

**REGULAR CITY COUNCIL MEETING**  
**May 22, 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: King, Riddle, Couture, Kwiatkowski, Lavender, Bronson and Temple

Councilman King led the Pledge of Allegiance to the Flag.

**Public Comments:**

Ms. Susan Ball introduced herself stating she is a retailer downtown owning Zany Kitchen on the corner of Main and Division. This last winter the City did not remove the snow from the sidewalk on Division Street and according to the map they are supposed to remove it between Huron and Water Streets on Division and several other locations throughout downtown. They never came. She realizes the owners are supposed to remove the snow on Main Street in front of their businesses, but several businesses do not do that regularly. Some businesses are not complying but that does not dissolve the owners from the responsibility. Ms. Ball went on to state the City has a \$60,000.00 machine and she does not know where it is being used. Currently they plow in front of the Tissue Company but it is not done downtown. It used to be done occasionally but believes last year and this year it has not been done, and she would like to know why and if something is going to be done about it. She really does not feel that those that own businesses downtown should have that responsibility to plow the entire walk and feels it is not fair because they pay very high City taxes and there is a machine to use, so why is it not used. Councilman Temple asked if one of the reasons the City bought that equipment was to clean the sidewalks on Main Street and up by the High School. City Manager Eustice replied yes, adding the Main Street side we do occasionally. Ms. Ball is talking about the side streets and there is some confusion on the map and what we also publish in the City Newsletter as far as the property owners' responsibilities; we need to look at this and address exactly what the City is responsible for and what the property owners are responsible for. Ms. Ball then said the Ordinance is ridiculous and it either needs to be one way or the other. City Manager Eustice explained the City windrows up to Court Street in the center of the road and then uses a snow blower to pick it up. We don't use the sidewalk snow blower downtown. We use it outside of Court Street because we plow snow up onto the sidewalks, i.e. Great Lakes Tissue, so then we go and clean the sidewalks after we plow all the snow up onto the sidewalks. We can look at the Ordinance to see if we have the manpower and ability to do those sort of things. The City did buy that piece of equipment to be able to use it on Main Street; there are a couple areas where the awnings are too low and we cannot get underneath them, so we have to work around those areas. Councilman Temple commented that was one of the reasons he fought against getting that big one because it wouldn't go all the way down Main Street. Ms. Ball stated she is not talking about Main Street; on the map that she was given they are talking about doing Division Street (side street); she realizes as a business owner that it is her responsibility to shovel in front of her business. Councilwoman Riddle asked what times the plow do their plowing on Main Street. City Manager Eustice answered typically as early at 4:00 in the morning depending on what the amount of snowfall is and so forth. Councilwoman Riddle asked if it would be appropriate to have the machine go down the

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sidewalk on Main Street and push the snow or blow it into the street and then it would be blown to the center; she asked when the sidewalks are done. City Manager Eustice replied the priority is to get the streets done and it takes a significant amount of time. Even if there is going to be school we have to plow 49 miles of streets in a short period of time. Councilwoman Riddle then said if store owners have to shovel their sidewalks, the snow gets shoveled into the street which has already been plowed and now creates an area right next to the curb that makes it difficult for cars to get around. It kind of sort of makes sense to clean the snow off the sidewalk and get the snow into the road so it can then go to the center of the road and all be picked up at the same time. City Manager Eustice replied this does make sense. Mayor Pro Tem Couture commented he would imagine that would take another person. City Manager Eustice agreed, stating the involvement of manpower as well as being time consuming. Mayor Bronson said the snow doesn't always fall on schedule. Councilman Lavender asked when the last time was the language was updated or visited on that Ordinance. City Manager Eustice answered probably 20 years ago. Councilman Lavender then said it is probably time to look at it and revise or update it. City Manager Eustice agreed in order to make it clear for everybody.

### **Approval of Agenda, and Receive and File all Communications:**

Councilman King moved to approve the Agenda and receive and file all communications; supported by Mayor Pro Tem Couture. Motion carried unanimously.

### **Approval of Regular City Council Meeting Minutes of May 8, 2018:**

Councilman Lavender moved to approve the Regular City Council meeting minutes of May 8, 2018 as presented; supported by Councilman Temple. Motion carried unanimously.

### **Communications and Petitions:**

■ **Mr. Jason Grondin – Mooring on the Cheboygan River** – Mr. Grondin thanked the Council for allowing him to speak, introducing himself and stating he is a lifelong resident of the City of Cheboygan. He then gave a brief background of his volunteering, noting he has been a commercial fisherman for 26 years and has utilizing mooring in the Cheboygan River for just as long as he has been fishing. Until recently when the City sold the Riverfront property there were some assurances that they could continue to lease where they were. In fact, he had communications with the City Manager a number of times over the course of the last two years and this fall, and with the Chief of Police, who is also the Harbor Master, to express his concerns about if they were going to continue to have a place to moor their vessels and to date, nothing has happened with it. Mr. Grondin went on to state he went to a Port Authority Meeting last summer and the City Manager was there also and assured that they would get something going on that and nothing has come of it. The place he was leasing, which he had leased it over a couple of years, is E. Third Street between Walstrom's and U.S. Oil. For years that site was used for commercial fishing and he believes the gentleman that has the lease kind of left it abandoned and is more or less using it for storage. He believes the City wanted that cleaned up so it could be utilized and turned into a 50-year lease with Bois Blanc Island. Mr. Grondin went on to state he approached the City Council at that time and asked them about leasing it and the Mayor at that time reached out to Bois Blanc Island and asked them if they would allow that and they did, so he was leasing it. He was given some assurance when the properties were being sold up and down the River that he would always have first dibs or wasn't going anywhere; at least the conversations he was having with some of the

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folks. When he went to come back in the fall it was leased to someone else. That person is still leasing it and all he is leasing it for is storage. There is a car ferry there with one side tucked into the U.S. Oil property line, the front of the vessel is resting against Walstrom's dock; there is another boat that is parked in front of the car carrier that is against the dock at Walstrom's; there is a land-barge and dry dock up on the road; he filled the ditch in; and he has engine's pulled out laying on the ground. It is basically storage. Mr. Grondin went on to say he has been doing business in this town most of his life, since he started his own business. Another fisherman, Mr. LeBlanc, was put out the same way. All they are asking for is a place to moor their vessels. He then reiterated to date there has not been anything done with it. He has asked how the lease was given up or why he was not given the opportunity to secure the lease with the gentleman from Grand Rapids that owns the vessels there. He wants to get back into that location and feels it will be a good fit for them; they are out of site there. He is a member of the Sault Ste. Marie Tribe of Chippewa Indians and he has lobbied hardest to have stocking done in the inland waterway. To date, the Sault Ste. Marie Tribe of Chippewa Indians, in cooperation with the Grand Traverse Band and the Bay Mills Indian Community, have stocked over 14 million walleye in the Great Lakes and over 400,000 since 2010 in the inland waterways between Black River, Black Lake, Mullett Lake and the Cheboygan River. He is part of this community and has dedicated everything he has got to the youth and to sports and he is just looking to continue to do business here and he feels like it has been one roadblock after another.

Councilman King asked if there is anything the City has available for mooring. City Manager Eustice stated there really isn't anything north of the State Street Bridge. The only right-of-way is the E. Third Street ROW that Mr. Grondin was talking about, which is leased by Mr. Jim Azar. Mr. Grondin commented when he talked with the City Manager a couple weeks ago he was told that the lease was not paid. City Manager Eustice went on to state Mr. Azar paid the initial year and we haven't invoiced him yet for the current year. He and DPW Director Karmol had some conversation about that. Mr. Al Heismann, who represents the Azar Company, put in about \$30,000.00 into that lot and the reason the ditch was filled in was because he paid to tube the storm sewer to the water and did some seawall work. Mr. Grondin commented there is no seawall there, but you can see where he has done some dredging, but he was not sure permits were pulled for everything that was done there. When he was there he was told he could not leave anything on the property and any offloading he had to do had to be done at the County Marina, which he had been doing. All he is asking is why he wasn't given the opportunity like he was assured that he would be able to continue to lease or given the opportunity to lease it. It seems like when he asked the City Manager a couple weeks ago about it he was told that Mr. Azar had not paid his lease and that the City Manager had asked Mr. Azar if he would be willing to sub-lease to Mr. Grondin. Mr. Grondin then stated that Mr. Azar takes the one car ferry to St. Ignace and parks it up there all summer and that was vacant there all last summer and he wanted to be able to go in there when Mr. Azar was gone. He wanted to use it in the summer months and the City Manager told him that Mr. Azar does not want to do that. Mr. Grondin said he doesn't know how Mr. Azar has any standing. City Manager Eustice commented he does not know that Mr. Azar wouldn't do that. Mr. Grondin then stated the City Manager told him he wouldn't do that; he was not interested in that. City Manager Eustice said Mr. Azar thinks he is going to leave the Polaris there all summer and thinks that if Mr. Azar moves it he would sub-lease to Mr. Grondin. Mr. Grondin then stated the City wanted to sell the Riverfront property to Durocher and Ryba to promote business,

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noting he and commercial fishing have been here as long as anybody in this County. He then asked if there should not be a place for them to be able to moor. Mr. Grondin went on to state he talked with City Manager Eustice at length numerous times, and also talked to the Chief of Police, about this to try and get a place to moor. He is not here year-round. He is moving around wherever the fish are at; he is here for a few months and then gone. Mr. Albert LeBlanc might be here a little more because he has a bit larger vessel, but he can work in the winter months, while Mr. Grondin is in an open boat and is done once the ice hits. He just needs a place to be able to tie a boat up; he is not looking for anything more than to throw a couple lines out; and he does not need power or a dock. City Manager Eustice said Chief Jones has looked at the City Marina but it does not appear it is an option unless you lease it prior to the boating season and after. Mr. Grondin stated that is the first he has heard that and he could have worked on that all last winter. He went on to state he feels every time he has a conversation about this he is given some assurance that something will happen, noting he was given assurances at the Port Authority Meeting last summer at which Mayor Bronson and Mr. Curt Chambers were in attendance, and nothing has happened; he almost feels like the City does not want him there. City Manager Eustice stated the City does not have any place to put him, which is the problem. Mr. Grondin commented E. Third Street. City Manager Eustice replied that is leased. Mayor Pro Tem Couture asked when the E. Third Street lease came into play. City Manager Eustice replied September 2016. Mayor Pro Tem Couture then asked Mr. Grondin if he moored there prior to September 2016. Mr. Grondin answered from what he was told City Manager Eustice entered into a lease with the gentleman that has it now and he was never given a call or an opportunity to lease it. Councilman Lavender asked how many years the lease is for now. City Manager Eustice replied it is a 10-year lease but it's a year-to-year and Mr. Azar would like to get out of it at some point. Councilman Lavender asked if we have a written contract on it. City Manager Eustice replied yes. Mr. Grondin said there are plenty of places for Mr. Azar to store his boat; for years it was parked on the road at Walstrom's. All he did was move it around the corner, fill the ditch in and store it there, now. He heard he owns St. Martin Island, so why doesn't he store it there. Mr. Grondin went on to state that Mr. Azar lives in Grand Rapids; he and Mr. LeBlanc live here and raised their families here and do business here. Mayor Pro Tem Couture asked if there is nowhere else that would work for Mr. Grondin's and Mr. LeBlanc's boats, asking Mr. Grondin where they could do it, inquiring if the City Marina would not work on the City's end. City Manager Eustice replied it does not look like we can lease it to them in the summer season, when the marina season is in full fling. Mayor Pro Tem Couture asked if this is the City Marina on the east side or west side. City Manager Eustice replied on the west side; Water Street parking lot basically, which is on the south side of the Bridge. For Mr. LeBlanc, he does not like to be down in this area because it means opening the Bridge. Councilwoman Kwiatkowski inquired on the County Marina, which is not always full. Mr. Grondin stated he is there now, but when they open for business their rates go through the roof for their summer rates. They allow us to lay there after they close in the fall and in the spring before the open, which is why he was trying to make an arrangement with the gentleman who is eventually going to move his car ferry. They could use the County Marina until he could move, which he could do at any time he wants, and then they could utilize the space for the summer months and he could come back and they are fine with that. Mayor Pro Tem Couture asked how much Mr. Grondin typically pays annually for a lease; what is reasonable. Mr. Grondin replied at one time Mr. LeBlanc was paying \$300.00 per month, noting at the Hessel Marina they charge after the season \$200.00 for the rest of the year and there is no power. At the Hammond Bay Harbor it is free if you want to pull over in

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the weeds and anchor off the shore. Councilwoman Kwiatkowski asked for two boat slips could there not be an exception to the County Marina until they could find a place or we can do something to get them back in the River. City Manager Eustice replied it is possible. He then asked Mr. Grondin about the property at the north end of the River, the mouth. Mr. Grondin replied there is no protection and you would have to drive some pilings in there to keep the boats away from the jagged rocks and the pilings that are there. Councilman Lavender asked what the length of Mr. Grondin's vessel is. Mr. Grondin replied 25 feet and Mr. LeBlanc's is just under 40 feet. Councilman Lavender commented he used to dock at the Dive Shop for the summer, the seawall is not being replaced and knows he may be open to leasing a spot, but it is on the other side of the Bridge. Mr. Grondin then spoke on the high water levels in the River. He went on to state he does not understand the E. Third Street ROW and wished they would have been given the opportunity to lease it, but for whatever the reason they were not afforded that opportunity and he thinks if the City wanted to make arrangements with the gentleman from Grand Rapids, there are plenty of other places that gentleman could lay and does not understand why he has to park right there. City Manager Eustice said Mr. Azar used to be at the City Marina in the wintertime. Mayor Pro Tem Couture asked the City Manager if the gentleman currently leasing approached him, adding he is confused whether it was or was not being leased at that time. Mr. Grondin explained he left to go to St. Ignace for the salmon run and he talked to Chief Jones about that and said he was worried because the City was selling property and he would not have a spot, and was told not to worry because there is not going to be anybody leasing it. When he came back it was leased. Mayor Pro Tem Couture asked if it is an annual lease with Mr. Azar. City Manager Eustice replied yes, but he does not use it all year. He will talk with Mr. Heismann and ask if they are going to move that boat this year. Mr. Grondin asked the point of Mr. Azar having that property if it is just to tie up the boat. He then stated Mr. White, a commercial fisherman, who had the leased property for years, was told he could no longer be there because he had junk down there. Then you now have stuff laying all over down there – motors laying on the ground, a crane, etc. How is this any different? City Manager Eustice commented he guesses you can approach it that way, too. He noted that Mr. Azar is leasing not only the waterfront but is leasing part of the ROW. Mr. Grondin said they are going to do business and spend money in town; they are not just looking for a place to park a boat. Councilman King asked if Mr. Grondin has approached Ryba or Durocher about getting in there at all. Mr. Grondin replied they did; initially the City Manager had directed them to call either one of these folks about leasing part of their property. They got a hold of them; Mr. Morrish, at the time, seemed like he was okay with it. Then Mr. Morrish talked to City Manager Eustice who found some fine print that he cannot sell it to us, but yet the City Manager was the one who told us to call him. Councilman Lavender said he believes it is a security thing with the Port designation, as it needs to be a secured site and only specific individuals with specific credentials are even allowed on that property. Mr. Grondin commented Ryba uses the full space, and things changed after the property sold as to what could be done. Mayor Bronson stated the only property the City has is the Third Street access and the City Manager needs to find out what is happening with the lease, noting we don't own any other property.

Mr. Curt Chambers, retired Cheboygan County Marina Harbor Master, stated there really is no reason other than being abused that they couldn't use the City Marina downtown. That is a lot of broadside dockage that sits empty almost all summer long. In his 26 years he does not know that there was more than three days of summer that it was full. The City would not be

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losing any money by putting them in the slips down there. Mr. Chambers stated he does not know what kind of lease the City has with the gentleman on E. Third Street, but the standard leases the County had through the State of Michigan had to be approved because of their current Aid Agreement. He is not sure what kind of Aid Agreement the City had, but when that slip is not being used the main leasing party could sub-lease that out; it was a decision made by the leasing authority. Mr. Chambers commented when he was asked to be on the Port Committee this was one of the things he brought up., i.e. dockage for Native Americans, and he wanted to make sure that was protected. He said for the City not to have a slip for Mr. Grondin and Mr. LeBlanc to tie up just does not taste good to him. He really does not think there is anything blackening use of the downtown docking. Mr. Chambers then mentioned pre-2014 there was a non-commercial clause, be it fishing or whatever; but in 2014 that was moved and is no longer the case. That is why the County Marina can lease to charter fisherman at the same price. He made it clear he has no authority for the County Marina. Councilwoman Riddle asked who the contact person is for the County Marina. Mr. Chambers answered Mr. Jeff Lawson. Mr. Chambers stated he sees no reason at all the City could not lease City Marina space, but it might be tougher for Mr. LeBlanc because he would have to wait for the bridge. Councilwoman Riddle asked how many slips are in the City Marina. City Manager Eustice replied 600' on Water Street and 200' at Washington Park. Councilwoman Riddle stated she does know there are plans for there being at least a couple of boats there with different things going on pretty steady this year, which stems from the Main Street meeting. Mayor Pro Tem Couture said he feels it is pertinent for us to find a spot for the current businesses that are operating downtown. Councilman King said he would like to have the City Attorney look at the lease on E. Third Street. Councilman Temple asked what Mr. Chambers meant when he said Mr. LeBlanc would have to wait for the bridge, because the bridge seems to open anytime. Mr. Chambers clarified that Mr. LeBlanc would have to utilize the bridge. Councilwoman Riddle expressed concern about debris, such as old motors on the property. City Manager Eustice replied they will look at that. Councilman Temple stated when the City leases property out, we should specify if they are going to park a boat there. City Manager Eustice said there may be a violation of the lease and they can break the lease. Mayor Pro Tem Couture said he thinks we should get an answer to Mr. Grondin relatively quickly, if we can. Councilman Temple stated we need to get this issue straightened quickly. Mayor Bronson stated the City Manager will talk to City Attorney Stephen Lindsay about the laws and what Mr. Chambers was talking about, the change in law a couple years ago. City Manager Eustice informed Council Chief Jones has a call into the MDNR for the City Marina property to see if they are okay with leasing those properties. Mayor Pro Tem Couture asked if this issue can be placed on the next agenda so Council can take some action and figure out what we are going to do, and the City will have a recommendation for Council. The City Manager replied yes, that is reasonable; hopefully they will come to a solution before that. Mayor Pro Tem Couture asked that the Council be updated.

### **Department, Boards and Commission Reports:**

- **Parks & Recreation Commission Meeting, February 21, 2018** - Received and filed. City Manager Eustice stated there was no quorum for the May 16, 2018 regularly scheduled meeting, so they are going to meet tomorrow night. They are going to have a workshop at 6:00 p.m. prior to the regularly scheduled meeting at 7:00 p.m. At the workshop they are going to review the current Recreation Plan and do some brainstorming as to how they want to develop the Recreation Plan going forward. They will do this a couple of meetings and then revise the

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current Recreation Plan. There are two new members, Catherine (Kate) Schulz and Angela Chastain on the Commission. Mayor Bronson commented there is an opening for one member. City Manager Eustice replied that is correct. Mayor Bronson then asked if there is an opening on the Planning Commission and DDA. City Manager Eustice answered yes. Mayor Pro Tem Couture asked if we advertise for that and do we get that out there, noting that should be posted on a regular basis on the Facebook page, website, etc. Mayor Bronson said we have an application for the DDA and the City Manager Eustice was checking on an application for the Planning Commission, but does not think we have advertised for the new opening on the Recreation Commission. City Manager Eustice said that was correct, but we will get that out there. Mayor Bronson stated it is just a matter of somebody filling out an Application. Mayor Bronson said the Planning Commission has had some difficulty lately getting a quorum. City Manager Eustice replied yes, noting they have a Site Plan Review the Commission needs to address. The meeting was cancelled Monday night due to the lack of a quorum, but they are going to meet Thursday morning at 10:00 a.m. to look at the Site Plan and hopefully get approvals. Councilman Lavender asked how long they have tried to get the Site Plan Review. City Manager Eustice replied three months this spring. Mr. Dave Tomac, the property owner who submitted the application, actually submitted it in September 2017 but was not actually ready to go the Planning Commission at that time. Mayor Pro Tem Couture stated it does not sound like it was the lack of the City trying, but is because of the inability to get a quorum which is hindering business. Mayor Bronson stated he and the City Manager had a discussion about that earlier today and about looking for a resolution in instances like this when the Planning Commission cannot meet because of the lack of a quorum, is there a mechanism to bypass the Commission. They asked City Attorney Lindsay about that and City Attorney Lindsay does not believe there is a way to bypass the Commission, but is checking on that. If not, he thinks it needs to be addressed in our Ordinances because in the end we have a business person who has waited three months to get a Site Plan Review and a pretty simple one. Mayor Pro Tem Couture commented the same thing is going on with the Recreation Commission, asking if this is hindering business. He noted we changed the Ordinance to add more people and we had two people out of six that came to the Meeting and only one other person got with the City Manager that they could not make it. It is time that the Council makes it in the Ordinance that if this continues, then we have to replace people. It is not like we have people knocking down the door to sit on the Boards and Commissions, but the business has to go on. Mayor Bronson said people look at our website and see all the cancelled meetings, too. Councilman Temple asked about implementing rules that if someone misses so many meetings you are done. Mayor Bronson said that would be an Ordinance change. Councilman Temple then stated that is what we need to do because it is holding a lot of things up. Mayor Pro Tem Couture stated he does not know if this is something we need to put on an agenda for an Ordinance language change. Mayor Bronson noted he believes it is a more involved change as he believes it is Charter, but we need to know the mechanism for that. It does not solve the problem, but if we have people not attending and we take them off a commission then there is no quorum. Mayor Pro Tem Couture stated we definitely need to push to have more people active on our Commissions; it seems like there is always vacancies on some level. Mayor Bronson commented there is always turnover, but in particular this one Commission seems to have real difficulty. Mayor Pro Tem Couture stated without us getting the message out there that there are openings, it is one-half on the City Council, too.

- **Department of Public Safety Monthly Statistics, April 2018** - Received and filed.

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### General Business:

■ **Consideration of Rate Increases – Water & Sewer Departments** - Mayor Bronson asked if this is just following up with all the discussion the Council has had. DPW Director Karmol replied yes. There was no discussion.

Mayor Pro Tem Couture moved to adopt the Water and Sewer Rates as proposed to be effective July 1, 2018; supported by Councilman King. A roll call vote was taken; motion carried unanimously.

DPW Director Karmol pointed out on the Customer Service Fees for the Water & Sewer Departments, the water leak credits are getting out of control and he would like to take credits that are asked for that are over \$1,000.00 out of his and Billing Clerk Herring's hands and have Council authorize credits over \$1,000.00, as it is more than he wants to credit without these people coming and asking and it is more than he feels comfortable authorizing. He then explained he would like the owners to explain why they want \$1,000.00 or more alleviated off their bill because of our rules and he does not feel comfortable. He does not want to misuse Council's time but there are too many requests over \$1,000.00. DPW Director Karmol noted in one year there was \$175,000.00 in leak credits. We have shortened that down to \$50,000.00 but he realize that most average homeowners with a leak will be well under \$1,000.00. He wants the ones over \$1,000.00 to come to Council so Council can hear their stories of why they deserve more than anybody else. Councilwoman Riddle asked if these are for leaks they let go on and on and don't take care of. DPW Director Karmol replied pretty much because they know that by the rules the first time they fix the leak there is going to be some credit issued; so we would like to promote them fixing it early not allowing our water to leak. Otherwise, he would like these people to explain it to Council, as they did him. They would do a lot less of these things if they have to come to Council for a large credit. Mayor Bronson stated he is not opposed to that but would want some more background on what a leak credit is, asking DPW Director Karmol to do that some other time. Councilman Temple asked if a leak credit would have to be on the City's side; if they have a leak on their side is it not their problem. DPW Director Karmol stated there is policy that if a homeowner has a leak and a large bill that could be corrected by plumbing, i.e. their toilet is leaking; the owner found it and corrected it, the City can bring them back to the average bill, but they have to show it was corrected and it won't continue. The City has a policy for somebody to correct a large leak, but it isn't made to be habitual. This was a compromise made at some time in the past that he is not comfortable with in giving large leak credits. Councilwoman Kwiatkowski asked if we have to change the policy. DPW Director Karmol replied no; he realized there are certain instances where this is a useful policy for homeowners because we report to them they are using more and sometimes they are unaware. This is a useful Policy and most people do not have to use it that often. What he wants to do is bring the people that let it leak too long or went past the normal homeowners use and let it leak for months come to Council instead of him authorizing the credit. DPW Director Karmol went on to state Council just passed a big rate increase and he does not want people to be forgiven large amounts. He would like it to be more scrutinized by Council on some of the larger ones. Anything under \$1,000.00 he does not want to waste Council's time. There have been some people that use the leak credit as a crutch and thinks it will become apparent to Council as they keep coming back. Mayor

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Bronson asked if these are people to ask for this credit year after year. DPW Director Karmol replied yes.

Mayor Pro Tem Couture moved to adopt the Customer Service Fees for the Water & Sewer Departments as proposed to be effective July 1, 2018; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Recommended 2018/2019 Property-Tax Millage Rates for Bonds and City Operation Requirements** - Clerk/Treasurer Kwiatkowski informed Council that last year the City levied 5 mills for debt; this year they are recommending 4.7 mills, so there is a decrease of 3/10ths of a mill. He then referred Council to the debt service for the upcoming Fiscal Year. He noted debt payments as follows: Rural Development - \$108,650.00; the 2004 General Obligation Bond - \$113, 242.50; and the 2006 Refunding Bonds - \$253,660.00. Clerk/Treasurer Kwiatkowski then noted the revenues the City expects, plus Fund Balance. There is a little bit of a cushion which is done due to Board of Reviews and Tax Tribunals. The full millage they are recommending for the year is 19.7 mills, of which 15.0 is operating. Mayor Bronson commented with regard to the 4.7 we have to assess enough to pay our debt, which is why it fluctuates. Clerk/Treasurer Kwiatkowski said that is correct. Councilman Lavender stated there was no Headlee Rollback this year. Clerk/Treasurer Kwiatkowski replied no, we have not had one in several years.

Councilman Lavender moved to approve the recommended property-tax millage rates for the bonds and operation requirements as presented; supported by Councilman King. A roll call vote was taken; motion carried unanimously.

### **City Clerk's and Treasurer's Comments:**

▪ **Credit Card Payments** - Clerk/Treasurer Kwiatkowski thanked Ms. Judy Sanders for the work she put into the taking of credit card payments and we have been accepting payments for the last two weeks. Councilman King asked if there was any problem. Clerk/Treasurer Kwiatkowski replied there is no problems, but there is one thing we have to really watch which is when you make a credit card payment on-line that does not hit our cash receipting process; it posts directly to our general ledger. So, we have to print reports every morning otherwise we are going to be missing revenues and at the end of the month we are not going to balance because you have to be aware of what is posting directly to the general ledger without being on any report that we have, which is just another step. The system is working well. He noted that Ms. Herring and Ms. Sanders have been primarily working with it, but Ms. Gahn will, too. It has been a better start-up than he thought it would be. Councilman King asked if the security and encrypting is all at the end of the credit card processing. Clerk/Treasurer Kwiatkowski replied yes. He noted there is a fee for using that services, but it is charged to the user. It is going well.

### **City Manager's Report:**

▪ **Opening on DDA Board, Planning Commission & Zoning Board of Appeals** – City Manager Eustice noted there is an opening on the DDA Board, Planning Commission and Zoning Board of Appeals due to the resignation of Ms. Billie Livingston. She has been a long-time member of each. She initially thought she would stay on the Boards and Commissions

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through the end of this year, but she is gone a lot and thought it would be best to resign now. We certainly accept her resignation with regrets. She still has a residence in town and also other properties in the City, so she will be around. She is basically in the process of moving to the Ann Arbor/Dundee area. Mayor Bronson asked about a letter of recognition for Ms. Livingston, as well as Ms. Sue Muschell. City Manager Eustice stated he would draft one for each.

### **Messages and Communications from Mayor and City Council Members:**

- **911 Board Resignation** - Councilwoman Riddle announced she has resigned from the 911 Board. City Manager Eustice asked Chief Jones if the City has to have a Councilmember on the 911 Board. Chief Jones stated it has to be a Councilmember or someone from management (secured employee), but it can't be a user of the system like police, fire, or DPW. City Manager Eustice reported he talked with Councilwoman Riddle on this last week, noting it is a very difficult task, adding Councilman Lavender and Mayor Bronson also served on it. It is a long meeting in Petoskey in the middle of the day. Councilman Lavender commented it is three counties trying to get stuff done and it does not work very well, although the 911 system works well. It is challenging. Councilwoman Riddle noted the meeting is the third Wednesday of the month. City Manager Eustice noted there is no pay for the meeting, other than mileage.
- **Bike Shop** – Councilman King inquired on the reopening of the Bike Shop on Main Street. City Manager Eustice replied Mr. Johnson has a couple of locations he is working on for reopening. City Manager Eustice stated he believes the building he was in may be selling.
- **Organizational Analysis Survey** – Mayor Pro Tem Couture inquired on the Organizational Analysis Survey, asking if there have been any updates from Rahmberg Stover. City Manager Eustice answered there have been a couple of calls from them and Ms. Sanders is trying to do some communications with him, noting there were multiple questions about certain employees. He has not given us a time when he is actually going to do face-to-face interviews, but it is close. Mayor Pro Tem Couture inquired if the surveys were mandatory for employees. City Manager Eustice replied they were not and that was Mr. Rahmberg's choice, but Mr. Rahmberg got a lot of them from most every employee. The City gave the employees a deadline of May 9 to get them back in. The survey was available to do on the computer or by mail.
- **Review of Ordinances** - Councilman Lavender said he knows there are several different Ordinances that affect different things like blight, etc. His thought is that it wouldn't be bad to have one of those Ordinances once a month or every other month to review and maybe get some recommendations on language changes or clarification, so we are cycling through and they don't get shelved. Mayor Bronson commenting on finding out what the process is for changing, noting if it is a Charter change it becomes much more involved than a simple Ordinance change with a public hearing. He then suggested a short list. Councilman Lavender stated from experience with other local units of government that seems to happen a lot with cycling things in to do revised language, and make better clarifications and definitions, so there is no gray area and it is pretty well spelled out.
- **Marijuana Rules & Feedback from City Attorney** – Mayor Bronson inquired as to any feedback from City Attorney Lindsay on the marijuana rules.

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▪ **Tiny Houses** – Mayor Bronson said he feels another thing we need to look at is small/tiny houses. He thinks this is an issue we might have to address and then we will be ahead of that. City Manager Eustice replied he talked to Mr. Dick Carlisle about that for the current Zoning Ordinance, but he did not recommend drafting one at this point until the City figures out whether they want to allow them or not. Mayor Bronson stated he thinks we need to have the discussion, noting the County is wrestling with that right now. City Manager Eustice explained we would have to develop a district and our current Ordinance does not allow it. Mayor Bronson then stated we need to work through are we going to allow it, where it is going to be, size of house, size of lot, are they going to be on wheels or not, etc. He reiterated he thinks we need to get ahead of that.

**Adjournment:**

Councilman King moved to adjourn the meeting at 8:05 p.m.; supported by Mayor Pro Tem Couture. Motion carried unanimously.

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Mayor Mark C. Bronson

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Clerk/Treasurer Kenneth J. Kwiatkowski

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Councilman Joseph Lavender

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Councilwoman Winifred L. Riddle

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Councilman Vaughn Temple

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Councilman Nathan H. King

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Mayor Pro Tem Nicholas C. Couture

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Councilwoman Betty A. Kwiatkowski