

**REGULAR CITY COUNCIL MEETING**  
**June 26, 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: Couture, Kwiatkowski, Bronson, Temple, King and Riddle

Absent: Lavender

Mayor Bronson commented that Councilman Lavender called and is stuck out on the lake. Mayor Pro Tem Couture noted his dive boat was having fuel issues.

Councilman King moved to excuse Councilman Lavender; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

Mayor Pro Tem Couture led the Pledge of Allegiance to the Flag.

**Confirmation of Appointment & Oath of Office of New Clerk/Treasurer:**

Clerk/Treasurer Kwiatkowski commented tomorrow is his last day and tonight is his last meeting.

Councilwoman Riddle moved to confirm the appointment of Bridget E. Brown as Clerk/Treasurer; supported by Mayor Pro Tem Couture. A roll call vote was taken; motion carried unanimously.

Clerk/Treasurer Kwiatkowski gave the Oath of Office to Bridget E. Brown as Clerk/Treasurer.

**Public Comments:**

Ms. Trudy Lofgren introduced herself asking if everyone is running again in November. Councilwomen Riddle and Kwiatkowski responded they are running again; Mayor Bronson announced he is also running again. He noted that Councilman Lavender is not.

Ms. Trudy Lofgren inquired if there is anything scheduled for pulling the weeds on the side of the River between the motel and the bridge. City Manager Eustice replied he will check with Parks & Recreation Director Hancock as he usually has community service people do that, and does not know if he has it scheduled yet or not. Ms. Lofgren then asked if the City Manager will be reporting on Inverness Township later in the meeting. City Manager Eustice answered yes, he does have something to report on a preliminary mediation session.

Councilwoman Riddle commented on the possibility when we get a really good rain on one day if we plan on pulling weeds along the River because that would loosen the weeds up. She does not know, however, how that would be planned.

Mr. Ray Lofgren stated he wanted to reserve comment until after the City Manager's Report. Mayor Bronson informed Mr. Lofgren that it is public comments now. Mr. Lofgren commented he disagrees with the Mayor and there should be public comments if someone wants to listen to the City Manager's Report and then if there is something that is not discussed it would be discussed. In this particular case, he would ask Mayor Pro Tem Couture or

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Councilman Temple or somebody to have a meeting with myself and the Mayor regarding the end of the water project, which is something he has discussed the last two meetings. Mr. Lofgren then stated there may be another Council Member that thinks this is important. Mayor Bronson asked which water project. Mr. Lofgren answered the current project/grant that the City has; the project that has pulled out the sewer work. Mayor Pro Tem Couture asked Mr. Lofgren to call him to schedule a time. Mr. Lofgren stated he is still recuperating a bit, but if someone contacts him he needs one-half hour to make a meeting. It does not matter who he meets with from Council.

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

City Manager Eustice stated he does have a change to the Agenda item 12-B, which was a petition to vacate an alley between N. Bailey and N. Ball Streets between State Street and Mackinaw Avenue. The petitioner who wanted this alley to be vacated has requested to pull the petition because they sold their house and moved.

Councilwoman Riddle moved to approve the Agenda with the exclusion of item 12-B, and receive and file all communications; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

### **Approval of Regular City Council Meeting Minutes of June 12, 2018:**

Councilman King moved to approve the Regular City Council meeting minutes of June 12, 2018 as presented; supported by Councilman Temple. Motion carried unanimously.

### **Public Hearing for Adoption of the Fiscal Year 2018-19 Operating Budget for all Funds of the City of Cheboygan:**

City Manager Eustice reported the General Fund Budget is balanced; the General Fund Operating Budget for 2018-19 is \$2,187,800.00. He and DPW Director Karmol made their best projection as to what the Water and Sewer Funds, based on the increases, are going to be for next year. They are significant increases because we raised the rates to pay for water & sewer projects or matching grants for projects in the future and we show a significant Fund Balance because of that. This is shown on pages 32 and 33. City Manager Eustice went on to explain as you look at the Water Fund last year's budget was \$530,000.00 and we are projecting \$795,000.00, which is a significant increase that is based on the percentage increase that we have in the Water Fund, but you also have to take into consideration that as the customers get that first bill everybody is going to make adjustments once they see what their actual cost is. People will do things such as stop watering their lawn. Just because we are raising the water and sewer rates, doesn't necessarily mean we are going to get exactly that dollar figure in an increase. There may be some fragile conservation type efforts to save on water and sewer, so we are going to have to watch that and adjust that as it goes forward. The increase is significant enough that we can pay for the projects that we have in the Capital Improvement Plan and that DPW Director Karmol has in his Master Plan. We met with Blake Smith of the USDA last week and we, on the water side, are going to file an application and will have a resolution to file the application at the July 10, 2018 Council meeting. This is a step we have to do to file for loan and grant agreements. City Manager Eustice went on to state we are projecting to, at this point, to borrow 4.9 million dollars just on the water side. This is significant but the USDA believes that we can fund that much; 2.2 million dollars of that will be a new water tower and the remaining will be water improvements throughout the

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City based on DPW Director Karmol's summary of what we need to work on first. There are multiple areas in the City with Center Street being one of them, which has been probably our poorest water conditions. We are probably going to do that project with current funding because the USDA basically asked us to do that. The MDEQ is monitoring that and we send them water samples frequently and it is situation where we need to make a correction soon. City Manager Eustice went on to state the USDA will look favorably at that if we spent our cash in the Fund Balance in the Water Department to do that project. The USDA will look at that as being a commitment to doing the loan and the projects we have in our Capital Improvement Plan. It just looks better on the application. City Manager Eustice informed the Council that the Sewer Fund is basically in the same situation; our budget for last year was \$550,000.00 and it is going up to \$850,000.00. Again, that difference will be for projects we have in our Master Plan. The sewer side application we will probably not apply for until next spring. He went on to state we have large parts of the City that need water only projects, which is why we are applying for a water only grant right now. The water/sewer areas of the City that need both we are going to have to wait for the sewer financing to come through, as well. There are multiple areas in the City that need both water and sewer and we will need to do those at the same time. City Manager Eustice then noted this is really a five-year plan to spend those dollars. He then stated on the sewer side DPW Director Karmol is predicting about 7 million dollars we need for the sewer side with 3 million dollars is for the sewer treatment plant upgrade. Again, this is over a 5 year period.

Councilwoman Riddle asked when the last rate increase was, knowing this has been gone over in the past. City Manager Eustice replied 2002 on the sewer side; noting there was a water increase for the 2009 project on the east side. Councilwoman Riddle then said through the information that DPW Director Karmol has been giving Council, the rates were so low and there was not the availability of applying for grants for loans because we were not eligible. So this now makes us eligible to make the improvements we need to make. City Manager Eustice commented our rates were in the bottom 8% for municipalities in the State of Michigan. This increase, which on the average is about a 74% increase, puts us in the middle of municipalities in the State of Michigan. Mayor Pro Tem Couture commented we should have done it over a gradual scale, but that did not happen. He added no improvements were done along the way or any money put away for it; now we are playing catch-up.

City Manager Eustice then mentioned the Ice Pavilion stating we have had a lot of conversations about the budget of the Ice Pavilion. The 2017-18 budget was \$142,800.00, and we came up with a shortfall of about \$26,329.00. He is projecting for the 2018-19 year a budget of \$160,800.00, which is a \$40,500.00 shortfall to operate the Rink. We are in a position right now that we are going to have to use Fund Balance money to operate the Rink. Councilman Temple asked how hard are we looking to get extra activity in there to make some money, and is there anything planned for the summer. City Manager Eustice answered there are some things, noting that is a very difficult thing to do and Rink Manager Coxe works on that on a regular basis. He noted most of the activities such as the circuses and the gun & knife show don't make a lot of money. It is difficult to find something that generates revenue like selling ice, which is our number one revenue generator and that is going down. We don't have as many kids in the Cheboygan Hockey Association, Women's League and Men's League. Councilman Temple asked how long we can survive this. City Manager Eustice answered it is a matter of making a decision; we can continue to operate it but it is going to cost us and we

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are going to have to make capital outlays for it to run. Mayor Pro Tem Couture stated when he looks at the total for Parks & Recreation Department, all of it is Fund Balance. Nothing brings revenue except for the Ice Pavilion and the Opera House maybe at some level and is actually a cost to us, as well. He then asked what services do we want to provide our taxpayers and that is kind of the discussion we have had at the Parks & Recreation Commission level and how are we going to fund it in the future. How are we going to move forward with what we have, what does it cost, and where is our priority list. Maybe all of it is on the priority list, i.e. maintaining ballfields or soccer fields, Festival Square or Ottawa Park. Looking at that he thinks in the future it needs to be put together in the Recreation Plan, because that is part of it, in his opinion. This is something that sticks out with its own separate building and fund and we need to keep it that way so we can pay attention to the revenues and expenditures of it, but that is part of recreation. The whole thing we need to look at, in his opinion; not just one building. Clerk/Treasurer Kwiatkowski commented what they are going to have to look at beginning the next fiscal year is to do interfund transfers from the General Fund to subsidize the operation and it is just a matter of how much is the Council willing to subsidize and how long they are willing to do it. Mayor Pro Tem Couture asked where the money comes from for the Recreation Department now. Clerk/Treasurer Kwiatkowski replied it is part of the General Fund, so that is taxpayer subsidized. It is City taxes. Mayor Pro Tem Couture then asked why the Ice Pavilion would be different. Clerk/Treasurer Kwiatkowski answered it is considered an enterprise fund and, as such, it is like water & sewer – it is supposed to be in a perfect world self-sustaining, so the revenues that they gain are through the sale of ice and concessions. Mayor Pro Tem Couture then asked if the Opera House is the same way. Clerk/Treasurer Kwiatkowski replied no. Mayor Pro Tem Couture then remarked it should be and we need to have a policy. Clerk/Treasurer Kwiatkowski then explained we don't have a budget for the Opera House; the only thing we do for the Opera House is we subsidize it to the tune of \$21,000.00 a year; the Arts Council maintains that and they have a budget and their own revenues. Mayor Pro Tem Couture commented there is also building costs on top of that because we share the building. Clerk/Treasurer Kwiatkowski said City pays the insurance and utilities. Mayor Pro Tem Couture then said at the end of the day, he does not care what pot we are pulling it out of, it is coming out of the General Fund, which is taxpayer dollars and we are subsidizing all of that. Clerk/Treasurer commented no, not when it comes to the Opera House. We are going to pay those fixed costs as far as the energy and maintenance of the building. If the Opera House weren't in operation we would still have those costs, but the Ice Pavilion is still generating some income, but not quite enough to keep it running. Mayor Pro Tem Couture said he knows that and he guesses they are walking down different paths. He then said to summarize it there is a lot that comes to recreation and what we provide and we are looking at finding a way to fund that. It shouldn't be just City tax dollars, but we are working on that and it's a long fight. Councilman Temple stated that is the problem; the City is covering everything and there are more people `from out in the country that play sports than there is in the City. Mayor Pro Couture said they are trying to get the ball rolling on discussion, but it is a very difficult ball to push. City Manager Eustice commented we need to look at multiple ways on how to manage our Recreation Department and the Rink; we could incorporate the Rink into the Recreation Budget and we can make that change. Mayor Bronson said he thinks that was part of the discussion; we want to get the Recreation Commission moving on it and to look at all these things.

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Councilwoman Riddle stated the question remains what does the County fund in terms of recreation for the County, which would include the City and the Townships. City Manager Eustice replied we get nothing from the County as far as recreational funding or services. They do have their own Recreation Plan and he does not know if they fund any of the Townships recreational opportunities, other than they developed the Plan. Councilwoman Riddle said it seems to her that this needs to be looked. City Manager Eustice stated individual Townships fund what recreational properties they have, commenting Benton Township has a nice park and Inverness Township has a couple of beaches they take care of, which are all funded through tax dollars. That is why when we talked about recreational authorities we wanted some of the surrounding townships to participate in a recreational authority and those monies can be spent not only in the City but in those Townships to improve their recreational properties and they would have equal say, but it has been a very difficult issue for them to participate in. Mayor Pro Tem Couture said at some level, and correct him if he is wrong, but our Recreation Plan is not defined yet as to what falls under our Recreation Department so it is hard to pinpoint exactly what we would need and where our deficiencies are, although some of them we know because they are in black and white. To have enough data to go to any surrounding area, whether it be the County or a Township, we don't even have a pitch yet. This is what we need first and he attends the Recreation Commission meetings to try and steer them in that direction. We have to come with our Plan and what we would need, our wish and want lists and how much money we are short, so we can have an idea of where we fall. We asked them to do this, as well. Councilwoman Riddle asked if the Commission got an idea of the percentages of people involved in the recreation programs from adjacent Townships. Mayor Pro Tem Couture replied at some level. Councilwoman Riddle stated the report from the Humane Society shows the use by the different Townships and so on, and it might be nice to have something like that. Mayor Pro Tem Couture stated we did not have a Recreation Commission until very recently. City Manager Eustice commented a full Commission. He went on to state we do have some data and statistics and there are in the case of Little League Baseball and Softball, 65% of the kids that participate do not live in the City; hockey is about 50%/50%. Mayor Pro Tem Couture said it is tough because the option of raising the rates for kids to play forces them out and to go out-of-town; the whole idea behind all of this was to provide a service to the kids and people who want to use the recreational facilities, which is a great service to provide but we just have to figure out how to fund it and it is hard to find the money. City Manager Eustice said with the addition of the new members to the Recreation Commission we are in the process of revising the Recreation Plan, noting there was a full Commission at the last meeting. He thinks the revision can be done fairly quickly. We have a lot of good participation and thinks we can improve that and then, as Mayor Pro Tem Couture was saying, we can make a good pitch to the surrounding Townships as to why we need to form a recreation authority and why we need their help. These are things that everyone in northern Cheboygan County uses and we need help to fund some of these projects, not only participate in because they are benefits to everyone, not just City residents.

City Manager Eustice stated at the next Council there will be some budget amendments we need to make for the current fiscal operating year; one of them is one page one, City Council Professional Services, 101.801; we budgeted \$6,000.00 and we are already at \$14,141.00 in expenses and that is mainly because of the Rahmberg Stover Organizational Study, which we did not budget for and we have to amend the Budget to allocate those funds. Clerk/Treasurer Kwiatkowski commented this will increase by at least another \$14,000.00. These are the kind

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of things we have to adjust and make the amendments. If we do not, then we have to file a deficit elimination plan with the State. Mayor Pro Tem Couture commented he thinks it has been brought up at Council that we know those amendments happen, but it kind of just went as unknown as to what those amendments were when brought to the Council. It would be a little more transparent to see those changes. City Manager Eustice agreed and to see the reason for them. Mayor Pro Tem Couture said he appreciates that.

Mayor Bronson then asked if there were any questions from Council about the Public Hearing for the Budget. Clerk/Treasurer Kwiatkowski stated as a point of order this Public Hearing has to be opened to the public now. Mayor Bronson then opened up the Public Hearing to the public who wish to ask questions. There were no comments

Mayor Bronson then closed the Public Hearing.

Mayor Pro Tem Couture moved to adopt of the Fiscal Year 2018-19 Operating Budget for all Funds of the City of Cheboygan; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

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

**Downtown Development Authority Board Meeting, June 5, 2018** – City Manager Eustice reported they do have a Committee, which is in the process of revising the Development Plan and between the Committee and the DDA have come to a conclusion of what they need to do, but we are going to have to have a public hearing to add some items to the Plan. We may take one of two items out of the Plan, but for the most part he thinks they are going to leave the original Plan as is and make some additions. They are adding the Port of Cheboygan and the Michigan Main Street Program to the Plan, as well as other minor projects. Mayor Pro Tem Couture asked if the Public Hearing is at the Council or DDA level. City Manager Eustice replied it can be at the DDA level. Mayor Pro Tem Couture asked when it is that this gets brought to Council, or is it not Council's responsibility to know what is going in the DDA Plan or have any input. City Manager Eustice explained the City Council will have final approval. Mayor Bronson commented if the DDA is going to be extended it has to come from Council, which is 2022. Councilwoman Riddle commented both she and the Mayor sit on the DDA, but at the last meeting it was unclear to her that Council wanted Gordon Turner Park looked at and addressed by the DDA and she is not sure that came across and feels the consensus was a little bit weak on what is going to be done. She went on to state that Gordon Turner Park and especially Project Playland is in dire need of things being addressed and that area is in the DDA District. She did not see it on the Plan as changes were being made; there was nothing very much on the Gordon Turner Park area. Mayor Bronson said those were in the original Plan and there was no need to bring them up now. City Manager Eustice clarified the pavilion is in the Plan, noting he will take a look at that as he feels there needs to be some clarity and does not know if it specifically said we need to replace the playground equipment in Gordon Turner Park. Mayor Bronson said it specifically stated a pavilion. Mayor Pro Tem Couture mentioned the boardwalk. Mayor Bronson stated the issue is we have very few members on the DDA who were on that original Plan in 1986 who are still serving and the newer members have not gone back and looked at that historical document to know what plans are in there. Councilwoman Riddle commented just addressing the pavilion she thinks is very short-sighted because that is just one aspect of the Park. There is the boardwalk, playground equipment and

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different things in that area that have not been looked at at all. Mayor Bronson commented in the original Plan there were four projects at the City Beach area and some of the discussion was to move them to a different location, but he thinks the DDA needs to go back and look at those documents that they developed because those never came out of the Plan so they still have a duty to address those. Mayor Pro Tem Couture commented if something is not in the Plan it is not going to happen potentially. City Manager Eustice replied that is correct; to get grant funding it has to be in the Plan. Mayor Pro Tem Couture asked that clarity be made to get these things in the Plan so if discussion does go that way, it is in the Plan and we do not have to amend the Plan again. Mayor Bronson stated depending on what grant funding there is, we can match something that we said we wanted to do, even if it is was in the Plan 30 years ago. So having more of them makes it broader for us to try and find grant funding. Councilwoman Riddle asked if it is possible to send direction to the DDA from the Council that we really are desirous of having them look at the recreational area within their Plan. Mayor Pro Tem Couture stated his personal thought on this, as he started to think the exact same thing that we have a Board put together that is the major committee to deal with that fund and tax capture; let them develop what the next Plan is. They know we have that on our mind. If we don't want to let them rule the DDA as far as that goes, then we don't need a DDA. Councilwoman Riddle commented but we can just say that the Council is really looking at recreational aspects and just wants to make the DDA aware. Mayor Bronson said they seem to be doing that; we still have the leverage that anytime they spend money they need approval. If it not a project that Council thinks needs to be the first one on the list, we can say no. City Manager Eustice stated he will make that a point of emphasis to share that with the DDA Board as to what Council's wishes and priorities are because they should take that into consideration. Mayor Pro Tem Couture interjected before the DDA adopts a Plan, maybe we can have a joint meeting to go through the Plan, not knowing if that is necessary. Mayor Bronson stated there are a lot of new members on the DDA Board and it might not hurt just to have a session to look at all the documents they have generated and what their Plans have been over the years, noting there are still three members on the Board from the original Board. Councilwoman Riddle said there seems to be high energy in the DDA right now, so that is a good thing.

City Manager Eustice stated the regularly scheduled meeting for July 3, 2018 was moved to Monday, July 2, 2018. Also, Brian and Wendy Fleming, owners of the former Cheboygan Hardware building, will be in attendance as well as Bruce Johnston, who is a consultant helping them with the project. He just received their Brownfield Plan and they are going to seek brownfield tax abatement dollars and they also are going to utilize the Obsolete Property Rehabilitation Act (OPRA); later on in this Agenda we will need to schedule a public hearing for it. The Council is going to have to approve that property being a District for OPRA. On July 2, the Flemings will be making a presentation on their project, goals and what they are going to do with the facility. It is then going to have to go to the Brownfield Board to set that property as an Obsolete Property Rehabilitation District. There is a lot of detail in this entire project that is going to have to go to the Planning Commission, after it goes through the OPRA and the Brownfield Board and get approval. All that being said, they want to start the project October 1, so we are going to have to get them through the regulatory processes so they can start renovating that facility. Councilwoman Riddle asked when the Credit Union was redone, did that become an area like this one. City Manager Eustice explained under brownfield you do not have to designate it as an Obsolete Property Rehabilitation District, noting they are two

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different Acts. Councilwoman Riddle asked if this is something new or not utilized before. City Manager Eustice explained it is not new, and the Wernig Jones Project was an Obsolete Property Rehabilitation District. City Manager Eustice stated OPRA is a 2000 Act.

### **Resolution:**

**Resolution in Support of Countywide Road Millage Proposal on August 7, 2018 Primary Election Ballot** – Mayor Bronson stated at the last meeting Mr. Ken Paquet was in attendance and asked if the Council would consider a Resolution in support of a countywide road millage proposal on the August 7, 2018 Primary Election ballot and Council has a proposed resolution to consider. He stated the City sees some benefit from the millage. City Manager Eustice stated he adamantly supports the millage noting the City did Lincoln Avenue in front of the schools and Duncan Avenue with that funding, as well as Elm Street between Modern Pharmacy and First Community Bank. He went on to state we are going to use the remaining funding to extend the Huron Street project into City Beach to pave the cul-de-sac and the rest of Huron Street. These are projects we would not have been able to do without this funding.

Mayor Pro Tem Couture moved to adopt the City Council Resolution in support of Resolution in Support of Countywide Road Millage Proposal on August 7, 2018 Primary Election Ballot; supported by Councilman King. A roll call vote was taken; motion carried unanimously.

### **Unfinished Business:**

**Discussion of Current City Leases for Street Rights-of-Way, etc.** – Mayor Bronson stated at the last meeting City Manager Eustice was asked to gather a list of rights-of-way leases, and believes there may be four. City Manager Eustice stated we have multiple rights-of-way and Ms. Janet Gahn was trying to put together all the Lease Agreements, but Ms. Judy Sanders has been off a few days. We have all the lease agreements from the Bodman Longley Building, Chamber of Commerce, street ROW with the US Geological Survey, and the Third Street ROW on the east side leased by Al Heismann and that lease agreement has been supplied to Council. Mayor Bronson asked if Ryba still has a lease. City Manager Eustice replied yes, stating it needs to be renewed although it is still in place. We need to renegotiate the lease as far as in-kind services, which Mr. Morrish is willing to do. Mayor Bronson asked if the aim is to have signed documents for all of these leases. City Manager Eustice replied yes, noting we have signed documents for all of them. Mayor Bronson stated he thought that some of them were a handshake agreement or thought there was an agreement but never had signed a lease. City Manager Eustice said there were some gentleman type agreements, so to speak. Everybody that is leasing currently has some sort of a document. City Manager Eustice went on to state we have different policies and procedures, noting we have talked about Festival Square which is a different type of rental agreement versus the ROW leases which are handled by the Street Department Superintendent; and the City Marina is handled by the Harbor Master, Chief Jones. He noted that Mr. Jason Grondin has been utilizing the City Marina after permission was given for both he and Mr. Al LeBlanc. Mr. Grondin utilized the City Marina for about a week and now he is gone, and we are not sure why. Mayor Bronson said he just saw his boat out on Hammond Bay. Mayor Pro Tem Couture commented they follow the fish. Councilwoman Riddle stated at the last meeting there was some discussion regarding being sure we're constant on how we are dealing with leases and that we are treating everything in the same fashion, stating they only have two leases in front of them. She then asked if we are pretty constant in the way we are dealing with the leases, or should they be look at something

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further. City Manager Eustice replied he thinks we are, but again there are probably five different policies on how we rent or lease space, i.e. the contract with the Chamber is different than the contract with Bodman Longley, which are both long contracts. They are contracts but they are tailored to those specific buildings and in both cases they are done by attorneys. As far as how we rent right-of-way spaces that is consistent; how we rent dock space is consistent; and how we rent Festival is consistent, yet they are all different but we adhere to the policy and are consistent with that. Councilwoman Riddle asked if it is possible for the next meeting to look at the contract for the attorney's office across from the Museum. City Manager Eustice replied yes, noting that has been a topic of discussion at the DDA and some other boards and commissions. He noted that when Ms. Gahn gets them all together we will scan them and e-mail them to Council or Council can pick up a hard copy. Councilman Temple asked if that building is the old Courthouse. City Manager Eustice replied yes and he believes the contract goes through 2025 and was signed in 1978 at \$1.00 per year, but they pay taxes. Mayor Bronson commented they saved that building and that is why they got the \$1.00 per year. They came to the City and said they would take over the building and refurbish it and make sure the foundation is good for a long-term lease. Mayor Bronson then commented it is almost a 50 year lease and Council would like to see that document. City Manager Eustice stated he will provide all that yet this week.

### **General Business:**

▪ **Consideration of School District Annual Tax Collection Request** – Clerk/Treasurer Kwiatkowski stated Council has a copy of a Resolution adopted by the School Board, which is something they do every year. In the Resolution they ask the different Townships and the City to collect their summer taxes for operating purposes, debt and their sinking fund. For that, we get a 1% admin fee, which amounts to about \$17,000.00 in revenue a year to the City. It is no burden on the staff. The funds that we collect are disbursed every two weeks to the School and we also do the same thing in the winter for the Library and a couple others. We recommend that we continue.

Councilwoman Riddle moved to approve the School District annual tax collection request pursuant to the Cheboygan Area Schools Annual Summer Tax Resolution dated November 27, 2017; supported by Councilman King. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Appointment of Linda J. Rogers to the Planning Commission** – Mayor Bronson noted the Council has a copy of Ms. Rogers' Application. City Manager Eustice said Ms. Rogers is absolutely willing to participate in the Planning Commission; we have had some quorum issues with the Planning Commission for various reasons and by adding Ms. Rogers to the Commission we will get back to a seven member board that will help us immensely. Ms. Rogers has some public administration experience as she served on the Zoning Board of Appeals for the City of Berkley for several years and thinks she will be a great addition to the Commission.

Mayor Pro Tem Couture moved to appoint Linda J. Rogers to the Planning Commission, with a term to expire May 10, 2021; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

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- **Consideration to Schedule a Public Hearing for July 24, 2018 for the Application for Obsolete Property Rehabilitation Exemption Certificate for WB Vacation Properties, LLC, 103 & 107 W. State Street, Cheboygan, Michigan 49721 -**

Mayor Pro Tem Couture moved to schedule a Public Hearing for July 24, 2018 for the Application for Obsolete Property Rehabilitation Exemption Certificate for WB Vacation Properties, LLC, 103 & 107 W State Street, Cheboygan, Michigan 49721; supported by Councilman King. A roll call vote was taken; motion carried unanimously.

- **Consideration of Cheboygan County Humane Society 2018 Animal Appropriation in the amount of \$4,000.00 for the Fiscal Year Beginning July 1, 2018 –** City Manager Eustice informed Council this is an annual appropriation that the Humane Society has requested of the City of Cheboygan, noting last year the City only gave them \$3,000.00. Clerk/Treasurer Kwiatkowski noted it has been \$3,000.00 for the last several years. City Manager Eustice stated last year they asked for \$5,000.00 and we gave them \$3,000.00 and this year they are asking for \$4,000.00. There is always a lot of discussion about this request because it is really a County funded Humane Society, but the City of Cheboygan does use the Humane Society about as much as anybody in the County. They do provide a great service for us and not all Townships participate or help fund the Humane Society but the City always has in some respect because it is a service that we need and use. Councilwoman Riddle questioned the contributions by the Townships. City Manager Eustice stated that was not provided to the City.

Mayor Pro Tem Couture moved to approve the Cheboygan County Humane Society Annual Control Appropriation in the amount of \$3,000.00 for the fiscal year beginning July 1, 2018 and to be paid in the new fiscal year; supported by Councilwoman Kwiatkowski. A roll call vote was taken. Yes votes: Riddle, Temple, Couture, King and Kwiatkowski; No votes: Bronson. Motion carried.

- **Consideration of Adoption of 2018 Capital Improvement Plan –** City Manager Eustice stated there was discussion at the last Council meeting on the Capital Improvement Plan, noting many of the dollar amounts resulted from discussion. Mayor Bronson commented these are projects we want to do when money is available. City Manager Eustice stated the ideas and costs come from the Department Heads as to what their needs are and how they look to spend money through a six-year Plan. This will be updated each year and will always be a six-year Plan. The last Plan done in 2015 was only a five-year Plan. Redevelopment Ready Communities (RRC) require that we do a six year Plan for capital improvement. City Manager Eustice went on to state that capital improvement plans can be somewhat of a wish list and this is the best case scenario for the Departments of what they need, but obviously we can't do all of these projects; we would have to prioritize them and choose what we can and cannot do. We put them in the Plan because if the project isn't in your Capital Improvement Plan and you go to get grant funding that is the first question they will ask you if it is in the Plan and the wishes of the City of Cheboygan. If it is not in there, it stops the grant process and you need to update the Plan. Certainly the Water Department and Sewer Department have the highest allocations and biggest needs and those are funded. Capital improvements in those Departments are going to happen.

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Councilman King moved to adopt the 2018 Capital Improvement Plan (draft dated May 22, 2018); supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

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

- Clerk/Treasurer Kwiatkowski commented when he announced his retirement some time ago, he lost a lot of sleep because he was very concerned about the office and the responsibility it bears. He thinks a lot of that has gone away with the hiring of Bridget Brown, who is very sharp and tech savvy. She has dove right in and taken ownership and thinks she will do a great job for the City. He then stated it has been his honor and privilege to have worked with this Council and the Councils that came before and to serve the people of this community. It has really been a good ride and he has enjoyed it. Councilwoman Riddle asked how many years he has been Clerk/Treasurer. Clerk/Treasurer Kwiatkowski answered Treasurer for 23 years and Clerk/Treasurer for 19 years. Councilman King personally thanked him for his patience and professionalism he has shown and for his dedication overall. Mayor Bronson stated he has always been available to talk with him regarding municipal finance and he has sworn in every member of the Library Board. Clerk/Treasurer Kwiatkowski commented again he thinks we are very fortunate to get Ms. Brown and is excited to see how she is going to streamline that position. Mayor Bronson then inquired about the CDs. Clerk/Treasurer Kwiatkowski stated they are going to pull back on that right now, explaining there are three funds that money would be set aside for the CDs – Water Fund, Sewer Fund and the General Fund. Right now City Manager Eustice and DPW Director Karmol are talking about some projects that are going to happen in the Water Fund and they would like a commitment for one of them for \$250,000.00 in cash from the Water Fund so he does not think we really want to tie it up right now. The other thing is with the Water and Sewer Fund when you bill something it is recognized as revenue on the books, but you don't always collect all of that. It would be nice to get one year of experience with the new rates and see what we are going to have as far as cash flow goes. City Manager Eustice stated the City is going to invest money but at this time we are not sure exactly what that amount is.

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

- **Mediation July 5, 2018** - City Manager Eustice reported a mediation session has been tentatively scheduled for the development project with the County mediator and Inverness Township for July 5 at 9:00 a.m. most likely, although Mr. Lawson has not set a time yet. He has to confirm that we have the engineering numbers from the Township's firm, C2AE of Gaylord before Mr. Lawson will set the meeting. DPW Director Karmol has worked with the engineer at C2AE to try to verify the costs that we are going to charge the Township to manage the sewer system and the water system. The Township asked their engineer to verify those numbers and/or come up with their own figures. Mr. Lawson did not know this afternoon whether they had done that or not. If we don't have the figures and numbers, it is not worth meeting. City Manager Eustice said he will verify this tomorrow morning with DPW Director Karmol. Mayor Pro Tem Couture asked that the City Manager call and let them know.
- **Huron Street Project** – City Manager Eustice said Mr. Ray Lofgren talked about the Huron Street Project, asking Mr. Lofgren to come in tomorrow or Friday because Ms. Gahn is basically putting together a summary of the entire project for him. Mr. Lofgren said he would like the Council to know about it, if they are not aware of it. Mayor Bronson said he will take

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a look at it, but believes he is pretty up to speed. City Manager Eustice stated that will be available for everybody.

- **Thanks for Clerk/Treasurer Kwiatkowski** - City Manager Eustice said he would like to thank Clerk/Treasurer Kwiatkowski for his service. He has been an extremely fiscal responsible person for the City for a lot of years and we have a very good financial condition in the City for the little tax dollars that we get from property taxes and State revenue sharing. So the financial aspect of the City has been in good hands for a lot of years and with Ms. Brown we are going to continue that. City Manager Eustice stated he would like to draft a resolution for Clerk/Treasurer Kwiatkowski and present it at a future meeting.

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

- **Sub-Committee Reports** – Mayor Bronson said one thing he would like to start doing at this time, because of the number of Sub-Committees of the Council, is to have future reporting because they don't always report. He knows there is a Blight Committee, a Committee that is working with Rahmberg Stover, and the Utility Committee. City Manager Eustice stated the Utility Committee was set up to look at the rate changes and projects. Mayor Bronson asked if the Blight Committee is going to start meeting again. City Manager Eustice commented the Blight Committee has not met in 18 months and Chief Jones is trying to put that Committee back together again. Councilman Temple commented there is still a Committee for Inverness. Mayor Bronson stated the Committee for Inverness reports when they have something to report. He then expressed the importance of not losing touch with the Sub-Committees. Councilman King suggested making the Sub-Committee Reports an ongoing agenda item. Councilwoman Riddle there is also a Councilmember going to the 911 Board, which she did but has resigned from that position. Mayor Bronson commented no one has been appointed to the 911 Board yet. Councilwoman Riddle stated there is also the Ambulance Board. Councilman Temple noted he got off of the Ambulance Board because it was too much. Councilwoman Riddle then said we don't have a presence on the Ambulance Board either. Mayor Bronson suggested that he and City Manager Eustice talk. Councilman Temple said he thought the Ambulance Board is full. Mayor Bronson commented with regards to the 911 Board Cheboygan is the only City in the County so we have a seat on that Board because of that and does not think we should give up that seat. It is a tough Board because it meets in the middle of a weekday and is a long meeting in Petoskey. City Manager Eustice asked Chief Jones if it was determined if we could have someone other than a Council Member sit on that Board. Chief Jones replied they prefer a Council Member. Mayor Bronson believes they want an elected official.

- **Water Street Condominium Trees** – Councilman King stated when the City vacated Water Street where the condominiums currently are, it is the understanding the property owner would take care of the trees that are along of the north side of the State Street Bridge, which are growing over the fence, noting there is sidewalk in there. He does not know if they have been maintained since he has been back in the last nine years. He requested that the agreement be looked at so we can get that addressed. City Manager Eustice stated there is a condominium owner and it is their responsibility. He will check it out and verify that is the case. Councilman Temple asked about the grass between the fence and sidewalk at that location. City Manager stated that should be their responsibility because those are their trees, but he will look at that, too.

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- **Waterways Festival** – Councilman King announced the Waterways Festival is coming up this week on Friday and Saturday. City Manager Eustice commented we should be out of the way with regards to the Huron Street Project and by tomorrow night it should be a gravel road temporarily. As far as the Gold Front Project is concerned they are doing some asbestos removal out of there. The demolition will not start until Monday, July 9. The building should be down in seven to nine days, but the project will not be done as far as landscaping until much later in the month. Once the heavy equipment is out of then, then the City will pave the street. City Manager Eustice replied the City's grant end date on the Huron Street Project is July 31.
- **Kiwanis Park** – Councilman King inquired on the status of Kiwanis Park. City Manager Eustice said they still have to put in some more surfacing. Clerk/Treasurer Brown commented there needs to be safe fall zone that has to be so many feet out depending on how high you go. Cement has to be laid and then the cushion top goes on top of that, so they are in the process of doing that. They are estimating mid-August before it gets opened, and it is frustrating but it has been six years in the making, too.
- **Huron Street Main Collapse** – Mayor Bronson stated between Court Street and Lincoln Avenue on Huron Street, there are at least four places marked where watermains have fallen in or water is actively going across the street. Councilman King commented on the ones on Ball Street and First Street. Councilman Temple stated there are quite a few cones sticking up and was wondering if we are starting to grow orange cones. City Manager Eustice stated the entire Huron Street is part of the project we are doing now, but we don't have it all funded. City Manager then stated Court Street is a project that will be both water and sewer, noting the sewer is worse than then water side of it.
- **Sidewalks** – Mayor Bronson asked if City Manager Eustice got the application or permit for putting sidewalk repairs/replacements on taxes. City Manager Eustice stated the application is ready. We need to publish in the paper that the program is available. It is an on-going program from a Resolution that was adopted in 1998. Councilwoman Riddle asked when the next Newsletter comes out. City Manager Eustice stated the summer newsletter just came out. Councilwoman Riddle stated there could be mention of the sidewalk program in the fall newsletter. Councilman King mentioned putting it on the website and Facebook.
- **Frisbee Golf** – Mayor Bronson said there was mention of Frisbee Golf and looking for a place in the City, asking if the City Manager talked with that group about City land they can use. City Manager Eustice replied he has and there has also been discussion at the Recreation Commission level. Ms. Amber Agee is looking for some potential funding/sponsorships. The City was looking at potentially building a 9-hole golf course in Major City Park on available property there. Mayor Bronson asked if Ms. Agee has a budget published and do we know how much it would cost, especially if they are working on getting funding. City Manager Eustice replied Ms. Kate Schulz, who is now the Chair of the Recreation Commission, does have some estimated costs on 9-hole courses and one of them was about \$14,000.00 to build 9-holes. He then explained you put concrete pads down and that is where you start from, the tee box. Mayor Pro Tem Couture said they need to find land. City Manager Eustice said he thinks the piece in Major City Park will work, which is part of the old sawdust pile. Mayor Pro Tem Couture suggested an aerial and then a drawing to start. Councilman King stated he does have a connection as he was a disc golfer in Mt. Pleasant and a friend of his got his masters in Parks & Recreation and designed the entire Deerfield Park. This is what he does pro bono. There is a whole community of disc golfers that will come around and help us to get this thing going.

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▪ **Sidewalk Program** – Councilman Temple asked if the City is going to remove the sidewalk at no charge. City Manager Eustice replied yes. Councilman Temple then stated this should cut down on the cost. City Manager Eustice explained if somebody chooses to get into the program we will take the sidewalk out at no cost. Councilwoman Riddle asked what we do with the cement that is removed. City Manager Eustice said it is taken behind the DPW. Mayor Bronson commented it can be crushed and used for fill. Councilwoman Riddle then asked if the City has the availability of crushing cement or do we take it somewhere to crush it. City Manager Eustice commented we could crush it. Mayor Pro Tem Couture stated we could make it smaller but not to a dust.

### **Adjournment:**

Councilman Temple moved to adjourn the meeting at 8:33 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 Bridget E. Brown

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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