

REGULAR CITY COUNCIL MEETING
July 24, 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: Lavender, Bronson, Temple, King Riddle and Couture

Absent: Kwiatkowski

Council Lavender moved to excuse Councilman Kwiatkowski; supported by Councilman. Motion carried.

Councilman Lavender led the Pledge of Allegiance to the Flag.

Public Comments:

- Mr. Ray Lofgren introduced himself stating he talked to Council a couple of months ago about a meeting he asked to have regarding the sewer and water project; mainly the problem of the sewer being pulled out of the water/sewer grant. He is assuming all of Council received a letter from him. It appears in the original grant we had with the MEDC of about 1.4 million dollars we have now no records in the City Hall of what and where that money is. According to the Clerk/Treasurer's letter, which Council received a copy of dated July 19 there is no information here at City Hall. It was suggested he to go to Gourdie-Fraser out of Gaylord. Mr. Lofgren went on to say he does not understand why the City has no records of what he is talking about. The meeting he asked the Mayor for three meetings ago never happened. He had no alternative but to do a Freedom of Information Act (FOIA) request. He did receive some information that he never asked for in the FOIA, of which Council received a copy of the letter. Mr. Lofgren stated the last letter suggests that there is no record in the City Hall of the project. He knows that Council is not supposed to answer any questions for him, but he wanted to bring this to Council's attention that the Council is here representing the betterment of this community in spending our money, but have no understanding of what is going on with our sewer and water project financially.

- Ms. Sherry Nelson, Explore Cheboygan Tours, wanted to thank Council for putting it on the Agenda expeditiously because while the tours have been extremely well received the golf cart would enhance a viability for those unable to walk. She thanked the Council for their consideration.

- Ms. Lois Ballard stated she was recently appointed to the Historic Resources Commission and wondered who calls the meetings and when are they and is there any background information to know what has gone in the past for new members. City Manager Eustice said he calls the meetings asking if she was given any kind of a packet when sworn in. Ms. Ballard replied no, stating we will get that information to her and will have a regularly scheduled meeting in August.

Regular City Council Meeting – July 24, 2018

Approval of Agenda and Receive and File all Communications:

Councilman Lavender moved to approve the Agenda and receive and file all communications; supported by Councilman Temple. Motion carried unanimously.

Approval of Prior Meeting Minutes:

Mayor Pro Tem Couture moved to approve the Regular City Council Meeting Minutes of July 10, 2018 as presented; supported by Councilman King. Motion carried unanimously.

Public Hearings:

Consideration to Approve a Brownfield Plan for WB Vacation Properties, LLC, for 103 and 107 W. State Street, Cheboygan, Michigan and adopt the Resolution - City Manager

Eustice commented this is the former Cheboygan Hardware building, which Council discussed at the last meeting, noting it has been passed down by the Planning Commission and Brownfield Redevelopment Authority. The Brownfield Authority has recommended that this Brownfield Plan be adopted by Council and this Public Hearing is set to answer any questions. The Brownfield Plan is in place and the Work Plan will follow. Approval by Council is needed to move forward with the project to get Brownfield Tax Incentives for Brian and Wendy Fleming, who are the owners. Mayor Bronson inquired if it has been determined there is contamination there. City Manager Eustice replied yes. Councilman King stated he has been asked by several people if establishing an Obsolete Property Rehabilitation District for this property does not mean any additional taxes like the DDA; it is to only establish the boundary that is in place for the rehabilitation. City Manager Eustice explained it is specific to that property; there is no tax increase on anybody else. It is an abatement under OPRA which is on the Agenda, as well, specific to these owners also. The DDA will not lose any money and the City will not lose any money; however, the taxes that are on the facility now will be the same. Councilman Lavender inquired from Mayor Bronson as to whether or not Public Hearing has to be opened and closed because the timeline on this project is pretty tight and he wants to make sure we are doing it in the proper steps. City Manager Eustice stated Mayor Bronson opened the meeting and we will first take Council comments and then public comments and then the public hearing will be closed, noting a roll call will be required in the motion.

Mayor Bronson then asked if there was anyone from the audience who wanted to address Council on this subject. Someone inquired as to the nature of the contamination and what needs to be remediated. Mr. Dave VanHaaren, Environmental Consultant, on behalf of the project, stated the property has been mostly obsolete and blighted. There is asbestos in the building for the Brownfield Plan to help offset the costs for demolition of the building, abatement of the asbestos and lead-based paint and to help with the rehab of the property, as well, including replacing the seawall/retaining wall. The issues are mostly blight and asbestos and lead-based paint. A gentleman stated they are part-time owners in Cheboygan and inquired as to where the property is located. Mayor Bronson replied the property is on the southwest end of the State Street Bridge. The gentleman then asked who the contractor and owners are. Ms. Wendy Fleming, owner, introduced herself stating she and her husband Brian are the developers. Mayor Bronson then said the gentleman for his name. He replied Paul Dierksen of 120 W. State Street who commented they are seasonal residents but noticed the Bridge on the west end is making an extraordinary noise this year compared to last year, noting

Regular City Council Meeting – July 24, 2018

the Bridge may not be the City's responsibility, stating he thinks the Bridge needs to be addressed not only for this project but the residents in the area. City Manager Eustice replied the responsibility of the Bridge belongs with MDOT and he will definitely have them take a look at it. A gentleman then asked for a copy of the Brownfield Application. Mayor Bronson then asked for his name. The gentleman replied Clarence Roznowski stating he did not know you could get brownfield for blight so he would like to know how much money you can get for that and would like a copy of the Application and Plan. City Manager Eustice stated he can provide the information to Mr. Roznowski and show him what is eligible. Mayor Bronson commented it has been used on a few properties in town to help rehabilitate grounds that are contaminated, but it can be for blighted buildings, also.

Mayor Bronson then closed the public hearing.

Mayor Pro Tem Couture moved to approve the Brownfield Plan for WB Vacation Properties, LLC for 103 and 107 W. State Street, Cheboygan, Michigan and adopt the Resolution; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

Consideration to Establish an Obsolete Property Rehabilitation District, Pursuant to P.A. 146 of 2000 for 103 and 107 W. State Street, Cheboygan, Michigan and adopt the Resolution – City Manager Eustice stated again this is related to the same location for this project of the former Cheboygan Hardware. This is a different Public Act, being PA 146 of 2000, which has some of the similar qualifications to get tax abatements for blighted properties that are a nuisance. A portion of this property has been vacant since 2006, so it qualifies under the Obsolete Property Rehabilitation Act (OPRA) as they are going to obviously be doing some significant renovations to this property. OPRA will have to through the Planning Commission and then will come to Council. This Act freezes the taxable value for a specified period of time up to 12 years and Council will have the choice as to how many years they want to put the OPRA in effect. It will be frozen at the current taxable value and any improvements that are made will not be taxed until the end of the period that Council choose to give them the exemption for. At the end of the period that value will come on to the assessment roll. Mayor Bronson then inquired as to the maximum time period. City Manager Eustice replied 12 years. Mayor Bronson stated we have to establish a District so they can be eligible for the funding. City Manager Eustice replied yes and that is what this Public Hearing is for and the establishment of the District is specific to that property only. He then went on to state there will be another Public Hearing to submit the Application once the District is established. Mayor Pro Tem Couture asked if there should be a policy in force that if we establish a district there are guidelines so we stay consistent with what we require when people come to ask Council who want to be a part of it or is it always case by case. City Manager Eustice stated they are typically but we are working on a policy related to the investment for the number of years; if someone is going to invest one million dollars plus we could give them a maximum of 12 years; if somebody is going to invest \$100,000.00 then maybe it will only be four or five years. Mayor Bronson commented they talked about setting up some guidelines for that and some of the things you can have in that are the number of jobs created, as well as a variety of things, and also it can be reviewed during that period. City Manager Eustice stated the NLEA is helping us with that and we have some examples of other municipalities that do have guidelines, but not all municipalities have those guidelines because these also have to approved by the State of Michigan; often times there are the factors that the State of Michigan will

Regular City Council Meeting – July 24, 2018

approve. Mayor Pro Tem Couture asked if we are creating this District in the whole DDA. City Manager Eustice answered for this particular Public Act it is only inclusive of this property. Mayor Pro Tem Couture asked in the future if someone wanted to do this, there would have to be another public hearing for that property. City Manager Eustice replied yes to establish the District and we have established OPRA properties, i.e. the former Woolworth Building before the DDA got it. As we got forward tonight with our last two public hearings we are establishing DDA as a district for two other Public Acts. OPRA is more specific and the criteria to get OPRA funding is a lot more detailed and it has to be a blighted building and a nuisance and it could not have been in use for a period of time. Mayor Pro Tem Couture then clarified the two public hearings later in the meeting are the ones explained to the Council by the NLEA at their last meeting. City Manager Eustice replied yes and with those two public acts we are trying to establish the DDA as the entire District.

Mayor Bronson then asked for questions from the public.

Mr. Ray Lofgren inquired if there is going to be a gap between the existing DDA boundary and the hardware store talked about. Mayor Bronson replied no. Mr. Lofgren then asked where the boundary line is on Water Street. Mayor Bronson replied it is the River. Councilwoman Riddle added it goes across the River. Mayor Pro Tem Couture explained this public hearing being heard now is just the former hardware properties on State Street. Mr. Lofgren asked if the hardware properties are already in the DDA District. Mayor Pro Tem Couture replied yes.

Mayor Bronson closed the Public Hearing.

Mayor Pro Tem Couture moved to establish an Obsolete Property Rehabilitation District, pursuant to P.A. 146 of 2000, for 103 and 107 W. State Street, Cheboygan, Michigan and adopt the Resolution; supported by Councilman King. A roll call vote was taken; motion carried unanimously.

Consideration to Adopt a Resolution of the City of Cheboygan regarding Obsolete Property Rehabilitation Application No. 2018-01 – City Manager Eustice stated this is again related to the former Cheboygan Hardware properties, noting we first had to establish the District, which the Council just did. This Public Hearing is to approve the Application for the OPRA. Again, it will be managed by the City but it has to have approval from the State of Michigan. Mayor Bronson asked for questions from Council.

Mayor Bronson then asked for questions from the public. There were none. Mayor Bronson then closed the Public Hearing.

Councilman King moved to adopt a Resolution of the City of Cheboygan regarding Obsolete Property Rehabilitation Application No. 2018-01; supported by Councilman Lavender. A roll call vote was taken; motion carried unanimously.

Consideration to Establish a Commercial Redevelopment District; Proposed District being the Entire District Boundaries of the Downtown Development Authority – City Manager Eustice stated the next two Public Hearings are establishing the District for two different Public Acts. This Public Hearing is Public Act 255 of 1978 and amended by Public

Regular City Council Meeting – July 24, 2018

Act 227 of 2008, which extended it into 2020. Again, we are establishing a District and using the DDA boundaries as that District is to basically promote development in the DDA District. This can be used for obsolete buildings and blighted buildings and buildings that are vacant and it also can be used on vacant property which is important with the development of the Gold Front property. Mayor Bronson asked for any questions by Council. Mayor Pro Tem Couture asked how easy it is to expand the District once we have created it; would we use the same process. He does not want to leave out properties that could potentially be developed out of this and then have to go back. City Manager Eustice explained we would have to establish a District based on the specific legal description for that property. As long as you are in the Downtown area you can establish a District and this Act is not specific to a minimum acreage. Public Act 210 outside of the Downtown District has to be three plus acres. Mayor Bronson asked if there is a limit on how many of these Districts we can establish within the City. City Manager Eustice replied no. Mayor Pro Tem Couture asked what would be the negative of starting off with a bigger District and what if the boundaries of the City of Cheboygan were the District; what is the downfall and he does not know why it would be limited unless these Acts are specific only to the downtown area, although it does not sound both are. City Manager Eustice said probably the biggest thing is the return on investment in downtown is not as good as outside of downtown, such as the southern part of the City where you can buy property that has a lot of more value and invest in that property and get a return on your investment. Mayor Bronson commented this is a tool for the City to encourage development in an area that we want developed. Mayor Pro Tem Couture said just based on that, we definitely would want to include U.S. 23 in both directions, adding we are trying to push for an area of growth and redevelopment in just downtown, but there are more properties that would benefit from this. He then added we could do it again, if that is the case. City Manager Eustice commented on a case by case basis. Councilman King stated it is a nice carrot to dangle for anybody thinking that this is already done. Mayor Pro Tem Couture said if we are trying to promote new to development and this is what our thought process is, and asks if we have any land available we can then tell them we have a District set up and there is land available. He went on to state he is not against this at all; it is just the boundaries of the District wondering if we are in the right place. Councilman Lavender commented whether it is a District now or not it can be offered to a potential development down the road, because going through the process like we are doing today is pretty simple. He then stated he agrees that we should not leave out anybody. Mayor Bronson stated it sounds like we need to do some Master Planning soon and this seems like a very focused discussion for that because the question in his mind is do we want to guide where developers go or not. City Manager Eustice said the Planning Commission is reviewing the Master Plan and working on that currently. Mayor Pro Tem Couture asked if the former hardware store development falls under one of these Acts. City Manager Eustice stated it can but they are not going to utilize either one of these. Mayor Pro Tem Couture stated these Acts would not hold that project up if we didn't adopt these at this point. City Manager Eustice said it would not. Mayor Bronson commented it would affect the project the Costins are trying to develop as they have a very tight timeframe.

Mayor Bronson then opened the Public Hearing to the public.

Ms. Sherry Nelson asked if it were true that the only difference between “D” and “E” is that “D” recognizes redevelopment and “E” recognizes rehabilitation. There are no numbers that describe either one as far as a policy number. Mayor Bronson answered “D” is PA 255 of

Regular City Council Meeting – July 24, 2018

1978 and “E” is PA 210 of 2005. City Manager Eustice said there is a little bit of difference between them. Mayor Bronson stated some differences between the two Acts are when construction can start, before or after, what is eligible, the time period, etc. There are differences between the two. Councilwoman Riddle stated one of the big differences that was brought up is that one of the Acts you cannot have begun any work on your project before applying for it. The other one you can apply after you have started. City Manager Eustice added you have six months after the start to apply, noting the Commercial Redevelopment Act can be used on vacant property, where the next Act (PA 210) cannot and can only be used for rehabilitation of an existing building. Ms. Nelson then stated it might be helpful on the Resolution to put the numbers of the Acts in. City Manager Eustice stated the Public Act number does not appear on the Agenda but it is in Resolution. Mayor Bronson noted the Resolution is a couple pages in length.

Mayor Bronson then closed the Public Hearing.

Councilman Lavender moved to adopt a Resolution to Establish a DDA Commercial Redevelopment District, being the entire District boundaries of the Downtown Development Authority and contained in said Resolution; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

Consideration to Establish a DDA Commercial Rehabilitation District; Proposed District being the Entire District Boundaries of the Downtown Development Authority – City Manager Eustice explained this is Public Act 210 of 2005 and the legal description is the entire DDA District. This Act can only be used for rehabilitation and cannot be used on vacant property, which is why it is good to have the first Act that was approved. Again, these Districts are just tools to help revitalize downtown and be able to offer these tools up front to any developer or investor coming to Cheboygan. We can use these tools outside the District, as well, as Mayor Pro Tem Couture commented, but the building has to qualify and then we can set a District on a specific building outside the DDA District. Mayor Pro Tem Couture stated it needs to be noted to bring this up when the Master Plan is discussed as part of our goal to dangle a carrot for the different areas.

Mayor Bronson opened the Public Hearing up to the public. There were no comments. Mayor Bronson then closed the Public Hearing.

Councilman King moved to adopt a Resolution to Establish a DDA Commercial Rehabilitation District, being the entire District boundaries of the Downtown Development Authority and contained in said Resolution; supported by Mayor Pro Tem Couture. A roll call vote was taken; motion carried unanimously.

Communications and Petitions:

- Update (PowerPoint) on Cheboygan Carnegie Project, Ms. Mary Hebert – Ms. Mary Hebert introduced herself stating she is going to present a PowerPoint on the Cheboygan Heritage Project. She stated she wanted to do a refreshing for Council of where the Project is going and the needs they have. She thanked everyone stating one of the biggest things that happened for the Project is that they were included in the DDA. With that happening it opened the door to other possibilities. Ms. Hebert then introduced Bilal Hammond, who is an intern that she met

Regular City Council Meeting – July 24, 2018

at the Step-In. Ms. Hammond is from Wayne State University. Mr. Hammond commented he has been here about two weeks stating he is honored to be here and absolutely humbled by a town where everyone has been nothing delightful and treated him with so much respect. He is very excited to meet everyone and give the town as much respect and support as has been provided him. Ms. Hebert said Mr. Hammond will be working on a number of things including the Michigan Main Street Program inventory and also redoing the ticket office at the Opera House and media items that are related to what the Carnegie is doing with the website and social media. Mr. Hammond will also be bringing a Swing Band Club to Cheboygan.

Ms. Hebert informed the Council the Cheboygan Heritage Project has been launched after two and one-half years in the making. The grand opening of the Carnegie was in 1913, showing photos from 1913, 1951 and 2018. In 2018 they began to program the space even though it is far from being renovated. Tonight she is going to review the Project quickly and will be asking the Council to consider two specific things. She showed a photo from February 2016, the first day the building was purchased, including the Mayor and all the kids from the Building Trades Program who did all the interior demolition, shown in the next photo, explaining what was done. They also did work in the basement. In May 2016 the photo depicts the building almost in its original condition with the exception of some heating units. She went on to state the most important part of what they are going to be doing is three-fold as follows, and did not just come about by including a lot of people in the process of determining what would be the highest and best use of the property. The three components are: (1) Educational Initiatives, mostly being lifelong learning; Wayne State University has stated they would be very interested in looking at Cheboygan for a satellite University but that is a long process, but some of the preliminary conversations could begin. (2) Cultural Development, which includes concerts, exhibits, classes, and all kinds of performing and visual arts. They can augment with the Library who already does a wonderful of doing. Also they are full of programs all the way to January 1, with many of those cultural opportunities. (3) Small Business Collaboration, which becomes really important as they begin to seek funding. They have one business start-up that came from conversations with Ms. Sherry Nelson, which is the Explore Cheboygan Program that has been very successful. She noted that Ms. Lynn Turner of the Northern Michigan Drum Company continues to expand. Those kind of activities are extremely important and that is the road they are going on.

Ms. Hebert then shows a slide showing red stars indicating all the things that have been accomplished in two years, which included reviewing all the history, all of the emergence issues in the whole City that would be related to the Cheboygan Carnegie, and they have everything done regarding the legal and financial structures that will finalized with the Rehmann Group next week. She went on to state they met with the Flemings and reviewed the business plan and pro forma, etc. and they gave them an A+, but they do have to go back and do something with the legal structures because they did not have additional properties. They have now formed a 501(C)3 and also had an LLC which owned some of the real estate and they are trying to determine now how that can be for the benefit and purposes of receiving grants. She then mentioned they want to be fully restored and operational by 2022 but so much of the underlying work has already been done that she feels they can now jetstream to go ahead and begin the actual work. Ms. Hebert then showed a map of the Carnegie Campus including the Library, the house next door and a 10,000 square foot warehouse, both being recently purchased. The models for this are from Three Rivers Michigan where they have

Regular City Council Meeting – July 24, 2018

taken similar configurations of buildings and put them together for the purpose of arts and cultural heritage. In Petoskey they have a Carnegie Library and added a building to house some of the elevators and ADA compliant issues, which we will also have to do.

Ms. Hebert then showed the estimated cost to rebuild the building today, done by David Kimble, AIA, who is State Historic Preservation Officer certified, stating this is important because grants will not be permitted if they don't have an architect with that certification. It would be actually cost today about \$756,000.00 for the building and what it actually would cost today for the entire building and in addition to house an elevator, ADA compliant facilities and a commercial kitchen it would probably be closer to \$950,000.00. The cost for the acquisition of the building was around \$50,000.00 and had a new roof, new furnace and a clean environmental, which she knew would make the building doable in terms of the restoration costs. The value of what the kids in the Building Trades Program did was probably about \$30,000.00 in in-kind contributions, which is again really valuable when going for grants. The 501(C)3 was prepared, which they are also now, layered on top of ownership of the building was probably a \$2,000.00 in-kind contribution. The operational costs of the building are around \$150,000.00 and recently in the last two weeks they acquired the house and warehouse for \$145,000.00. There is a \$375,000.00 personal investment in debt free real estate. They will be looking at about 1.2 million dollars for a full restoration of the Library and some of the adjacent buildings.

Ms. Hebert went on to state there are two things she is requesting from the City Council. The first being a resolution or letter of support from the City Council acknowledging the economic benefits of the project. She has been asked to acquire this for grant applications she is doing. The second thing they need is, because they qualify on so many levels for so much different funding, help with coordination and support from the City in looking at all these things she just talked about for some of the other projects. It is important that they bring to bear the same projects and funding to complete this property. The immediacy of this project is that NEMCOG called and what they want to do is gather 10 to 12 funders just for this project because they believe in the project; they believe in the transformation of what it is going to do for the community so they want to get behind it really strongly. Recently they did receive a \$5,000.00 grant from NEMCOG for the website and social media and another \$15,000.00 from the Michigan Historic Preservation Network for heat stabilization, ac and sump pump issues. There is so much demand for the building and so many people in it constantly.

Ms. Hebert then indicated the three sections of funding they are looking at as follows: Private Sector Funding and she is looking for collaborative opportunities with the Cheboygan Opera House, the Cheboygan County Community Foundation and the local History Center so that they can benefit for the programming part they want to do. The next is the Public Sector Funding and they would be looking at grants from the Michigan Department of Agriculture and Rural Development, noting there are probably other people working on projects that could benefit from the Public Sector Funding list. She then pointed out the list of what the MEDC now has the ability to use within communities for any kind of development projects. This is where they really need a lot of advocacy because she is sure in some ways people are not aware of what is available and that deters them from actually doing projects. She is thinking of projects such as the one over at the Co-Op, which is a likely candidate and could probably use about 10 of these various funding possibilities if they layered them, which is what she intends

Regular City Council Meeting – July 24, 2018

to do at the Carnegie. The last funding source is Project and Program Revenue and already they have anticipated revenue of about \$40,000.00 and if they average in the in-kind donations received and some of the artifacts that are donated that have a lot of value, then they probably have around \$150,000.00 a year already without really trying and without really charging anybody for the use of the building.

Ms. Hebert went on to state she based the acquisition of the property on the Historic Preservation Model that is used by the National Trust Service that speaks to sustainability and as to why the benefit of historic preservation serves a community. She then spoke on the Creative Economy Model that speaks to what can happen with arts and cultural as an economic driver, and if you put arts and cultural heritage together the benefits to the community are really huge.

In closing, Ms. Hebert said the benefits for the project are: drastically improve an area of economic distress; there will be near-term generation of private jobs; we have already shown strong local support of financial commitment from both public and private leadership involvement as many people have made sizable contributions to the project; we incubated one new business; they have increased tourism; they have fostered a lot of civic pride; and they believe they support the neighborhood amenities and compliment local businesses such as the newly opened Queen's Head. She went on to state there has been great community support with many people through the building and wanted to say this is just the beginning of what they believe they can do in terms of a transformational and send a new approach and attitude about working together with other arts and historical entities and a celebration of cultural heritage in a whole new way. It will be a strong economic benefit. She then said she would happy to answer any questions and wanted to show it is a sustainable project before going any further, noting there has been over 5,000 in attendance in two years. Councilwoman Riddle asked what the resolution is she is asking for. Ms. Hebert stated it does not have to be a resolution but can be a letter from the City Council in favor of the project and the economic benefits. When she goes to the meeting in September when NEMCOG brings in all the funders, that is when she has to have per Pro Forma numbers really strong and has to be able to say there would be support within the City if she wants a tax abatement or if the CBDG wants to do the exterior because she is trying to layer as much of the funding as she can so that we can complete the entire project without piece mealing it over a number of years, which sometimes kills the momentum of what you are trying to do. Ms. Hebert then stated copies of the presentation are available. She also commented that she met with the Flemings and Mr. Bruce Johnston, stating he is an economic development specialist and does that work all day long. She noted that the Flemings are going to be involved in the construction part of the Carnegie project, but the details have not been worked out but are hopeful they can work together on that.

City Manager Eustice suggested that the Council do a resolution in support of the Carnegie project and do it at the next Council meeting.

■ **Presentation on Library Millage Request – Mary Kronberg, Board President** – Ms. Kronberg handed out some information to Council about the campaign for the Cheboygan Area Public Library millage election that is coming up August 7. She introduced herself stating she serves as a Trustee for the Cheboygan Area Public Library and is here with

Regular City Council Meeting – July 24, 2018

information regarding the Library and campaign. She said she handed out a flyer with information regarding the importance of this proposal for the Library and does have extra copies she can leave on the table for anyone. On August 7, 2018 voters will be asked in the Cheboygan Area Public Library District to vote for a new operating millage. The millage requested is .35 mills, which is \$.35 on each \$1000.00 of taxable valuation; for example a home with a taxable of \$50,000.00 this millage would cost \$1.49 per month or \$17.50 per year. The intention is with the millage is to fulfill the Library's mission and the mission that they have going forward. She noted the Library was renovated 12 years ago and they are at a point where they need to keep growing now and need help doing that. They try to respond to the needs of the community in terms or programming, hours of operation, what do they need in terms of technology, and how to they expand and provide services to meet those needs. Ms. Kronberg went on to state they are also at a point, since it has been 12 years, where they need to do maintenance work and basically provide insurance changes in some cases and finish a couple of meeting rooms that are available to exercise and enrichment programs. She noted the four areas they are focusing on in the handout. She then stated the programming they provide she feels is enormous to the community. Right now they are focusing on children's programs that include science, technology, engineering, arts and math. They started a brand new camp this summer and people are just coming out of the woodwork to be part of it. They are also offering exercise enrichment programs. Also they have meeting rooms for presentations and services like that. Some of the issues they addressed are environmental educational issues and also provided the "e" books and they are growing those classes, as well. She asked for encouragement and support from the Council, noting an attachment to the flyer is a way that we can move this forward on an individual basis. For instance, you can help people get to the polls on the 7th. Mayor Bronson commented the election is two weeks from today. Also, it is a 10 year millage request, so it has an expiration date. Mayor Bronson held a discussion with someone in the audience on getting support and people to the polls. Councilman King inquired on the genealogy classes, wondering if it is on an on-line basis. Ms. Kronberg stated people would like digital access to the Library's data, so we are looking at doing that. She also mentioned scanning. Mayor Bronson commented there are data basis that are available and are expensive for the Library to purchase, but are not very expensive for an individual to purchase; because we are making them available, the public is getting a premium. He went on to state as Ms. Kronberg pointed out the programs they have this summer, noting there were 130 people attend a program a week ago. The last program is tomorrow night. Ms. Kronberg commented they are very proud of their young leaders noting there is a literacy program for those who kids who haven't started school yet. An issue with the last millage election was the language on the ballot and this year they cleaned that up and make it clearer. The fact that there is a 10 year life on the millage is also helpful. A woman was making comments from the audience regarding rides to the polls and praise for the Library and its programs. Some asked how much is the current Library budget. Mayor Bronson commented they are collecting .74 mills right now and all of their revenue stream is it about \$500,000.00 and this new millage would collect about \$190,000.00. Ms. Kronberg then expressed thanks.

Department, Boards and Commission Reports:

- **Recreation Commission Meeting Minutes, May 23, 2018** – City Manager Eustice stated they continue to work on the new Recreation Plan and had a meeting last night. The new Plan will be 2019 – 2024, as we typically do five-year Plans. We have a committee put together to meet outside of the regular Recreation Commission to try and move this along quickly. They

Regular City Council Meeting – July 24, 2018

hope to have a new Recreation Plan done before the end of the year and get it adopted. He then stated the Commission has been expanded from 5 to 7 Commissioners and that has helped, noting they have a lot of new ideas coming from new Commissioners to develop the Recreation Plan. Councilman King commented Chairperson Kate Schulz did a great job just with the initial framework. She has also done a really good job in keeping everyone on the Commission in the loop. City Manager Eustice stated he was a little concerned that as a Commission we could develop a Plan, but with the talent we have on the Commission he thinks we can develop it ourselves. He noted many municipalities will contract with NEMCOG or an independent organization to develop a Plan, but thinks we have done a lot do due diligence on other municipalities (Alpena, Gaylord, Petoskey) and we are going to tailor our Plan with the help of these Plans. We are going to do it in-house and not spend any additional monies. Mayor Pro Tem Couture commented at the Council level he is happy to see that this is getting traction and has legs now, but we have to wait for the Recreation Plan in order to address our budget issues in the Recreation Department at Council, and he is waiting to see what our deficiencies are financially and what we currently wrap up in our Plan to develop a central pitch to go look for funding sources to help maintain what we currently have and maybe improve it. Time is of the essence when it comes to the Recreation Plan or to at least know what we are looking for financially and where the Council is at. City Manager Eustice said they are looking at multiple options and a Recreational Authority will be in the Plan whether it is a feasible option or not. We are going to put it in the Plan and pursue it as a possibility because that will bring a funding source to the Recreation Department.

- **Brownfield Redevelopment Authority Board Meeting Minutes – July 9, 2018** – City Manager Eustice stated the only item on the Agenda was the development of the former Cheboygan Hardware building; they recommended it go to Council who approved that to go forward tonight. The Brownfield Board will be tasked with managing that project from the brownfield side going forward.

Resolutions:

- **Consideration of Resolution for the Sidewalk Program** - Mayor Bronson pointed out this is an amendment of the current Resolution. City Manager Eustice noted this was discussed at the last Council meeting and we had some ideas to amend the original Resolution and he does have a couple of questions. In the original Resolution the payback that was approved in 1998 was 5 years and Council thought we should expand that to 10 years. City Manager Eustice went on to state he looked at that and thought maybe we should give the taxpayer an option to payback over a 5 or 10 year period or increments in between, which can be done in the Agreement. If someone wants to repair their sidewalk and they want to pay it back in five years that is an option they have, as well as a 10 year pay back option. The only other thing that might need clarification is the 1% interest, as he is not sure it should not be a 1% admin fee. Councilman Lavender mentioned we have an admin fee that would be applied on the tax bill. Mayor Bronson said that was his thought, too. City Manager Eustice said he feels this is more easily manageable because we can then just apply it to the tax bill and do not have to calculate interest every year. Councilwoman Riddle asked if we charge an admin fee to other things. City Manager Eustice replied yes. Councilman Lavender asked if the revolving fund is just the General Fund. City Manager Eustice replied no, informing Council he has talked with Citizens National Bank and they are willing to fund it on a loan basis, so there would be interest involved. Mayor Bronson commented it also depends on how many

Regular City Council Meeting – July 24, 2018

people step forward whether we can handle it in-house or not. Councilman Lavender asked if it is going to be on a demand basis. City Manager Eustice replied yes, noting we can fund it with the General Fund to a certain extent. Councilman Temple stated if we charge a 1% admin fee and the bank charges more interest, how is that going to work out. City Manager Eustice replied that is a good questions and if we only charge an admin fee and no interest on those loans, the City is going to fund that part of that. The admin fee would help offset that. Councilman Lavender asked if there is a way to revisit this based on the response. Mayor Pro Tem Couture suggested building it into the Resolution and not put anything for interest in there unless we get to a cap. Councilman King asked if there is anyway to have a projection on the cost over time if there is a lot of sign up and we have to finance through a bank. He went on to state he is a little insure of pulling the trigger on this without seeing the interest rate. Mayor Pro Tem Couture asked what the bank interest rate would be. City Manager Eustice stated probably more like 3%. Councilman Lavender recommended adding “with the potential of levying an interest rate up to 3%” to the Resolution. Councilwoman Riddle stated if we do end up having to take a loan out that has 3% interest then it is covered. Mayor Bronson inquired as to how many people signed up when the City ran this program before. City Manager Eustice replied probably about 75 over a four or five year period. Councilwoman Riddle said we kind of held that down because we had a maximum that we could invest into the new sidewalks, and now we are making a bigger push to get more sidewalks done. It would be nice to gather in as many people as we can. Mayor Pro Tem Couture said so we come up with a cap of how many dollars the City is willing to use from the General Fund and once we get above that we charge the interest, or we charge a flat interest fee from the start, perhaps 2% interest, and then it is covered when we don’t have to get a loan and when we do. Councilman Temple said what bothers him with this whole thing is it is a City sidewalk but it is up to the homeowner to put a new one in, and feels it does not make sense. City Manager Eustice said this is pursuant to Ordinance. Mayor Bronson added it is an unenforceable Ordinance. Councilman Temple suggested we check with other cities. City Manager Eustice responded it is pretty common that it is the responsibility of the property owners to repair the sidewalks in front of their property. Councilwoman Riddle said the other thing we are going to run into when sidewalks get done are tree roots uprooting the sidewalk and we have to take those trees down that are affecting the sidewalk if the trees are in the right-of-way. She went on to state we are also going to have to add that in in terms of tree removal, asking how much tree removal we are currently doing. City Manager Eustice commented we can only remove trees that are dead in the right-of-way, so we are doing multiple parts of the City. Councilman King stated the City is going to keep funding this to get these sidewalks repaired and if trees are in the right-of-way they have to go. Mayor Bronson said DPW Director Karmol would like to see some designated funds for tree removal and also to restrict the planting of trees in the rights-of-way. Councilwoman Riddle added DPW Director Karmol wants to use the rights-of-way, as roads get done, for storm drains and sewer, so they are out of the road and have less a chance of freezing. Mayor Pro Tem Couture commented regarding the Resolution, Council needs to make a decision if we are going to eat the interest in the future; if not, it needs to be reworded. Councilman King asked if it is too big of a task to table this until the next meeting so Council has some kind of projection of financing this. Mayor Bronson stated there is no way of knowing how many people will sign up and he is tired of tabling it, noting it has been on the Agenda for 20 years, noting the City would eat the interest for new sidewalks. Councilman King said when you look at the liability it is huge. Councilman Temple commented an area on the east does not have sidewalk for about two blocks. Councilman Lavender said he knows

Regular City Council Meeting – July 24, 2018

this is a volunteer program, asking if DPW Director Karmol has any plans for doing sidewalks for City owned property. City Manager Eustice replied not necessarily. Mayor Pro Tem Couture commented there is zero dollars in that fund. Mayor Bronson said the City has put in handicap access where we had to. City Manager Eustice noted they are looking again at the Safe Routes to School Funding, which is matching funding at 100%. You can get as much as \$200,000.00 on the Safe Routes to School Funding, but the City has to match the \$200,000.00. This is something the City can do on Loomis Street and in and around the High School and Middle School Campus. Mayor Bronson said his hope with this is that we can get people to volunteer to do their sidewalks and we need to look at the City Ordinance on sidewalks and put some language into that where we can make our Ordinance enforceable because right now it is not. Mayor Pro Tem Couture commented this is just a mechanism to allow people to fix their sidewalk and not have to front it all upfront. He then asked if we need to recoup the interest if we get a full response and then build it in as a 2% admin fee and then we don't have to worry about it and that is going to recoup the interest. There has to be a way to send this in motion or we stick with the 1%. Mayor Bronson stated the original interest was 6%, which he thinks is too much and way beyond what interest rates are right now, which is why we talked about changing it. City Manager Eustice said we can also use PA 51 monies because the PA 51 Statute says that we should use 10% of the monies for sidewalks or parking lots, other than roads. This funding we could put in from the City's perspective and does not come from the General Fund. Mayor Bronson said this would replace our obligation on City owned sidewalks. Councilwoman Riddle asked if we have a count on how much money it is going to cost to do the City sidewalks. City Manager Eustice replied the only thing is sidewalks by our specification costs about \$4.00 a foot, so if you do 100 feet of sidewalk it is going to cost you \$4,000.00. This program will be all over the City and it is a voluntary program and are the only people that are going to be included in the program. Councilwoman Riddle again asked if the City has a count on what we really need to repair with the sidewalks that are the responsibility of the City. City Manager Eustice replied we do not have a dollar figure on that; we do have a study from 2010 that shows the areas of the City, including City property that needs improvement. Mayor Pro Tem Couture said he is definitely against enforcing our current Ordinance unless we have money to put in and repair the ones we have. This is voluntary. Councilman Temple said when he was on Council in the 1990s there was a meeting at the old junior high school and the place was packed because we were going to make people to do their sidewalks and a lot of elderly people could not do it and a lot were against it back then. Volunteer is fine. Councilman King asked Mayor Pro Tem Couture if he was okay with the 2% admin fee.

Councilman King moved to adopt the Resolution for a Sidewalk Program with a change to a five to ten year period and a 2% admin fee for the sidewalk program;

Councilman Lavender questioned whether the 2% admin fee is legal and that may be a question to look into. Councilman King asked that the City Attorney review this and that it qualifies.

supported by Councilwoman Riddle. A roll call vote was taken. Yes Votes: King, Riddle, Bronson, Lavender and Couture; No Votes: Temple

Regular City Council Meeting – July 24, 2018

■ **Consideration of Resolution to Allow Use of Golf Carts on Public Streets -** DPW Director of Public Safety, Kur R. Jones, addressed the Council stating they have the Resolution within their packet. This is on the request from Cheboygan Tours and a few other private citizens that apparently own golf carts and would like to drive them around town to save on gas. He went on to state as they talked two weeks ago when they addressed the one for the sailboat race that is this weekend, and they will be running two, they cannot run on any of the State Highways so Main Street, Mackinaw Avenue and E. State Street are all off limits. They have to ride to the right side of the road, be 16 years of age with a valid driver's license to operate, helmets are not required, speed fast enough to maintain a forward motion like 15 mph but there are parts of it that talk about less than 30 mph with the exception of crossing a highway. The Resolution basically spells out all the requirements and there will be some inspections required and you have to register with the City at his office and there is no fee with copies proved to the Clerk's office so she does not have to bear that extra duty at this time. The operation would be on side streets, no sidewalks, and eventually we may be like other communities and end up with some paths they would be allowed on. Director of Public Safety Jones recommend the passing of this Resolution to become effective immediately upon the Council's approval tonight. Electric golf courts are primarily part of the statute, but gasoline golf carts are not excluded, but it might require some additional input like turn signals, etc. He is going to recommend the use of turn signals for the Tour Group anyway and thinks they want to lean that way. The only other requirement he would put in there is that the driver over the weekend should not be the driver, noting the guy had a little accident. Ms. Mary Hebert wondered if there should be a fee associated with the registration of the golf carts and does not think anyone would mind if it went for recreation. Councilwoman Riddle inquired about riding lawnmowers, noting in her neighborhood there are people who ride their lawnmowers up and down the road, asking what are then guidelines. Director of Public Safety Jones said they are not restricted but again they have to stay on the right side of the road. He did not know there were four of them around, he knew of one. Councilman King asked if the same goes for motorized scooters. Director of Public Safety Jones said the handicap scooters are lower profile and require a flag; mopeds have to have the 2 inch wide sticker on the end.

Councilwoman moved to adopt the Resolution to Allow Use of Golf Carts on Public Streets; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

Unfinished Business:

■ **Consideration of Billing all Sewer Customers in the Inverness Township Sewer District Operation and Maintenance Fees based on REU's Applied to Properties in the Sewer District, which is allowed by Contract –** City Manager Eustice said this is an issue we tabled a couple times, once back in December 2017 and then at the last Council meeting. It was tabled because the City had somewhat of a mediation meeting the next day with the County. Coming out of that meeting he does not think anything is going to be resolved any time soon and he and City Attorney Lindsay believe that we have the legal right to bill operation and maintenance to all Sewer District parcels that are billed debt service, which is the way the Contract was originally written. Over the years between the Township and the City we have eliminated operation and maintenance on some properties, i.e. seasonal people and vacant land but the original Contract was set up to pay both debt service and operation & maintenance, even if you have a vacant parcel because there are leads to the parcels and are part of the sewer program. The operation and maintenance funding side of it is for the entire sewer system to

Regular City Council Meeting – July 24, 2018

service the lift stations, the sewer main, our waste treatment facility, our labor, and our equipment that we use to service the Township sewer system; thus he believes we should bill operation and maintenance to all the parcels that are billed debt service. City Manager Eustice pointed out in the handout provided, the first parcel at 10646 N. Straits Highway does not get billed operation and maintenance and Council will see there is a debt service on there and also an Inverness RR&I (repair, replace and improvement) Fund, which is a Fund the Township established just six months and started billing it because they did not have enough monies in the RR&I Fund to repair the system, as they are responsible to repair the system if a lift station goes down or a line breaks other than the sewer main. The USDA required them to start and RR&I Fund to accumulate monies to help repair, replace and improve the sewer system. The second bill shows an example of a residential property that does get billed operation and maintenance and is an active parcel. The third bill is a commercial property that gets billed debt service, operation & maintenance and RR&I. City Manager Eustice stated DPW Director Karmol provided a spreadsheet that shows the accounts we are not billing operation and maintenance. There are 199 accounts that are billed debt service and 79 of those accounts are not billed operation & maintenance and 12 are seasonal. It accounts for a shortfall of \$27,518.55 that we believe is by Contract what we should have for operation and maintenance. We don't get any more monies today then we did in 2004 for operation and maintenance. The last fiscal year we got \$71,000.00 and in 2004 we got \$70,000.00, so the reason for that is over the years operation and maintenance has come off various properties for seasonal property and some vacant properties or people who were not using the sewer system. The original Contract did not allow for people who didn't use the system to not pay operation and maintenance. The operation and maintenance is for the entire system including the waste treatment plant, equipment for DPW services, Sewer Department Services, and for labor to service the system. It is not for individual property owners. We believe the property owners should pay both whether they are using the system or not. City Manager Eustice explained to Council that we are now asking that we now bill all customers that are billed debt service also operation and maintenance. Mayor Pro Tem Couture inquired if the City Attorney concurs with that because the original Contracts states that should be done, that we should bill for operation and maintenance. He went on to state we did not give any approval nor did we receive any approval from the Inverness Township Board as a whole to do that; they did not vote to do that. City Manager Eustice replied they did not, and it is based on the original Contract. He added it is the case with the sewer rates we just raised; it is part of the Contract but they have to approve the sewer increase. Unless they have a valid reason for not approving the sewer rates, they shouldn't oppose that because it is in the Contract that they will pay the same rate that City sewer customers pay; but that has to be approved. This issue is something that fell off without any resolutions or anything in writing. Mayor Pro Tem Couture asked if we didn't really know about this until we started diving into this, correct. City Manager Eustice replied correct, it is something we discovered as we were reviewing the sewer contracts and trying to develop a utility service agreement and a 425. Councilman King commented we are not going retroactive on mistakes that were made in the past according to the Contract. City Manager Eustice responded right.

Councilwoman Riddle moved to approve the billing of all sewer customers in the Inverness Township Sewer District operation and maintenance fees based on REU's (Residential Equivalency Units) applied to properties in the Sewer District, which is allowed by Contract beginning with the July 1, 2018 billing; supported by Councilman King. A roll call vote was

Regular City Council Meeting – July 24, 2018

taken; motion carried unanimously.

General Business: *None.*

City Clerk's and Treasurer's Comments: Clerk/Treasurer Brown stated she does not have much to report but provided Council with the professional services expenses for the DDA, which Councilman Lavender asked about at the last meeting. You can see that a lot of activity during the last year was due to the Music Fest and Fall Festival. City Manager Eustice stated he knew the answer when that came up but thinks he was sleeping because it was late in the evening. He then stated the professional services expense side is about \$11,000.00 over budget and is the FallFest monies that were expended; on the revenue side we created a line item for the Fall Festival donations which equated to almost \$13,000.00 and under miscellaneous revenues we got another \$6,000.00, so we ended up about \$7,000.00 over. There is also a line item for DDA advertising that was over budget which had to do with the FallFest. City Manager Eustice stated in the end we came out about \$7,000.00 ahead for the FallFest not realizing the former City/Treasurer expended those monies under professional services.

City Manager's Report:

- **Mailboxes** – City Manager Eustice informed Council there have been some issues in the City with mailboxes and he had conversation with the Post Office over the last few weeks. The Post Office is requiring new property owners to put mailboxes in the rights-of-way. They can do one of two things – they can put it at the sidewalk, if there is a sidewalk there, on a post or they can put it in the right-of-way. This has happened on multiple occasions over the last year and it poses a couple of problems. The first being if you place mailboxes near the right-of-way or near the road in the winter time we are going to damage some of those mailboxes if we get a heavy snowfall; it will, however, be the responsibility of the property owner to take care of. The other issue is what do you do if you park in front of it, are they going to deliver mail because you have the legal right to park on the street where there is a mailbox. There are also senior citizens that absolutely need mailboxes on their house so they don't have to walk in the wintertime out to the road to get mail. These are all concerns. City Manager Eustice went on to state he has had some conversations again with the Post Office and their issue is that there is not enough quality sidewalk in the City to deliver mail to houses and issues with not everybody shoveling their sidewalk. We do not have an Ordinance that says you will shovel your front sidewalk on a residential property, but we do on commercial property. If you have a mailbox on your front porch you do not necessarily have to shovel your sidewalk. The Post Office has said they don't like to deliver mail where they have to walk through snow and then get up on a porch. Also, there are multiple properties in the City with damaged porches and it is a safety hazard. Councilwoman Riddle commented she shovels her sidewalk and has it all good for the mail person, but they don't walk on the sidewalk – they walk across her yard in her flowerbed; they go the closet route. She went on to state this is not a valid excuse they are coming up with. Mayor Bronson said the problem he has with that is that it is the City right-of-way and for one thing they should be getting permission before putting anything in the City right-of-way. Councilwoman Riddle commented it could be put on the inside of the sidewalk, noting the County is always replacing mailboxes because they rip the mailboxes out of the ground. Mayor Bronson said they also don't deliver mail if they think it is too dangerous to go up the steps. City Manager Eustice said the Post Office would prefer to have the mailboxes on

Regular City Council Meeting – July 24, 2018

the inside of the sidewalk. Mayor Bronson added or off the porch, noting he did move his down to the yard. City Manager Eustice then stated they apparently cannot force anybody to move their mailbox unless there is a transfer of property, then they can do it. Councilwoman Riddle commented they forced her when her mailbox was on her porch because they stated they did not want to go up and down the steps because of the fear of them falling. She moved it down off the steps, but that is as far as it is going to go and it is not going out to the road. Mayor Bronson asked what the conclusion is because it seems to be at the whim of the Post Master. City Manager Eustice said they are willing to come to a Council meeting and address it. Councilwoman Riddle stated we need to address the elderly so they are not made to walk out where they could injure themselves, so there has to be a list of people. Mayor Pro Tem Couture asked who has the final authority as to where mailboxes need to be placed and they need to make that decision and the other party can pitch to them and hope they agree; are we the boss or is it the Post Office. He would assume the Federal Government ranks. He does not think we have any discussion since they tell us what the rules are. Someone can always get a Post Office box and it is there at your Post Office. Mayor Bronson asked who is responsible if someone is digging a hole for a mailbox and severs the storm sewer. City Manager Eustice added or a gas line. Mayor Bronson commented they don't usually go to Miss Dig because they are only digging a small hole in their front yard. Councilman Temple commented they are only trying to save a little bit of money. Councilwoman Riddle asked if there is a list of the elderly people or handicap people that would have difficulty. City Manager Eustice said the Post Office does have that; you can write a letter to the Post Office and request that the mail come to their house and they abide by that. Mayor Bronson stated this is also something that we can put in the City newsletter on how people can apply to mail delivered at their door. City Manager Eustice then asked Council if they would like the Post Master and/or Manager of the Post Office attend a Council meeting. The consensus of Council was yes.

▪ **N. Huron Street Project** - City Manager Eustice stated regarding Mr. Lofgren's comments during Public Comments he will address the information request, noting there was some information the City did not have. He asked for information and those documents were not produced regarding engineering and changing engineering, which was just done through the MEDC and Gordie Fraser and we don't have anything on paper to document the change, noting it was all done verbally. It was done by a project scope amendment and we can provide that. The other thing is Gordie Fraser does have the original documents for the procurement and we can get that. Gordie Fraser wanted their own FOIA request to see those documents, but he will ask Mr. Brian Boals to provide those for us. Mayor Bronson stated we could FOIA them. City Manager Eustice stated they are truly the City's property. Mayor Bronson added if Gourdie Fraser is going to have technicalities like that can't we FOIA. Councilwoman Riddle said for our records for things that are done in the City we need to have a full set of records to have that on file in the City. City Manager Eustice replied yes, that makes sense. Mr. Ray Lofgren raised his hand to speak asking if the City Manager stated he has the records or is going to get them, asking if he will be able to get records from the City. City Manager Eustice stated yes, but there are some records Mr. Lofgren requested that don't exist. He explained to Mr. Lofgren that the documents exist but the City hired Gourdie Fraser to manage that and do the grant administration so they have those documents and they requested that Mr. Lofgren FOIA them, but he will request the documents so Mr. Lofgren does not have to FOIA Gourdie Fraser. City Manager Eustice said they are really the City's documents by Contract so they

Regular City Council Meeting – July 24, 2018

wanted Mr. Lofgren to FOIA Gourdie Fraser, but they are documents we should have access to. He will get the documents for Mr. Lofgren.

Messages and Communications from Mayor and Council Members:

- **Inverness Township Sewer Rates/Contracts** – Mayor Pro Tem Couture asked when we sent Inverness Township the new billing rates when the City of Cheboygan took on new rates, does the Contract state the Township has to adopt the new rates at their Board level. City Manager Eustice replied yes, by resolution. Mayor Pro Tem Couture asked if they do not is it a breach of Contract. City Manager Eustice replied it very well could be and if they don't have a reasonable reason to not increase it. Mayor Pro Tem Couture asked if he knows when they make the decision, is it not on an agenda or is there a timeline. City Manager Eustice stated we are going to try and get it on the August agenda, but it is pretty tight. According to DPW Director Karmol regardless of the Contract by State law you can't raise rates on another municipality without the resolution of their board. Mayor Pro Tem Couture said we also have a Contract in place that states that. City Manager Eustice says it states they should raise rates as we raise rates. In the Contract it says they will pay the same rate as the City sewer users pay, so they should not unreasonably deny that. Mayor Pro Tem Couture stated he was unable to attend the last Committee meeting but he got a synopsis from Mayor Bronson, but feels the Committee should recommend to our Council that we put out one agreement that is in our best interest and is fair to all parties and the re-write of the Sewer Contract, if that is what we deem needs to happen, before anything can move forward; and have that completed document available for not just Inverness Township but for anyone who wants to roll inside the City limits or needs water or sewer services from the City of Cheboygan. We should have that available and yes it may have to be amended each time, but we should have that shelf ready document available and especially for this project because there is already a need. We should have the one document that we feel is proper for this Council or the Council after that adopts. Mayor Pro Tem Couture said he does not know where the discussion is at this point, but we should have that available, noting we already sent Inverness Township that document and should have that available and adopted – one option. City Manager Eustice asked if Mayor Pro Tem Couture is suggesting a 425 Agreement and a rewrite of the Sewer Agreement. Mayor Pro Tem Couture replied yes and it comes to the Council for adoption. City Manager Eustice clarified to set the millage rate and everything. Mayor Pro Tem Couture replied yes, everything. Councilwoman Riddle said she particularly would like to make a comment about it would be a basis that any other Township that wanted to get water and sewer from the City that could be base to begin. Mayor Pro Tem Couture said we have one with the Wal-Mart property; there is already one there. There is our baseline and it can be amended based on different things when we get down to the negotiation process. We already have a template we should be using and we already explored a lot of different options and ran into a brick wall, so let's just put that out there and be done with it. It will save a lot of people a lot of time. It is our stuff and we know how much we need to get as far as recouping dollars so that the City taxpayers are not subsidizing it. It is pretty cut and dry. Mayor Bronson stated he would agree.
- **Committee Updates Section on Agenda** – Councilman King commented on having a section of the Agenda for Committee updates, perhaps the second meeting of each month. Mayor Bronson said we can put it on the Agenda between the City Manager Report and Messages and Communications from Mayor and Council Members.

Regular City Council Meeting – July 24, 2018

- **Water Street Condominiums Trees** - Councilman King stated he asked the question a couple meetings ago about the Water Street Condominiums trees growing over the sidewalk on State Street, asking if there has been any conversation with the property owner. City Manager Eustice replied yes and it is their responsibility. He talked to Mr. Ed Nyhus, who actually came to us initially to say that they need to clean it up but has had issues with the Condominium Association because they don't want to pay for it.
- **Tree Overhanging Streets** - Councilman King said he noticed on Duncan Avenue and a few other places in town where the trees are getting in the way of traffic.
- **Music Fest** – Councilman King commented the Music Fest is this coming weekend. City Manager Eustice mentioned the J35 Sailboat Race is also taking place.
- **Passing of Sam Fralick** – Councilman King mentioned the passing of Mr. Sam Fralick, noting he was kind of a mentor to him. Mr. Fralick was always a cheerleader for this community and put in a lot of time as a Council Member. Councilman King stated he is wondering if the City can do a proclamation if Council agrees. City Manager Eustice noted Mr. Fralick was a 90 year resident of the City of Cheboygan.

Adjournment:

Councilman Temple moved to adjourn the meeting at 9:08 p.m.; supported by Mayor Pro Tem Couture. Motion carried unanimously.

Mayor Mark C. Bronson

Clerk/Treasurer Bridget E. Brown

Councilman Joseph Lavender

Councilwoman Winifred L. Riddle

Councilman Vaughn Temple

Councilman Nathan H. King

Mayor Pro Tem Nicholas C. Couture

Councilwoman Betty A. Kwiatkowski