

**REGULAR CITY COUNCIL MEETING**  
**August 28, 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: Temple, Couture, Kwiatkowski, Lavender and Bronson

Absent: King and Riddle

Mayor Bronson led the Pledge of Allegiance to the Flag.

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

**Public Comments:**

■ **Huron Street Project** - Mr. Ray Lofgren introduced himself stating he wanted to be on the record and acknowledge that he still has not received the information he requested under a FOIA. Tonight the City Manager did give him some information, noting it is really hard to understand and others may have a hard time understanding it also. He commented the estimate shows a project of \$1,218,069.30; most of Council knows the Wilkinson Contract was, he believes, \$1,194,000.00 and we pulled the sewer out. He went on to state two months ago he asked for a meeting and never got a meeting with the Mayor, Mayor Pro Tem and Councilman Temple. The City Manager has assured him that Gordie Fraser is going to itemize everything; however, the money is being spent which is taxpayer grant money; the sewer is being pulled out of it, and it is a big, big expense. Mr. Lofgren went on to state when he worked with Team Elmers the figure was just about \$800,000.00 for the sewer part of the project. He knows the streets were torn up a lot of times and he mentioned to the City Manager that streets were dug up four or five times. The last time was here at State and Huron Streets. It looks like it was anywhere from 8 to 10 inches of asphalt. He does not know why the elevations were shot wrong; in front of the Bishop dealership it was torn up about five times on the corner for reasons he does not know. He has not talked to Mr. Granger, who is on the site every day. It seems to him there some bulk in the figures on this job and the quality and nature of the work, streets done and a band-aid put over the old sewer and he does not think that was necessary. The road all the way into the Park was supposed to be finished today and he is not sure it got finished; but the part that is done looks nice. Mr. Lofgren commented this is the last time he wants to put this publicly on the record. He said he was told Gordie Fraser would provide him with the FOIA requested information; when you ask for something you should get it. He then thanked the Council.

■ **Rahmberg Organizational Study Analysis** - Mrs. Trudy Lofgren introduced herself asking how the evaluation is coming. City Manager Eustice informed her there is a final report in draft form, which Council has and it is in Council review at this time. Ms. Lofgren asked if that is going to be made available to the public or will it be discussed at another meeting. Mayor Pro Tem Couture replied they are not sure yet. Mayor Bronson clarified that some of Council just received their hard copy tonight.

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### **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 July 24, 2018 Regular City Council Meeting Minutes as presented; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

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

■ **Report from DPW Director Jason Karmol** – DPW Director Karmol said he would like to clarify some things concerning the ICE Grant. We had to put in sewer in the Grant because we had no video and did not know how much needed to be fixed. They would not let him go into a project and say we would not do any sewer. We had to wait for the camera video of the sewer to come back and really did want to find sewer fixes because they are looking for a lot of infiltration. There is a lot of water coming to the Wastewater Plant and we want to get the stormwater out of there. When they did the video they only found two small spots that needed to be fixed and that sewer was in really good condition; it was put in in 1976 and he really did not see any leakage even when it was raining except for two storm areas that they plugged. Those two fixes did not cost anything because the City could do it. DPW Director Karmol went on to state they decided to put the sewer money into storm improvements that were really needed and in the original grant it was just going to be a patchwork quilt of pavement, pave over the trench of the water main. The sewer is not leaking and they have camera video of it that he will make available on line. He will need an e-mail so he can send them the link to the Google Drive Videos. Everything that starts at Backus in the video continues all the way to the Plant. Also during this time they cleaned it. DPW Director Karmol went on to state the positives of the grant is that it is more than \$210.00 that every taxpayer didn't have to pay in the funding to fix a big chunk of watermain which is our main distributing pipe. They to pay engineering fees on the MEDC grant. In addition, there is a stepdown system; Lewis from MEDC, grant administrator and Brian & Lisa from RCAP all have oversight before any payment. He thinks we can do better with some information that he didn't know was needed; for instance, he asked for our original bid pack back because he thinks that is what Mr. Lofgren is looking for. We could of have them submit three, but nobody has ever asked to see the original bid pack, but this time he saw the need for it so he asked for it back. Brian Bohls is the administrator from Gourdie Fraser, kept all the stuff that he needed to do his audit on the grant. DPW Director Karmol noted he has all the information he needs to keep for the MDEQ for the grant, so we all have responsibilities to show that this money is spent wisely and properly. We have not needed any City Council money to finish the project, so the bid shows the projections of our availability to pay over because of the paving, but we won't need any City tax dollars to finish the project. Also they did not come across anything they could not fit into the grant money. We did get a lot of storm improvements that were sorely needed and weren't part of the watermain project; at First Street they had a maze of pipes they had to solve including railroad tracks in the way, pieces of the old water system in the way – they stopped for every event at Festival Square and tried to do the best we could to serve the public. With all those things in mind he thinks we should be pleased that we are looking at fresh pavement

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in the area that has a lot of traffic and now it can be enjoyed all the way to the Park. Everything from Lake Street to the Park was paved to coincide with the project to save mobilization. He did not bring a PASER Study to show the streets that were left off, but will be talking about that soon. He wants to get back on the PASER Study and start paving the streets by the ratings we were given to go by. DPW Director Karmol noted he did a presentation on this once before and will bring it back when talking about spring paving. He brings this up because he wants to go for more grants; we want to apply for funding and save the taxpayers more money when we go through and improve the system. We want to get the maximum on the grants so he does not have to come back and ask for rate increases for things they need to do. He then asked for questions. Mayor Pro Tem Couture commented he thinks it is great DPW Director used the grant money where it was needed, but when we first put out the bid and then revamped the project, changed the scope of the project, normally it was his understanding that we would rebid the project again. He knows there was a time constraint for the grant and the reason he is good with it is because DPW Director Karmol has people overseeing and okaying it above us. This tells him the State says we are okay to do that and the grant administrator, etc. are all good with that and it takes the responsibility off of the City. Is then asked DPW Director Karmol if he is correct. DPW Director Karmol replied yes, noting he is offering the new solution later but it was too expensive to do before the project. Had he had a sewer camera before we did this and the knowledge that the sewer did not need repair, it would not have been bid like this. It was a big ask the last time he was here with no grant money and no funding and no water or sewer balanced budget to come ask Council for \$35,000.00 for a sewer camera. It probably could have saved itself on the first project from all the trouble we went through, but it was a big ask to get something like that that cost a lot of money and he could not tell Council definitively that when he camera this this might save the sewer, but it would identify exactly where he needed to fix it and would have saved a lot of time in bidding this and a lot of frustration from the contractor bidding an unknown sewer quantity because they had to make some guesses, too. This is why all of the bids were larger because they wanted to bid the sewer larger than what we gave them credit for. None of them wanted to dig as deep as it was because it is below river level or the trenching of the safety problems in dealing with the sewer. Mayor Pro Tem Couture asked when it comes to a FOIA request, if Mr. Lofgren wanted to do this, it is to Gordie Fraser, correct. DPW Director Karmol replied yes. Mayor Pro Tem Couture then asked Mr. Lofgren if he put in a FOIA to Gordie Fraser. Mr. Lofgren referred to meeting minutes. City Manager Eustice stated the City can request it of Gordie Fraser, adding Mr. Bohls is willing to do that. Mayor Pro Tem Couture stated Mr. Lofgren has the right to look at the documents and let's present them to him, if we can. DPW Director Karmol stated originally when the FOIA request came in, he came to City Hall with a pen driver with gigs of data and upon that we found out that Gordie Fraser did not want him to release any information because he did not have their permission to share correspondence. So we released the stuff that was only City at the time to Mr. Lofgren because we needed Gordie Fraser's permission to share communication. Mr. Lofgren asked if he understands that Gordie Fraser needs a FOIA from him. City Manager Eustice replied they did originally request that especially the bid documents. DPW Director Karmol said he thought the bid documents is what Mr. Lofgren wanted so he asked Gordie Fraser to give them back to him because he figured that was the missing piece Mr. Lofgren wanted to see. City Manager Eustice stated Gordie Fraser is going to provide them. Mr. Lofgren stated he does not have the documents. DPW Director Karmol said there is only one copy of an original. Each bid came in a three-ring binder with an envelope that had to be opened during bid

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opening, which were kept by grant administrator Gordie Fraser. We took the summary sheet of the bids and made sure they were correct from the three-ring binders and we have been looking at the summary sheets ever since. After they confirmed the summary sheets reflected the original bids then we started using the summary sheets and allowed Gordie Fraser to keep the originals through the grant process. All of the documents will be returned to us upon grant completion.

Mr. Lofgren said the confusion seems to be with City Manager Eustice and DPW Director Karmol. He noted the City Manager just gave him three sheets tonight and has had very little time to review this. He sees no tonnage for asphalt and we are at 1.2 million, which is a figure he read earlier, and \$1,218,669.30, noting on the third page, column B – mobilization \$30,000.00. He then noted item 28 contains no asphalt. On the next page, item 73 there is no asphalt included in the figure, which is why he did FOIA. Something this big should really have been rebid, but he still does not have the proper information. If they don't want to release or the City Manager to release to him, then he can FOIA them. City Manager Eustice said he does not feel it is necessary but it might speed up the process. DPW Director Karmol commented the document Mr. Lofgren has is a partial payment document that we have not finished submitting the quantities for yet and is in the middle of payment. What Mr. Lofgren is looking at was probably submitted through 7/23, which is the last pay app that was requested. They have not had a pay app since sometime in the middle of July, so the payment quantities won't be on there and the bottom 1.2 million is the total bid amount and \$100,000.00 less than any other bidder, but the original bid amount included sewer but since we did not do the sewer we are utilizing the grant funds up to the \$940,000.00 that we were authorized to utilize. What he did was authorize paving and storm repairs up to the grant amount and when we ran out of the grant money we stopped doing things. We would like to do some more curbing and some more grading and stormwater, but we did not have enough money to continue.

DPW Director Karmol then stated the first thing on his agenda is to release a wastewater request for qualifications. Before we do anything with wastewater it is suggested that we select an engineer. The City has been working with Gordie Fraser but the federal grant administrators would like us to have request for proposals for large applications or at least request for qualifications. He explained he calls it request for qualifications because an engineering firm usually gets a standard amount per contract, so it is not like we are asking for pricing. They are going to get a percentage of the project no matter what we do. DPW Director Karmol went on to state what he wants to do is request qualifications and select an engineering firm that meets the most highly qualified for what we are asking them to do. We are going to pay the engineering firm the same amount. What he would like to do it release a request for qualifications to find a qualified sewer engineer to handle the sewer amounts that we are going to do. Once we select the engineer, those will be the people that we are going to be working with. He will work with whoever the Council selects. The Wastewater Plant had a 20 to 25 year life and is in its 40<sup>th</sup> year of service and he will be preparing the request for qualifications because it was pretty expensive to have someone else prepare it. DPW Director Karmol went on to state he is now struggling to find someone to help review his work and are going to enlist the help of RCAP so we do not have to pay to somebody do the review.

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DPW Director Karmol then informed Council we are also doing the USDA Water Application and has attached his preliminary numbers (PER – Preliminary Engineering Report) that gives us cost estimates for the projects they have selected for the deficiencies of the water system. When that came back less than the amount Council authorized him to move forward with, he looked at adding two other smaller projects. One is to add North Street to the Center Street project; specifically they have water quality complaints, as well, although not as many as Center Street. The main is the same size, age and condition as Center Street so it makes sense to do it along with it since it is running parallel to it and we already have a contractor in the area. The other thing he would like to add is there is no record of the abandonment of Well No. 2 and a well that is not abandoned properly can leach ground water into our aquifer so he would like some money to have that well abandoned properly and filled so that ground water cannot get back into the system. Right now it is protected by a berm and most of the water is running off, but before somebody forgets that it's there and somebody goes and tries to build on the berm the well is sitting on, he would like to cap it correctly and make sure there is no ground water coming back in. DFPW Director Karmol then stated he has requested updated PERs and expects that North Street should look very similar to Center Street as far as the bid. These two items to be added will bring us very close to the amount authorized to go for grant money. He also picked two other eligible items for the grant so everything in there is now grant eligible because we have rates that support it and our projects are deficiencies from the MDEQ. He understands this puts off Huron Street, Phase II and III, and he gets a lot of questions, but it is not a noted MDEQ deficiency. MDEQ jokes with DPW Director Karmol about the age of the main and the condition that it is in, but right now we have no water quality complaints coming from it. DPW Director Karmol went on to state the reason they are trying to hit the 121 year old main is we don't want it to blow up before we are ready. With all of our water quality complaints and deficiency letters and Huron Street is not on it we need to hold off it for a year and fix some of these deficiencies, and it would not be grant eligible up to 75% like the rest of the listed items. He is looking for the MEDC to open another ICE Grant and he would be happy to bid Phase II and III of Huron Street and at that case he really needs the sewers cameraed at that point so we can bid these things properly. He went on to say as we go through Center and North Streets he would like to camera those sewers, in addition to Mill Street, so he does not have to add an unknown quantity of sewer fixes. He would like to take a camera and mark where it needs to be fixed and tell a contractor how far down it is, which will save the City a lot of money and headache to know exactly where and what to repair and how many lineal feet it is. The camera will be indispensable for the City to find out what we need to bid and where. Without the camera it is very hard for him to go into an application and not address sewer fixes when he has up to 10 times infiltration into our sewer and he does not want to build a plant ten times bigger than it needs to be just because we have all of this infiltration into our sewers. Every time he does a project he is going to be made to address the sewer and it makes sense to have our own camera and bid these projects exactly.

DPW Director Karmol explained to Council that the application just includes the water and so when he follows it up with the sewer application he has to include the sewer on these streets and what we need to do with them so it is important to know an exact quantity.

To rehash what they are putting in there is a deficiency on storage so there is a new elevated storage tank on the east side of town. We have to repaint and clean the old tower. Center Street has to be done because of the complaints to the MDEQ and water quality results he

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submitted to the MDEQ. We have to do Mill Street because there is a section of 4 inch waterman that restricts the two towers from reaching the same height, so we need to take the 4 inch restriction out of Mill Street in order for the two towers to balance each other quickly. He would like to replace this with 12 inch pipe so the two towers will feed back and forth. After he adds North Street and the abandoned well, he believes we will be at the dollar amount that Council authorized and we will have taken care of all the deficiencies in the MDEQ letter. DPW Director Karmol explained even though we got a letter now it does not mean they won't add a deficiency as soon as we are done and it doesn't mean they might find something else later. We are addressing the known deficiencies.

DPW Director Karmol updated Council on the organic drop-off site, noting they would like to move it to Eastern Avenue. The site was closed due to misuse and non-resident dumping. They would like to open it back up and offer it to the residents to drop off their debris. It made sense to move the site out to Eastern Avenue because they are spending time, diesel and feeble equipment to move all the brush out to Eastern Avenue now. During the time it was closed, they took the time to buy some cameras and signage and to open up the small gate and to clear it out for the residents. Now the residents can go directly there and dump their debris and the City does not have to take a day to haul it over there now. He plans to send one guy a week to push it out of the way so that more people can dump there. You will see cameras posted and the only thing not put on the sign was the fine for non-resident dumping or someone dumping couches, refrigerators, etc. He talked to Chief Jones and it is up to a \$500.00 fine, so now that gives him something to put on the sign. You will see a City resident only dumping site and a sign announcing it is the dump for the organic debris. DPW Director Karmol commented it could be offered at the same location but they would like to have it monitored. He cannot deploy a guy just to watch the site. There are also some things that eventually come up missing such as from the scrap metal pile, as well as sand and gravel. He does not mind people taking mulch, but it is just the fact people are back there and unsupervised when it is left open.

DPW Director Karmol said he brought some items Council will see come up that are items put in the Asset Manager and when we raised the water and sewer rates these are things we need to purchase. Some items he is already authorized to purchase and some he is not. Most of them are large purchases and even though he can purchase up to \$5,000.00 when he purchases a Utility Locator for \$3,800.00 it is going to stick out like a sore thumb on the bills & disbursements. He went on to state they need a trench box, which is for operator safety and we are required to have one whenever we cannot see out of a hole. We keep using other things that aren't a trench box to get by, but what we really need is the red piece of safety equipment when they dig a hole that is deeper than they can see out of. He is still using research from all the communities on which ones they like best and is funding out the cheaper ones are going to cost him time to set up and the more expensive ones will save time in setting up. Most people do not like using a trench box because they do not want to place something in the hole that takes up room. The skid steer broom attachment is something that we put in because Parks & Recreation brooms off certain parts of the street by hand. We have a piece of equipment that this can be attached to and it is below \$7,000.00 for us to get a broom and is a piece of equipment that does not owe anybody anything. This equipment will be used 10 to 15 years. This is something that will reduce labor and result in cleaner streets. Right now the City has a 10-year Locator that doesn't give us depth and has a very weak signal. He would like a new

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locator that would give us depth of stuff he is trying to track and will also trace power lines, which are things he can put on our sewer camera so he can locate exactly where the head it and see where the problem is. It will also find underground power, telephone and cable. A lot of times we need to mark it within three feet and a Locator like this could help us narrow it down and at least tell us what is in the area. DPW Director Karmol then mentioned the Sewer Camera, which he talked about before, and is about a \$35,000.00 piece of equipment and runs 325 feet and goes into sewers up to 24 inches which is what we need for a larger sewer. We currently use 24/7 at \$250.00 a time to get us by without a sewer camera. They have helped us not excavate a lot of area by going in and finding the leak and telling him how far he needs to go down and he has been getting by by doing \$250.00 at a time doing our leg stuff. As we get into these projects, 24/7 doesn't have the camera that we need to do these 24 inch sewers or even 18 inch sewers. Their camera is made for 4 inch to 6 inch sewers. We need an extended run camera that can go between manhole to manhole and we need something that does larger sewers. DPW Director Karmol commented he thinks this could have saved the City a lot of money on this project just through the rebid process; we bid the process twice and argued over the sewer the whole time and they told us if we can't tell where the sewer needs to be fixed he needs to put all of it in for replacement. When there is an unknown quantity we have to bid it as such.

DPW Director Karmol told Council we need dump trucks. We need a single axle and a tandem axle. Most of our dump trucks we could have historic plates on and we need to not break down and we need to keep these guys deployed in vehicles that will work for 8 hours. Also, we are making the people rich that provide us auto parts; we are spending a lot of money at the auto parts store to keep our historic trucks on the road and it makes sense to put that money towards a new vehicle.

DPW Director Karmol then stated he would like to refocus our diesel pickup specification. Right now we have a gasoline specification of a  $\frac{3}{4}$  ton truck. We have three pieces of equipment that we haul that over 10,000 pounds. In town a  $\frac{3}{4}$  ton truck is pulling this, but if we have to take it out-of-town we need to find somebody else that will do it. We need a 1 ton truck. The sewer jet is over 12,000 pounds fully loaded so we are kind of doing it with the smallest vehicle that could possibly do it. There is another reason DPW Director Karmol wants to change the specifications to diesel and it is because we have a mandala contract that puts these diesel vehicles in the \$35,000.00 range. When he goes to sell the diesel vehicle it is in a whole other category with 100,000 miles than a gasoline vehicle. These diesel trucks fetch more money on resale than the gasoline trucks. They are not much more at the time of purchase; we are talking about a \$3,000.00 to \$5,000.00 difference at the time of purchase. These diesel trucks on the lot are \$50,000.00 to \$70,000.00 at the dealership so there is a lot more significant savings to the contract in diesel trucks, there is a bigger payoff for that but he knows in the past we have always selected the lowest price piece of equipment for the job we are doing. He is trying to say maybe we can spend a little bit more and have a truck that will haul our 12,000 pound pieces of equipment and have a better resale after 100,000 miles.

DPW Director Karmol went on to state all of our complaints and assistance from other customers are being done paper notes; we have a system of pushing paper back and forth and we delegate through these pieces of paper. It is very inefficient and he has put up with it for three years because he did not have another solution and the solutions that he had would have

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cost money. What he would like to do is get Computer Maintenance Management System on most of these when they are deployed which allows people in the office, Mayor and City Council and residents to give us these requests and allows him to automatically have them go to the people that can do something about it. All the requests would filter in on non-paper; they would come in so it could be logged and when he received it and when it was addressed. It would also allow him to immediately allow him to delegate those work orders that he can approve or that the City should do something about immediately to the employees that are doing it. It would be a nightmare to go back in the paper notes, which he is also saving and for Council to ask him when a customer called a complaint in and when he did something about it, because he has to go through the file of all the paper notes to find the address and look at the notes he has on it as to when it was received and when something was done about it. It is a very inefficient system but we do have another solution.

DPW Director Karmol then asked for questions from the Mayor and City Council on the items he is looking to purchase. Councilwoman Kwiatkowski asked for the cost of the Computer Maintenance Management System. DPW Director Karmol replied between \$5,000.00 and \$10,000.00, and it usually depends on how much access you want people to have. For instance, on the higher end the users are allowed to go directly to a Google Map and show him exactly where they want him to look for the repair and it logs it through the internet of the correspondence. There are some that are less money that allows a lower amount of access. DPW Director Karmol said he wanted to talk to Council before purchasing this and when he gets bids he would like to talk to Council about which one we are going to approve and what features we would have. This is basically informational at this meeting so Council will understand when he brings these quotes they will know what is coming down the pike and at that time can ask questions.

Councilwoman Kwiatkowski then asked if DPW Director Karmol is looking for grants. DPW Director Karmol replied yes, noting the first time that we will find out is when we submit the USDA Water Application, which is loaded with every item we can get up to 75% grants and then we will have to wait and see how much they give us.

DPW Director Karmol said there was one item he forgot to include, which is a waiver for Center Street customers that refuse to pay their water bills. He has talked to the people that do not want to pay their water bills because of the quality of water and what he has done is taken samples from them and there are at least four residents that have proven to him from their samples that they are above the water quality threshold for iron and if that was coming through all of our pipes we would have to have an iron removal system. What he would like to do is test residents' water; test their water and if it tests over one part of iron, like the rest of these four residents, he would like Council to grant him a waiver to waive the commodity fee only on the water side. He still wants them to pay the ready-to-serve fee because that is for the turn-off and turn-on availability. He still wants them to pay their sewer because they are still flushing. DPW Director Karmol explained he is looking for Council to allow him to waive the quantity for water that is objectionable to them. He told the residents not paying their bill is not the way to go about making a stand on the water situation. He is trying to address it as fast as he can and even holding off projects we already planned just to address it. The problem with this is when we redid the rates he put in our goals that he wanted every waiver for water over \$1,000.00 to come to him and Council. He is not going to waive over \$1,000.00 but as

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soon as he starts doing this, each one of these customers is going to have over \$1,000.00 waived through this process. He did not want to take up Council's time because he has less people coming to him for over \$1,000.00 of water forgiveness and once he told them he has to go to Council and explain it he has not had any. We had \$150,000.00 plus of water waivers before. Councilman Temple asked if the sewer is going to be replaced anyway. DPW Director Karmol replied we are going to replace the watermain. Councilman Temple asked if this will take care of the iron. DPW Director Karmol replied yes. Councilman Temple then asked when it will be bid. DPW Director Karmol said hopefully this fall for the spring. He noted they are also adding North Street as there were three complaints there, but he has not received any water quality. It does make sense to him because it is still the same age as Center Street and still the same condition, so it makes sense to him that they might be having the same complaints so that is why he was trying to put North Street in the money we had available. City Manager Eustice noted that Center Street absolutely has to be fixed and the issues is it is a million dollar fix. We cannot spend a million dollars without getting grant funding to help. DPW Director Karmol commented the cost estimate on Center Street is in the packet, being the first item on page 2 and includes everything we need including paving the road after we are done and not do patch work as he believes that is what Council wants in the future instead of paving a strip. Councilwoman Kwiatkowski said North Street would be the same amount. DPW Director Karmol said the footage is about the same because we have to go past Loomis, so if you start at the Court Street Party Mart it is not quite as long as Center Street but that distance is the same amount that we want to go to Loomis, so it is pretty comparable. Mayor Pro Tem Couture asked if a motion is needed by Council to grant the waiver. DPW Director Karmol replied he does not need a motion for that because the policy he instituted says he can grant waivers below \$1,000.00 without Council, but he is making Council aware that if he would like to grant these waivers for the people who brought him samples and he tested them – one milligram per liter as he wants to see evidence of the water quality and wants to test it and when it proves to be objectionable he would like to grant them a waiver. Mayor Bronson asked if DPW Director Karmol just wants and affirmative, without a motion, from Council. Mayor Bronson said he feels this is reasonable because there are water quality issues there. DPW Director Karmol said he wanted to explain because they are still paying \$6.00 on their water bill, which is the ready-to-serve fee that means they are connected and he can shut them off. He noted he is eliminating the commodity. Mayor Bronson said he feels it is reasonable to give those waivers on the water, noting they are still flushing their toilets for the sewer charge. DPW Director Karmol stated he did not raise these rates to give forgiveness shortly after; he needs all of this money to fix the infrastructure. He is reluctantly giving these waivers because we really need that money and he is counting on it to make payments on the project. So every waiver he gives he is trepidations to even do because all of our funding and figuring of a balanced budget depends on him collecting the revenue from the water and sewer. City Manager Eustice commented the water quality issue on Center Street is by far the worst he has ever seen in the City. Mayor Bronson commented on the water filter brought in for Council in the past, stating it is pretty evident. DPW Director Karmol was thanked.

Mayor Bronson said he knows several sewers or storm sewers have been addressed asking if he is waiting until the end of the season to do the asphalt. DPW Director Karmol said there is three ongoing but we have some issues with paving that did not come with the project and two issues on Water Street that we need to address, as well. What he is trying to do is collect all our paving for the end of the season so he can bring one guy out once to do all these little

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projects. He went on to state he knows the one on Huron is really bothering people, just like the one on Palmyra because of the length of time it took. Councilman Temple asked if he is talking about the ones with the orange cones growing out of the street. DPW Director Karmol replied yes, some of them. Councilman Temple said what bothers him is the one on West First Street asking what we are going to do with that because they tried to fix it once and it did not work. DPW Director Karmol said there are collapsing sewers there and he was really hoping Council would get him a camera so he did not have to dig up a bigger area than he needs to fix it. What they keep doing is trying to repair it but we never see the extent of the damage. Councilman Temple asked if the culvert does not go right under First Street. DPW Director Karmol replied yes. Councilman Temple then asked why he needs a camera to get under there when you can walk it; it's been like this all summer long. DPW Director Karmol commented they have one of those on Lafayette, as well. Councilman Temple said he wants to know how and when we are going to repair it, noting it is real dangerous. City Manager Eustice asked if this is the bridge Councilman Temple is talking about. Councilman Temple replied yes. City Manager Eustice then told DPW Director Karmol they need to look at this. DPW Director Karmol said they currently have the tube to fix it but we need bridge permission from the Drain Commission and County to go through because it is the Little Black Creek Watershed. He does not know when it will be fixed and it is not scheduled at the moment. Councilman Temple asked when he is going to try and get the permission, as he thinks it really should be fixed before fall. DPW Director Karmol said it might be a little difficult to fix before fall but they can try to do that, but it is a pretty big project with a 36 inch culvert with paving on top. It is something that we would like to bid out like the top of the hill on Huron Street, which is really preferred because pouring all the concrete back is going to be difficult. Councilman Temple said what is bothering him is why is it taking so long to even look at that, adding he has been getting all kinds of complaints, 3 or 4 a week, and noting how big the hole is in the middle of the road. DPW Director Karmol said they have made several attempts to plug the hole from underneath and on top and that is when they ordered a new culvert. City Manager Eustice told DPW Director Karmol he thinks we ought to send out requests for quotes and get some costs from excavators to take it as an emergency project.

■ **Planning Commission Meeting Minutes, July 16, 2018** – City Manager Eustice said he does not have anything to add, other than there is the Annual Report at the end of the minutes that does not need any action. There was not a great deal of Site Plan review the past fiscal year, July 1, 2017 through June 30, 2018, noting there was only one that was approved and the owner is still trying to get the building permits for that addition at 1576 Mackinaw Avenue. There should be multiple reviews coming up this fiscal year. The Zoning Ordinance was completed and approved and there is a change in the Zoning Ordinance in that it used to be that when a request came in for rezoning the public hearing would be held at City Council, but the new Ordinance requires the public hearing be held at a Planning Commission meeting for recommendation of rezoning to the City Council and it is just a matter of a motion to approve or disapprove. We have a request for rezoning of properties owned by the Dorey Family, which includes This Old House, two adjacent buildings and a residential property on Jackson Street. AutoZone is requesting to have that rezoned to put a store on that property. All the existing buildings will be demolished, if the rezoning is approved, and a 7,000 square foot store will be constructed on the site. This will take place at the September 11, 2018 meeting. Because the Engineer is coming from Howell, Michigan he set it up so the Engineer could go to the public hearing at the Planning Commission meeting at 6:00 p.m. on September 11 and then to Council at 7:00 p.m. the same night.

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Councilwoman Riddle entered the meeting at 8:00 p.m.

Mr. Wes Berlin is the Engineer and will be in attendance at both meetings. Council will have the survey and drawings in their Council packet for September 11. The properties are mixed zoning and the rezoning request is to change them to B-4, General Commercial. If the rezoning is approved, they will then bring a Site Plan before the Planning Commission for review and recommendation to the City Council. City Manager Eustice noted there is some concern with the residential properties on Jackson Street and S. Water Street, but it is all going to be separated and buffered by Ordinance. This is just a change as to where the public hearing is held, which is pretty common throughout the State that Planning Commission's do hold public hearings, which we never had as they were all held at the City Council level. Mayor Bronson asked if the Calcite Credit Union site was another site that was a mixed zoning site and was all zoned one zone. City Manager Eustice replied yes.

### ■ **Parks & Recreation Commission Meeting Minutes, June 20, 2018 and July 23, 2018** –

Mayor Bronson noted there are two months of notes in their packets, stating there is a lot of discussion going on with this group. City Manager Eustice commented we now have a seven member Commission and have had some great participation. They are working on updating the Recreation Plan and are targeting the late winter or spring of 2019 to have it done and presented to Council for approval. They are having regular meetings and he does not feel we need an outside source. City Manager Eustice stated that Kate Schulz is the Chairperson and is doing a lot of work on editing the current Plan and making some additions. He talked in some detail with Ralph Farver, who is the President of the Cheboygan Hockey Association, and there is very little in the current Plan with regards to the Ice Arena, so he is going to meeting with Mr. Farver and Jamie Huber, Vice-President of the Hockey Association and make some additions regarding the Ice Arena and incorporate it into the Recreation Plan. It is important that we look at that issue continuously.

### ■ **City of Cheboygan 2018 Public Auction, August 30, 2018 at DPW Garage** –

City Manager Eustice noted Council has a listing of what is up for public auction and it is at 6:00 p.m. this Thursday night. He asked Chief Jones if he has any additions to the listing or any other items. Chief Jones commented a few items have been added each day. City Manager Eustice said this is not something they do annually, but it is something we do as we accumulate items that need to be disposed of. We cannot as a municipality sell an item directly to the public, it has to be auctioned and this process is what is necessary for moving these items along and getting some money for them. He briefly reviewed some of the items. Councilwoman Riddle asked if there are ever any items that do not go by auction and what happens to those. Chief Jones answered everything goes. City Manager Eustice stated occasionally with a computer we will smash the hard-drives and dispose of them because they are worthless to auction. Mayor Bronson commented we can give stuff away, we just can't sell it.

### ■ **Downtown Development Authority Meeting Minutes, August 7, 2018** –

City Manager Eustice said there is a public hearing at the City Council meeting for the Downtown Development Authority Development Plan; we are amending that Plan and adding some items to the Plan including the Michigan Main Street. The public hearing is September 11, 2018. The Plan is available and published and required a 20 day notification.

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### General Business:

■ **Consideration of Making Formal Application to Michigan Economic Development Corporation (MEDC) for Michigan Main Street Select Level** – Mayor Bronson said the Council received a report. Ms. Kirsten Guenther, Downtown Enhancement Administrator, stated at the last City Council meeting she presented the Council with a Main Street Report of what the Main Street Steering Committee has accomplished to date. As she said at the last meeting, to formally apply for the Michigan Main Street, we need to have a Letter of Intent from the community, which is the City Council. Provided with the Council packet is a sample letter they are hoping Council will sign. Also in the packet is a Fund Development Plan, which is another item required in the application, as well as the Communication Plan. The City Manager Eustice will go over the Fund Development Plan and we have Sherry Nelson, Communication Chair, who will go over the Communication Plan.

City Manager Eustice reviewed the Fund Development Plan, which must go in with the Application. The actual Application is not until December, but what we are asking for tonight is a motion to approve a Letter of Intent to submit application. We do not have to put the Fund Development Plan in with the Letter of Intent nor the Communication Plan, but wanted Council to see both of these Plans and get a feeling of what it is going to cost us and what we need to move this process forward to get to the Select Level. The proposed budget for the Michigan Main Street Select Level is on the last page of the handout and is a five-year budget (revenue and expenses). The proposed revenue side for the first year is \$293,750.00, which is higher than what the DDA budget is currently. This Fund Development Plan would replace the DDA Budget; the DDA and Main Street would come together as one unit. The Tax Increment Financing, the DDA's biggest fund of about \$225,000.00, would become part of this budget and the budget for the DDA is roughly in the \$225,000.00 to \$230,000.00 range with some donations. This budget is higher because there are community contributions that we are depending on; the Bring It Cheboygan Group and Steering Committee are working to provide some of these contributions through business owners contributing. There is a City contribution of \$25,000.00, which would come from the General Fund, He went on to state in talking with the MEDC to look at our application they want to see some kind of financial commitment from the City to help with this program. Ms. Laura Krizov said \$20,000.00 would probably be the minimum if we want them to consider our application. They want to see that the City Council/Governmental Body of the City is in favor of this. Overall there is \$293,750.00 in revenue and the expenses are \$166,079.00, so financially that gives us \$127,671.00 to work with. We are adding about \$75,000.00 to the DDA budget because of local, private and City contributions and some fund raising, along with \$10,000.00 in a raffle for fundraising. FallFest has also contributed monies, making about \$7,000.00 last year on FallFest, although we budgeted about \$5,000.00 annual revenue for FallFest. Mayor Pro Tem Couture asked if the group that is doing the Main Street Program, should they not go to DDA meetings and present the same to the DDA. He is trying to decipher the differences between what is the benefit of this over the DDA; it is joining/merging with the DDA. City Manager Eustice pointed out the biggest thing if you are a Michigan Main Street designated community there is a lot more benefits the MEDC can provide for you, such as engineering services. Mayor Bronson commented there is a whole list of benefits that come with being a designated City,

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such as the property near the bridge was advertised by the MEDC and by becoming a select member we would have more opportunities to list properties like that State-wide. We would also get better granting opportunities. Councilman Temple asked what happens if these contributions stop coming in. Mayor Bronson said there is nowhere it says we have to stay with it forever. Mayor Bronson said this reminds him of the Carnegie Library Program where Carnegie came around and said he would give money to build the Library when the City makes a commitment to fund it after he was gone. The City has to have some skin in the game to participate in the benefits it brings. Councilman Temple pointed out the wages/salaries start right out at \$47,500.00 without benefits. Mayor Bronson said the benefits are all listed. They are talking about merging the salaries being spent in the DDA now; we are not adding to them. City Manager Eustice replied we right now are funding these wages and benefits. \$30,000.00 of it is going to go back into the General Fund that the DDA is no longer going to pay for his wages and benefits so the frees up \$30,000.00 for the Main Street/DDA. Mayor Bronson said we are to have a person 30 hours per week and the City Manager is talking about merging that job, as the Downtown Enhancement Administrator becomes the lead person on that. City Manager Eustice replied yes, noting the Michigan Main Street Director is the TIF Director and it cannot be the City Manager or the Mayor. The Michigan Main Street Program will be 100% funded by the DDA Fund/TIF and contributions. Mayor Pro Tem Couture inquired if the DDA is on board. City Manager Eustice replied they motioned to approve it; there was some reluctance early on because they felt they were already kind of doing this, but the benefits for having a combination DDA/Michigan Main Street are much better than we have currently with the DDA. The DDA doesn't really solicit business from outside the community or the County and the Michigan Main Street focuses on trying to get new private investment into the community. We have that momentum right now and have people that are investing in our community mainly because of some of the things we have done with Redevelopment Ready Communities and Michigan Main Street and the Bring It Cheboygan Group; they are focusing on bringing new investors to our community and it is working. Look at Simply Marcella's, Queen's Head and the Nauti Inn. The new business development wants to participate in a community that is focused on improving the community/improving the downtown. Councilman Temple asked if they look for businesses that will come in and pay a decent wage. City Manager Eustice said that is part of it, but one of the things the Michigan Main Street Program does focus on is providing good paying jobs and getting investment into the City. It does address that. Mayor Bronson asked if the \$127,000.00 after expenditures is what the DDA would have to continue their projects. Mayor Pro Tem Couture asked if that aspect of the DDA does not go away. City Manager Eustice replied it does not. Mayor Pro Tem Couture then stated this combined Board can choose to spend that money on other things, correct, outside of the DDA, or will there still be a boundary. City Manager Eustice answered there is still going to be the DDA boundary and the Tax Increment Financing portion will stay in the DDA. Councilman Lavender asked exactly what will be the added responsibility for an additional staff person for the Main Street Program; is there a job description for what the duties are for this person. City Manager Eustice answered yes, in a sense. That is something the Committee and the DDA are going to have to verify and come up with exactly what they want that person to do. There is a generic job description for a Michigan Main Street Manager and it is basically to manage the TIF side of the DDA and the Main Street and seek grant funding, look for projects, manage the Downtown Development Plan and also try and get new business into our community and do marketing. Councilman Lavender asked how that is different than what we have now. Mayor Pro Tem Couture commented it sounds like the job

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description we had for the DDA Enhancement Administrator position. City Manager Eustice answered they are very similar, but being a Michigan Main Street Community again will bring us more from the MEDC, more opportunities of grant funding, and provide us more services (engineering, marketing). Mayor Bronson asked if there is different grant funding available through the Michigan Main Street Program for eligible cities. City Manager Eustice replied they are changing that at this point. There is going to be grant funding available for Michigan Main Street Communities that other people will not be able to apply for. The same with Redevelopment Ready Communities. The MEDC is getting to the point if you are not a Michigan Main Street Community or a Redevelopment Ready Community you may not be eligible for any grant fundings that are available, i.e. the ICE Grant for Huron Street. Councilwoman Riddle asked if the Redevelopment Ready Communities go along with the Main Street Community. City Manager Eustice replied yes, we are going to have to coordinate those. Councilwoman Riddle commented there are things that the State has changed its guidelines for getting funding. Councilwoman Riddle asked what indebtedness is there in the DDA still; she knows the bridge is now off. City Manager Eustice referred her to the second page to the Loan Principal Repayment and Interest. The payment next year for Festival Square is \$56,763.00. That is the debt the DDA has and it goes through 2022. Mayor Pro Tem Couture asked what the DDA has at the end of the fiscal year after expenses. City Manager Eustice replied until this upcoming fiscal year they had nothing; they spent almost every dollar brought in because of the debt on the pedestrian bridge. Going forward to the next fiscal year they do have about \$65,000.00 to work with for projects. Adding the Michigan Main Street and getting contributions it will be well over \$100,000.00. Mayor Pro Tem Couture commented the City's General Fund is going to put \$25,000.00 in, so it is close to \$100,000.00. He went on to state there is an additional value. Mayor Bronson commented the \$127,000.00 is the DDA budget and \$25,000.00 comes from the City's General Fund. City Manager Eustice commented it is not there now. Mayor Pro Tem Couture commented we are robbing Peter to pay Paul and at the end of the day whether it is DDA versus Michigan Main Street/DDA, how much is going to be left over after the TIF and all the expenses are paid – what can go into the community. It looks like it is going to be more with the Michigan Main Street at the end of the day. Now there are numbers for revenues that are goodwill – people working harder to find more money. More volunteer work, more raffles and going out and getting contributions from businesses, property owners, residents, and community groups – that is the difference. City Manager Eustice replied it is. Mayor Pro Tem Couture said he applauds people who put their extra time in lately with Michigan Main Street and the Bring It Cheboygan Group. The DDA is already there – do it there. It is just a different group of leadership. In some sense of the way, it is another group that is taking over the organizational part of it. Maybe that needs to happen, but does not think he is comfortable yet. We need to look at that City wide. That is just what we spent money on for an Organizational Analysis that we are still rifling through at this point. This might be the correct direction, but if not we can get out of it.

Mayor Bronson said what Council is deciding tonight is whether we will send a Letter of Intent but we are not making a commitment until December. Mayor Pro Tem Couture questioned if this has to be sent in prior to December; if we don't do this now we can't put our application in. City Manager Eustice said that is correct. Councilman Lavender asked if there is an impact statement of what it is going to do to the General Fund, which is \$25,000.00 plus the City Manager's portion of his salary of \$30,000.00, which is \$55,000.00. His question is is

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there an impact statement that is going to happen specifically on the City's General Fund with the Main Street Program. City Manager Eustice replied that is basically the impact. We are moving \$55,000.00 out of the General Fund. Mayor Pro Tem Couture commented it is a double-edge sword. If he is opposed to the Michigan Main Street then he is discouraging all the people who care about the City of Cheboygan and have been volunteering and that is not the intent if he is not into it. He does not know if this is the mechanism and has felt this way from the beginning of the original Main Street delivery. Councilwoman Kwiatkowski said if we do the Michigan Main Street and it develops on Main Street like we hope that it will, won't that add to our General Fund and make up for these expenses. Mayor Bronson said that is the goal. Councilman Temple said we need to develop Main Street but we also need to develop the rest of the City. Councilwoman Riddle said by developing this program that is set up and we have the support of the State with this program, is one step. Another step that we want to take is making changes in our Recreation Plan and there is a lot of discussion and talk about how we can do that. There are all ways to improve and move the City forward; we can sit back and be afraid to spend a little bit of money to improve or we can take that first step. City Manager Eustice commented the key is the external benefit of developing the Michigan Main Street Program and improving the community downtown, which will sprawl into the outskirts of the community and people will invest. Councilwoman Kwiatkowski asked if the Main Street Program helps new businesses that want to come in; do they get extra grants or money if we are a Main Street city. City Manager Eustice said they can and that is why we set up the DDA District to be eligible for Community Rehabilitation Grants and Community Redevelopment Grants. Mayor Pro Tem Couture asked why we don't make the whole City eligible for that. It is because Main Streets nationwide are distressed so you need help like the Michigan Main Street Program to develop them, to get them back to where they were in the 50's. The east side of the City is distressed and other parts, too, but the south side in and around Walmart are not distressed so those are going to develop just because of the economy. If you develop a strong Main Street downtown and get buildings filled, those areas will develop as well and they are going to build the tax base because they don't need a break because they are going to get a return on their investment by putting a building up on the south end of the City.

Mayor Bronson commented there are audience members that want to speak on this, then we will come back to Council discussion. Scott Herceg, Executive Director, Cheboygan Area Chamber of Commerce, said he is here tonight to represent the 11 members of the Cheboygan Area Chamber of Commerce Board of Directors and 340 plus member businesses and organizations from the Chamber of Commerce. The Chamber strongly supported the full adoption of the Michigan Main Street Program here in Cheboygan since the beginning of this discussion. They do so for four main reasons: (1) Get Cheboygan on the list for potential avenues for attracting businesses to Cheboygan – the MEDC cannot mention Cheboygan because they are not a Main Street Community and they only give people inquiring of places for their business are Main Street communities. (2) The support of the Main Street Program brings through Best Practices and the framework for success. The Michigan Main Street Program is a highly customizable system and it is proven State wide and nationwide. We can adapt it for whatever we need but it gives us an extra level of coaching, resources, training, intelligence and support that we do not have right now. As part of the Michigan Main Street we have an entire battalion behind us that is willing to help the fight of economic development with us. (3) Give Cheboygan a win and further the momentum. Mr. Herceg said it was

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mentioned before the Bring It Cheboygan Group is probably the most visible and well known group but there are many other groups that are working behind the scenes to advance Cheboygan. There is a groundswell of enthusiasm in Cheboygan right now. He has a meeting tomorrow with a Detroit magazine that is specifically coming to Cheboygan to write an article on our economic development momentum and enthusiasm. There are 26 new businesses that have started in the last two years. He was asked to mention the specific magazine. Mr. Herceg replied “Crain”. He went on to state close to one-half of the 26 new businesses were downtown businesses. (4) It makes financial sense. Mr. Herceg stated the budget in front of Council is probably way more familiar to someone like him than someone like City Manager Eustice. It is not a municipal budget but a non-profit budget and is the uniqueness. He was able to assist with the formation of this budget and this is a very, very healthy budget to run a non-profit on and very doable. Mr. Herceg went on to state the salary of the Main Street Director has come up and from his understanding of municipal budgets the adopting of the Michigan Main Street Program is budget neutral for the City as far as salaries go. The same dollars the City is putting out right now, to pay DDA Director Eustice or Downtown Enhancement Administrator Guenther, gets reshuffled a little bit to provide for a Michigan Main Street Director; no new dollars. It is budget positive at \$127,000.00 and this can be reinvested into new programs and use it to further Cheboygan. In closing, the Cheboygan Area Chamber of Commerce strongly believes in the Michigan Main Street Program and, if fully adopted, has the potential to be more economically transformative for this community than the Meijer’s Project. When you look at Boyne City as an example of this, 15 plus years ago he had an opportunity to buy a house in Boyne City for a job that had him on the west side and he said absolutely not; Boyne City at that time, in his estimation, was a dying community. As he has gotten to know Cheboygan, Boyne City and Cheboygan have a lot of similar history, a lot of manufacturing, etc. That is all changing for us and has dramatically changed for Boyne City. Fifteen years ago, when he was considering buying a house, he did not know Boyne City was considering getting into the Michigan Main Street Program. They were one of the first communities to do so in the State of Michigan. They are now a poster child for doing it right. Their economy is booming, their population is expanding, their property values are rising, and their school is growing. These are all things we would love to have here in Cheboygan and they do not have a Meijer’s. Mr. Herceg said the Chamber Board would like to reassert their 100% support of moving to the Select Level and adoption of this Program and would encourage Council to demonstrate their same support on a resolution tonight.

Mr. John Costin, new owner of the Queen’s Head, a local pub. He must say it seems quite successful and he had the opportunity to meet a huge number of residents and citizens over the last 31 days. The Council should certainly be given a lot of credit at the moment for Cheboygan’s action of having momentum. You don’t see it if you don’t feel it; others do, it’s there. The Council should feel good about that. The most important thing now is to actually maintain or improve on that momentum moving forward. The Main Street Program is not rocket science and he does hear why the DDA can’t do what the Main Street Program does. Well, frankly it could but would have to change its whole purpose and whole outlook of the way it meets. The Michigan Main Street isn’t a process of where you meet once a month and approve something; Michigan Main Street is a working group that puts in several hours of work a month on tasks and projects. Michigan Main Street requires an awful lot of personal time of all those involved. We are very lucky; we have a big volunteer force, with the Bring It Cheboygan Group having over 400 volunteers. They are not at every meeting but they are

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available to give economic advice and physical support and we are very, very lucky to have that in the Cheboygan area. Mr. Costin said he personally feels the Council should send this Letter of Intent and then spend time over the next few weeks to ask lots of questions as to how it is going to work. If we get this Letter in we are on the road to get to the Select Level which will bring a lot more resources, grants and opportunities to Cheboygan. If we don't put this Letter in now, we wait another year. He employs Council to back all the great people that are working towards making Cheboygan great, just as Council is, noting the time Council has given up. His plea is put it in and then let us prove to Council they are making the right decision.

Ms. Sherry Nelson agreed with Council that the most painful part of this whole project would be the conflict between the DDA and the Michigan Main Street Group. Currently they are working with two completely intact sets of managers, workers and boards, etc. That probably will have to evolve because there is so much work to be done and so many things they can do and so much outreach they have to do, it is not something that the DDA will do and the Main Street people have shown that they are willing to do it and they can do it. It is not something the DDA can do or will do and somehow they will have to merge, but it may be painful and it will be difficult and won't happen overnight. It may just happen down the road, but the DDA cannot do what the Main Street is doing.

Ms. Mary Hebert said her point of view is a little bit different and will go along with some of the revenue that will come back to the community through the increase in real estate values; that is a given. She mentioned at an earlier meeting that if went and looked at a community pre Michigan Main Street and the real estate values before and after, and there was a sizable increase. She has, in fact, verified this and it is true. Truly, we are seeing some of that already happening here but the surge of new information, new energy, new lessons and best practices from other communities that we would benefit from she thinks would be definitely something that we should try and work together to make sure that we continue it and make Cheboygan stronger for it. Ms. Hebert said she was at the very first Michigan Main Street meeting that ever happened in Michigan, Saline/Ypsilanti, and those communities were struggling and were manufacturing communities. They realized there needed to be new job creations and new infusion of businesses in that community and it has proven to be true and she is sure the same thing can work in Cheboygan. We have the momentum and there are definitely some really smart and really good people that have been working on this for a while and thinks there would be more harm created then if we didn't apply. Ms. Hebert went on to say her deepest fear is that it would set us back; she would vote yes for the Letter.

An audience member asked if the City cannot get some funding from the County; they ask the City to throw money in, so why can't we get money from the County. City Manager Eustice said there is a line item in the plan for County revenues but it is zero right now.

Mr. Ray Lofgren said he is not for or against this, but some of you have considered in the past whether or not to dissolve the DDA. He hates to see a bumping of heads because of this or dissolve the DDA. Mayor Bronson said there is always going to be a place for both because not everyone who is involved in the Michigan Main Street committees and boards would be eligible to be on the DDA Board. There is criteria for the DDA Board, so he thinks there is a means to have two groups. To be on the DDA Board you have to have a business in the area

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or have a connection in the DDA District. Mr. Costin commented you can have sub-groups and sub-teams and everyone who wants to be involved he thinks would have a place to be involved. Mayor Bronson said Mr. Costin is right, but not everyone who is active in the Michigan Main Street committee may not be eligible to be on the DDA Board. Mr. Lofgren said he is only talking about the revenue grasping and believes it is the same DDA; if he is wrong he stands to be corrected. Councilwoman Riddle said the monies are coming from the DDA budget. Mayor Bronson said the bulk of it is. Councilwoman Riddle said there is nothing in front of Council that states the DDA is in favor of these monies being absorbed by Michigan Main Street; one question that she has, and she does not want to step on toes, but monies that are collected for the DDA are meant for the DDA in some way, shape or form, and how does this budget address that. City Manager Eustice says it has to be merged, although they are basically one and the same. The DDA will become Michigan Main Street and the budget for the DDA will become the Michigan Main Street budget. Councilwoman Riddle said there was no information in the DDA meeting of the approval of that actually happening. She thinks we have a little bit of the cart before the horse because this is a Main Street Fundraising Plan, absorbing DDA funds, and she sees nothing with reference from the DDA saying yes this is doable. Councilman Temple asked if the City Manager can get Council the information they need because they have until Wednesday. City Manager Eustice stated we have until the end of the year to actually submit the application; again, this is just a Letter of Intent to further the program. We are not making any commitment financially and even when we make application in December, we may not get it. We have to make a presentation in February in Lansing and have to have a group go down and do this; they may not select us. Even if they do select us if Council is not comfortable with moving forward with that then don't; we don't have to make that commitment. He thinks we should at least make a commitment to the process. City Manager Eustice explained the funding plan really does not take effect until months after you are selected, then you have to come up with how you are going to fund it. Councilwoman Riddle asked if Council can get information back from the DDA as to how they feel about it. City Manager Eustice said the DDA made a motion to support the Michigan Main Street Program; does Council wants a motion to use Tax Increment Financing for Michigan Main Street. Mayor Pro Tem Couture stated that is essentially on the City Council. Mayor Bronson said it would help if there were a recommendation from the DDA that they are for this plan, as it would let Council know that they see a benefit to it. Councilwoman Riddle suggested finding out what DDA members would like to be a part of the Michigan Main Street. Mayor Bronson commented there is a lot of overlap already. Councilwoman Riddle agreed but there are grey areas she is a little uncomfortable with that haven't been addressed completely and whenever you make changes and this is a growth change, where we are growing and changing our look as far as what the community is doing, there are some growing pains but you want to limit them as much as you can by keeping everyone informed and being aware that you are not stepping on someone's toes.

Councilwoman Kwiatkowski moved to submit a Letter of Intent to the Michigan Economic Development Corporation and to apply for the Michigan Main Street Select Level Program; supported by Councilwoman Riddle. A roll call vote was taken; motion carried unanimously.

Mayor Bronson encouraged Council to get their specific questions to City Manager Eustice, noting he has questions regarding the softness or firmness of contributions, i.e. do they have pledges.

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**City Clerk's and Treasurer's Comments:** Clerk/Treasurer Brown stated she provide Council with the debt service schedule for the Zamboni machine. This is an annual payment, with three payments left totaling about \$8,800.00. This will be paid off in 2021.

She then noted we are a little bit backlogged on some of the meeting minutes with the Primary Election going on. This was discussed and we think that a solution would be to actually upload our recorded meeting minutes to the website so that anybody would have access; they would be out there quicker and would save a lot of time on the backend typing those. Unless she has some strong opposition tonight, we would draft a policy for the next meeting to be approved by Council.

Mayor Bronson agreed, stating he has discussed this with Clerk/Treasurer Brown and some of the staff. He had stated previously he liked having in-depth minutes because that is only way he knows what is going on in the discussion, but as he talked with staff, noting he does minutes for the Library Board, and for every hour on the tape recorder there is probably two hours of listening to it and recording it. One person does all the minutes for the commissions and he started adding up the time, we are probably paying someone about half their time to write minutes. If Council is okay with it minutes would become just a very brief description of what happened at the meeting and not the dialogue. Clerk/Treasurer Brown added also the action items that need to be followed up on. Councilman Temple asked how the minutes will be given to Council. Clerk/Treasurer Brown stated an audio of the minutes would actually be posted on-line on our web page, or could be placed on a CD for Council members if requested. We would still have some typed minutes that just go over the action items and things that need to be followed up on. She stated this would make it easier for Council to remind them of what was discussed last time and what needs to be followed up on. Clerk/Treasurer Brown then asked if staff can draft a policy for Council's consideration. Councilwoman Riddle asked if the minutes go on the site, is it typed out, or do you listen to it vocally. Clerk/Treasurer Brown replied you would listen to it vocally. City Manager Eustice explained it is an MP3 file and most any computer has the software to listen to it. Councilwoman Riddle asked if there is a lesson they can have, if needed. City Manager Eustice replied absolutely. Clerk/Treasurer Brown replied they can do a walk-through of that. City Manager Eustice stated the nice thing about digital files, although some are fairly large, we have enough storage capacity to store all meetings forever. Councilwoman Riddle asked if they are stored on site or in the Cloud. City Manager Eustice replied on-site, but we can use the Cloud. There is unlimited storage out there. Councilwoman Riddle said she is a little uncomfortable with the Cloud because when they are away from where you are they can just go away; if you have control over this item then you can always pull information from it. Clerk/Treasurer Brown said staff would draft a policy for the next Council meeting and if there is still concern, it can be talked about at that time.

Councilman Lavender inquired as to how the on-line payments are coming and if it is going smooth. Clerk/Treasurer Brown said it hasn't been terrible; we didn't take as many tax payments as we initially thought because of the 3% fee. When you make a tax payment the 3% adds up pretty quickly. We are seeing a lot of the utility bills being paid on-line. We are

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starting to see more people shifting to making payments on-line. It is just a matter of weeding through them and getting them to where they need to go.

### City Manager's Report:

- **Brush Drop-Off Site** – City Manager Eustice noted DPW Director Karmol addressed the issues with the brush drop-off site, noting we are now using the Eastern Avenue site. He told Councilwoman Riddle, as she was not present for this discussion, we had issue with the site behind the DPW as it got full and there were a lot of non-City residents using the facility and we did not have the ability to move the pile of brush. He then explained we typically move the pile of brush from behind the DPW building to the Eastern Avenue site, which is another step and takes more manpower. DPW Director Karmol decided to just use the Eastern Avenue site, which will be open all the time and is cameraed so we can make sure it is only City residents using the facility and people are not dropping off washing machines, refrigerators, etc. It is the southernmost gate and the best way to access the site is to go down Vanyea Road because it is paved and make a left hand turn onto Eastern and the first gate you see on the right you go in and drop brush. City Manager Eustice commented he thinks this year we got a lot more brush at that facility because there was a burn ban on due to the dry summer and people outside of the City could not burn brush and they knew they could bring it here and we got an influx of additional brush. We have had a lot of calls and a lot of uproar about that facility being closed because there are citizens that depend on that, especially older citizens that have a hard time of disposing of tree limbs and brush. Councilwoman Riddle asked if we manage the site for separation or turning it into chips or making it so it is reusable. DPW Director Karmol replied no, adding currently what is dropped off there and what we take out there decomposes. It is pushed off to the edges of the property and is allowed to decompose. The people that trim trees drop their mulch off behind the DPW for that to be utilized. We currently do not recycle or burn any of that debris. Councilwoman Riddle commented years ago there was a trip down to Gaylord to see their DPW facility and they have quite an extensive recycling of brush and then the City residents have the availability to come in and get the mulch, but that is a lot of time and we don't have the manpower to do that. DPW Director Karmol stated some cities do not have a choice but to buy equipment to make all the branches go away because they do not have the space we do. We do not have to have a chipper to reduce the volume of brush that we receive. She then asked to speak with DPW Director Karmol at the end of the meeting.

- **Dalmac Bicycle Group** – City Manager Eustice reported this weekend we will have a Dalmac Bicycle Group here; it is rather a large event and is not all being held in the City. It is a Lansing to Mackinaw City ride. There are going to be as many as 300 people in Cheboygan on Saturday and they camp at the High School. The School is providing them with a dinner Saturday night, but they do not have to eat there. There will be transportation if some of the riders elect to eat downtown. We should have a nice influx of bicycle riders in the community Saturday. These bikers are road bikers; they do not use a trail and ride on the roads and highways. They will end up in Mackinaw City on Sunday and there are about 1,100 bicyclists total.

- **State Street Bridge Walk on Labor Day** – City Manager Eustice announced the State Street Bridge Walk will be held on Labor Day and people may begin to line up around 11:00 a.m. with the actual bridge walk starting around 11:40 a.m. There is free hotdogs in Festival Square after the walk. This is our 19<sup>th</sup> year of the State Street Bridge Walk. Councilman Temple stated the bridge walk was longer than 19 years because Snoopy's used to put it on and his brother was one of the starters of that.

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▪ **Committee Updates** – Mayor Bronson inquired on the Rahmberg Stover Analysis. Councilman Lavender reported they got the initial draft report for the Organizational Analysis from Rahmberg and Council received a copy today. He went on to state that Mayor Pro Tem Couture, Councilman King and he talked and they have been through the draft report and already discussed it; the Committee feels they would like to have a conference call with Rahmberg and also thought it would be a good idea that they put together a draft Proposal for Council action from the Organizational Analysis. Mayor Pro Tem Couture said obviously they cannot meet in a quorum but they can answer questions and we need to start the discussion. Councilwoman Riddle asked if it would be beneficial to have a special meeting to discuss the Analysis. Councilman Lavender said he has no pre-conceived thoughts and it is however Council wants to proceed. Mayor Bronson commented no other committees met. City Manager Eustice stated only the Main Street Steering Committee and Council heard most of that earlier tonight.

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

▪ **County Plan** – Councilman Lavender inquired about the Plan the County was working on along with the Port Initiative Group and there was an economic development person that was going to a collaborative effort, wondering if that has gone away. City Manager Eustice replied it has not; the County is still focusing on that side of it at this point. He believes at this point they are going to send out Request for Proposals for that position, which will be a contracted position. He does not know if they made a motion today to do that, although he thinks there was some discussion today. The next step is to have a job description and a listing of what the requirements of this position would be and then send out Request for Proposals and see who they get. Again this is not a County job, it is a contracted position and will probably be for two years. Mayor Pro Tem Couture said this is part of the same discussion on economic development, it is the same basket we are all talking about. When the City does a loan potentially with the Michigan Main Street, the County should be on the same side, so we are all in the same box. It is tough that we cannot break those walls down.

**Adjournment:**

Mayor Pro Tem Couture moved to adjourn the meeting at 9:16 p.m.; supported by Councilman Temple. 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