

REGULAR CITY COUNCIL MEETING

January 26, 2021

The Regular City Council meeting was called to order by Mayor Tebo via teleconference at 7:00 p.m.

Roll Call:

Present: Johnston, Tebo, Mallory, Kwiatkowski, Raab, Brandt, Hocquard

Absent:

Public Comments:

- Ms. Sharen Lange updated Council that the broadband survey goal had been met and the next step would include an analysis and recommendation phase and a plan under the supervision of Connected. They are hoping to schedule a conference meeting late February/early March to discuss funding sources. In addition, she reported that the VA Clinic's RFP for Cheboygan was released and would remain open until February 25th. She also discussed a potential Cheboygan County Economic Summit with the NLEA in late May.
- Mr. Roger Kopernik commented on the short term rental information that was provided to Council. He is hoping to see a motion from Council to move this issue to Planning & Zoning for consideration. Short term rentals are allowed County wide and he sees it as a benefit to the City.
- Ms. Connie Reiger commented that she is excited to hear about a potential VA Clinic and broadband in Cheboygan.
- Ms. Louis Vallance commented that there still isn't a map or instructions available for the internet downtown. He also commented on a tax bill issue he is having with a board of review decision that was made. He also inquired about the new city manager.

Council Response to Public Comments:

- City Manager Tom Eustice responded that the wifi downtown is currently working and no password is required. He is working with the DDA to switch vendors.
- Mayor Tebo responded that short term rentals would likely be addressed the first meeting in February.
- Mayor Pro Tem Johnston responded that she was provided a letter from Ms. Louis Vallance that was issued in 2018 by City Manager Tom Eustice regarding potential water projects in 2021 including running additional water on the East side of town. City Manager Eustice responded that it would not be fiscally responsible to run additional water services that far out on the East side and that project is not currently in the Capital Improvement Plan. Councilwoman Johnston requested a new letter be drafted and issued to Ms. Vallance updating him with the current plans.
- City Manager Tom Eustice reported that he met with City Attorney Stephen Lindsay and City Engineer Jim Granger to review the assessor's plat and original lot line agreements. They are working with Mr. Jerry Malloy on how to Quit Claim Deed the properties to clear the title issues. He will set up a meeting with Mr. Preseau after he is able to meet with Jerry Mallory.

Approval of Agenda and Receive and File All Communications:

- Mayor Pro Tem Johnston moved to approve the Agenda and receive and file all communications, seconded by Councilwoman Raab. Motion carried unanimously.

Approval of Prior Meeting Minutes:

- Councilwoman Raab moved to approve the Special City Council Meeting minutes of January 9, 2021 at 10:00 a.m. as presented, seconded by Mayor Pro Tem Johnston. Motion carried unanimously.
- Councilman Mallory moved to approve the Special City Council Meeting minutes of January 9, 2021 at 2:00 p.m. as presented, seconded by Councilwoman Raab. Motion carried unanimously.
- Councilman Hocquard moved to approve the Special City Council Meeting minutes of January 10, 2021 as presented, seconded by Mayor Pro Tem Johnston. Motion carried unanimously.
- Councilwoman Raab moved to approve the Regular City Council Meeting minutes of January 12, 2021 as presented, seconded by Mayor Pro Tem Johnston. Motion carried unanimously.
- Councilwoman Brandt moved to approve the Special City Council Meeting minutes of January 20, 2021 as presented, seconded by Mayor Pro Tem Johnston. Motion carried unanimously.

Communications and Petitions:

- Presentation of Annual Financial Report Year Ended June 30, 2020, Mr. Richard Neihardt, Gabridge & Company.
 - Mr. Richard Neihardt reported that the City of Cheboygan received an unmodified opinion which is the highest opinion you can receive on a financial statement.
 - Mr. Richard Neihardt highlighted key components of the Annual Financial Report including unassigned fund balance, pension liabilities and the Ice Pavilion deficit.
 - Mayor Pro Tem Johnston inquired about the custodial credit risk. Mr. Neihardt explained that it depends on the Council's level of comfort with the bank, there is nothing prescribed by the State to control the amount that needs to be insured and in most cases it would be impractical to be fully insured.
 - Councilman Kwiatkowski moved to approve the Annual Financial Report for the year ended June 30, 2020 as presented by Mr. Richard Neihardt of Gabridge & Company, seconded by Mayor Pro Tem Johnston. A roll call vote was taken, motion carried unanimously.

Departments, Board and Commissions:

- Department of Public Safety Monthly Statistics, December 2020.

Resolutions:

- Resolution of Authorization to Purchase Property.
 - City Manager Tom Eustice explained that this has been a two year process to acquire the property north of the County Marina. The DNR Real Estate Division recently set the sales price at \$50,000. Plans for the property and grant opportunities were discussed.

- Councilwoman Brandt moved to approve the Resolution of Authorization to purchase property north of the County Marina from the Department of Natural Resources in the amount of \$50,000, seconded by Councilwoman Raab. A roll call vote was taken. Yes votes: Hocquard, Johnston, Tebo, Mallory, Brandt, and Raab. No votes: Kwiatkowski. Motion passed.
- Resolution to Approve the Deficit Elimination Plan for the Ice Pavilion Fund for Fiscal Year Ended June 30, 2020.
 - Clerk/Treasurer Brown explained that the Ice Pavilion deficit was calculated by subtracting the current liabilities of \$27,435 from current assets of \$0. The proposed resolution will allow a transfer to be made from the General Fund in the amount of \$28,000 to cure the deficit. If the Ice Pavilion is unable to be self-sustaining it may need to be absorbed by the Parks & Recreation Department.
 - Councilwoman Raab moved to adopt the Resolution to approve a Deficit Elimination Plan for the Ice Pavilion Fund, year ended June 30, 2020 as presented, seconded by Councilman Kwiatkowski. A roll call vote was taken, motion carried unanimously.

General Business:

- Consideration of Exemption from Senate Bill 7 – Publicly Funded Health Insurance Contribution Act for the Year 2021.
 - City Clerk/Treasurer Brown reported that is required on an annual basis and it is the recommendation of her and the City Manager that Council approve Option 1 – State Hard Caps which is what is approved in the union contracts.
 - Councilwoman Raab moved to accept the recommendation of Option 1 –State Hard Cap with regard to Senate Bill 7 – Publicly Funded Health Insurance Contribution Act for the Year 2021, seconded by Mayor Pro Tem Johnston. A roll call vote was taken, motion carried unanimously.
- Consideration of Policy for Poverty Exemptions and Asset Level Test for Board of Review.
 - City Manager Eustice explained that MCL 211.7u requires the local unit of government to have an approved policy for granting poverty exemptions.
 - Mayor Pro Tem Johnston moved to adopt the Policy for Guidelines for Poverty Exemptions and Asset Level Test for Board of Review, seconded by Councilwoman Raab. A roll call vote was taken, motion carried unanimously.
- Consideration of Municipal Employee’s Retirement System (MERS) Plan Adoption Agreements.
 - Clerk/Treasurer Brown reported that the agreements were required by MERS to change the contribution amounts for the police officers per the contract that was approved in November of 2020.
 - Mayor Pro Tem Johnston moved to approve the MERS Plan Adoption Agreements effective January 1, 2021 and July 3, 2021, seconded by Councilwoman Raab. A roll call vote was taken, motion carried unanimously.
- Consideration to Appoint Polly Schneider to the Main Street Downtown Development Board of Directors.
 - Councilwoman Raab moved to appoint Polly Schneider to the Main Street Downtown Development Board of Directors, effective February 1, 2021, seconded by Councilwoman Brandt. A roll call vote was taken, motion carried unanimously.

- Review and Consideration of City Manager Contract Counteroffer.
 - Mayor Tebo explained that his opinion is the original offer presented to the candidate was sufficient.
 - Mayor Tebo asked Mayor Pro Tem Johnston to summarize her conversation with the candidate.
 - Mayor Pro Tem Johnston reported that they discussed the items the candidate wanted to see in the offer, specifically the severance pay. She requested the candidate send out an email summarizing the changes he would like to see in the offer.
 - Mayor Pro Tem Johnston moved to go into closed session, seconded by Councilwoman Brandt. A roll call vote was taken. Yes votes: Raab, Hocquard, Johnston, Mallory, Brandt, and Kwiatkowski. No votes: Tebo. Motion passed.
 - Councilman Hocquard moved to reconvene open session, seconded by Mayor Pro Tem Johnston, motion carried unanimously.
 - Councilman Hocquard moved to counteroffer Mr. Kaplan's counteroffer seconded by Councilwoman Raab. A roll call vote was taken, motion carried unanimously.

City Clerk's and Treasurer's Comments:

- Clerk/Treasurer Brown reported that MSU Extension is looking into details for various training options, she will share those details with Council as soon as possible.

City Manager's Report:

- City Manager Eustice reported that USDA will not be funding the sewer system evaluation study but it can be funded through the State Revolving Fund Loan. He will be working to find a financial advisor for the project.

Committee Updates:

- Mayor Pro Tem Johnston reported that the last Recreation Commission meeting was the same night as a Special Council Meeting. Catherine Schulz added that a motion was made to add David Martin to the commission. She also added that a motion was made to recommend the Planning Commission make application for the MSU Sustainably Built Environment Initiative.
- Councilmember Brandt reported that the Housing Commission met and they are starting a new nonprofit to help rehabilitate housing.
- Councilman Hocquard reported that the Finance Committee is working on scheduling a regular meeting.
- Councilwoman Raab reported the CCE 911 Board meeting was cancelled, they are meeting tomorrow.

Messages and Communications from Mayor and Council Members:

- Councilman Mallory mentioned the Wastewater Treatment Plant tour.

- Councilwoman Brandt inquired if the rental registration ordinance would be on the next agenda. She also inquired about opening the Ice Pavilion.
- Councilman Kwiatkowski thought that there was good discussion during the closed session and he is happy Council is on the same page.
- Councilwoman Raab commented on the Saturday training she attended.
- Councilman Hocquard commented that he would like to see the sewer contract with Inverness Township be amended. He asked if the City Manager could meet with the City Attorney and Jason Karmol to draft an amended contract and send that to Council. He also commented on recent art donations to the City of Cheboygan and a possible donation of land.
- Mayor Pro Tem Johnston commented on the Saturday training and Wastewater Treatment Plant tour.

Adjournment

- Meeting adjourned at 9:24 p.m.

Mayor Leslie A. Tebo

Clerk/Treasurer Bridget E. Brown

Councilman Brett Mallory

Councilwoman Ashley Brandt

Councilman Ken Kwiatkowski

Mayor Pro Tem Sara Johnston

Councilwoman Diane E. Raab

Councilman Kasey Hocquard