into action and actually getting intergovernmental units working together is not an easy task. Ms. Cheli stated we have to continue doing what we can do because it drags at the beginning stages, but as the awareness intensifies from the ideas and creativity from the greater community rises, so will the energy and the possibilities and it is just a matter of withstanding that pressure to go back to the way it has always been done. Mayor Bronson commented Ms. Cheli has a very optimistic view of human nature. She responded she does. Mayor Bronson stated the things she is talking about they have been working on for a long time and it gets very frustrating. Mayor Pro Tem Couture added we are not giving up on it either. Ms. Cheli then said she thinks there is energy out there it is just a matter of how do we catch it, stir it up and light a fire under it. Mayor Pro Tem Couture commented after listening to the brainstorming last night it is all grand and wonderful, but he really needs solutions. Solutions and money is where the City is needy. He then thanked everyone for their ideas last night. It was a round robin discussion but nobody had a solution, nobody had a solution of a way to put it in place and there is no blame; that is the hard part.

City Manager Eustice said as far as the budget he does not know if he has any other input, wanting to know if Council has questions. If Council has questions going forward they are asked to call him and he will explain it the best he can. Also, he will try and make it for the budget workshop some more transparency. He has been working on some history and projections on what the City has done over the years. It does not change a whole lot, but it is always good to look at what we might have five years from now and certainly the water and sewer rates are going to make a difference. There is a little bit of a positive about that, even though rates are going up. It's what we need to do to be successful five years from now, seven years from now. We are going to draw industrial and manufacturing businesses here, we are going to grow the Inverness Township corridor, and when Meijer's goes in out there to supply those. We are going to need capacity if we get an industrial investor here for the Port of Cheboygan. We have to be able to supply them water and sewer; we have to be prepared for that. We don't want to lose those jobs if that happened and we need a marketer to do that. There is nobody that is marketing our community to bring investors here. Not just for the Port,

Regular City Council Meeting – April 11, 2018

but as a whole. We need better housing opportunities. We have great parks and recreation opportunities and a lot of public property in the City, but all we can do is maintain it. We need somebody searching for grant opportunities to help us improve our parks and recreation. We need to establish a Recreation Authority so we can do these things. It is amazing the swimming pool came up several times last night and the only way you can build a swimming pool in the City of Cheboygan or Inverness Township or Benton Township or wherever, is to establish a Recreation Authority, so you can obtain the funding to be able to do something like that. We don't have a Midland-Dow in Cheboygan to give us five million dollars; we don't have those types of investors here who will donate money to our community, so we have to raise it within our community itself. We can't have big plans and want to do big projects without investing and the community has to invest. That is why we are doing the water and sewer. In seven years we will have the best municipal water supply in the State of Michigan. We have the cleanest water that comes out of the ground anywhere in the world, but we need to improve the infrastructure that it runs through and put up another water tower. City Manager Eustice commented you can sell this to investors and retirees and people that want to come here.

Councilwoman Riddle stated a few years back they use to go up to Mackinaw City to the Holiday Inn to go swimming there, asking if that is still a viable thing that people can do. City Manager Eustice replied he thinks so and you can also do that at the Pellston Hotel by the Airport. Councilwoman Kwiatkowski added that you can also go to the Physical Therapy building, which was formerly Erb Lumber. Councilwoman Riddle stated there are pools in close proximity and closer than Gaylord, questioning with the Straits Regional Ride is there a possibility of having some kind of vehicle on a particular couple of nights during the week to take people interested in going swimming to share the ride. Ms. Pappas commented on Straits Regional Ride, also.

Councilwoman Riddle then stated one of the comments last night was snow being in the middle of the road, asking what we would have to do to be able to eliminate the snow in the middle of the road in a more timely fashion; another employee. City Manager Eustice replied another employee would help, but we would have to make it the number one priority to pick the snow up in Main Street, and it is a priority, but we also have to plow all the side streets. If we have snowfall and only two plows running, we have to plow 49 miles of roads in the City. We also plow Main Street first and wind row it to the middle until we can have the opportunity to clean up all the other streets, as well. Councilwoman Riddle commented the intersections are cleaned up and if people are not jaywalking, then they are not having to go through the middle. Mayor Bronson commented it is not like it stays there all winter. City Manager Eustice said he and DPW Director Jason Karmol took notice of that and it is certainly a concern and there are times we don't get it done quickly, but maybe during the holiday season when there are Christmas shoppers we should change the priority and leave a couple streets not maintained until we get Main Street cleaned up.

- **Community Garden** – City Manager Eustice reported we have a team of volunteers who have been working on the Community Garden, which we had last year, noting Councilwoman Riddle was very instrumental in helping establish that. We have 11 plots in place, which are available at no cost, but on a first come first serve basis. If someone wants a plot, there are about five that are spoken for now, so there are 5-6 available at this point. There is an

Regular City Council Meeting – April 11, 2018

application available at the City of Cheboygan to participate. It is really a well-done facility, there is water there, and we are going to bring in sand and fertilizer as soon as the snow goes away. We will try and get the word out and see if we can fill these. We will also be putting up a sign this year. City Manager Eustice said he thinks this is a good start on having a place for people with no back yard or live in an apartment to grow fresh vegetables. He then commented on the community garden in Midland. Councilwoman Riddle commented on the application form, stating there is no space for a date when the application was filled out. We hope we get a lot of interest this year and they would have an idea of who showed the interest first.

Messages and Communications from Mayor and City Council Members:

- **Development Project** – Councilwoman Kwiatkowski asked the City Manager for an update on the Development Project. Mayor Pro Tem Couture stated he received a call today for a scheduled mediation session. City Manager Eustice noted there is a mediation session scheduled for Monday, April 30 at 9:00 a.m. with Inverness Township, County of Cheboygan and the City of Cheboygan. Other than that there has not been activity going on since the last mediation. Councilwoman Kwiatkowski then stated she had company this last weekend from Grass Lake, who are boaters. These people chose Cheboygan and love it here and could have gone everywhere.
- **Sailing Club** – City Manager Eustice commented there is a sailboat race J/35 North American Championship in Cheboygan the last weekend in July, which is the same weekend as the Music Festival and they know that. This is one of reasons they are coming. They want a lot of activity. They are going to race just outside the mouth of the Cheboygan River in Lake Huron. There will be here for about 4 days and are already filling our hotels. There should be about 20 boats but they bring 9 person crews, so there will be a couple hundred people here. City Manager Eustice went on to state they were here Saturday and spent the day here. A poster of the event was shown to the Council. Mayor Pro Tem Couture stated maybe we can implement something with the Music Fest. Councilwoman Kwiatkowski commented on putting boats in the Boat Club. City Manager Eustice noted they already have some spots in the County Marina, adding some of them race in the Port Huron to Mackinac Island Race that is the weekend before, and they are just going to stay here. Ms. Cheli stated it would be a good time to have the park spruced up and the lighthouse painted.
- **911** – Mayor Bronson inquired from Councilwoman Riddle if 911 has hired a new coordinator. Councilwoman Riddle replied yes and she was to start the first of April and will be in attendance at the next meeting.
- **Rahmberg Stover, Consultant** – Mayor Bronson asked if we have heard from our consultant lately. City Manager Eustice replied by e-mail, noting he e-mailed back and forth a couple times today. Today from the first time he talked to him this week. He then noted he has not seen a survey yet. City Manager Eustice commented thinks he has everything he needs at this point. He did send them additional information today, including a roster list by employee denoting specifically what they do.
- **Sidewalks** – Mayor Bronson inquired on sidewalks, stating the City Manager talked about reinstating the program. He then asked how to citizens apply to have their sidewalk done. City Manager Eustice stated we can utilize the same program, but he does not have any applications prepared for the current year but it is something we can easily do. It is a matter of costing it out and it is going to have to be a special assessment and for each year we will have

Regular City Council Meeting – April 11, 2018

to have a special assessment roll and paperwork to do for the City, not so much for the property owner, as we have to maintain those special assessment rolls. If only one person applies during that year, we have to have a special assessment roll for that year for that one person. It would be nice to get multiple people. Mayor Bronson said his vision was not only is it just a volunteer system, we are going to go around and say you need that sidewalk fixed and you either do that now or here is the opportunity to get it financed. We are not going to be waiting for people to come. Mayor Bronson then asked if there is a contract with people when they want their sidewalk done stating they agree to pay for 10 years; he then asked what happens if they move within that time. City Manager Eustice replied it stays with the property. Mayor Pro Tem Couture asked if this is only voluntary. Mayor Bronson replied yes. Councilwoman asked if the application can be on our website so people can print that off and bring it in and have a date on it. Mayor Bronson stated we will look for contractors to give us a standardized cost, but that doesn't prohibit people from doing it on their own, as long as they meet the City standards. Clerk/Treasurer Kwiatkowski said we did this years ago; the City fronted over \$300,000.00 in General Fund money, and we got that back over a period of ten years. Is the Council prepared to do that again; is the Council prepared to borrow to do that? Mayor Bronson stated he and the City Manager talked about borrowing money. Councilwoman Riddle said we need to start the process. Clerk/Treasurer Kwiatkowski said they need to protect the City's General Fund in the process. Mayor Bronson stated that is why he is talking about this now so we have this in the budget and we need to start planning because as soon as things are ready we should get going. City Manager Eustice commented we have a local bank that is willing to do just that financially and they will work with us.

Adjournment:

Councilwoman Riddle moved to adjourn the meeting at 8:51 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