

REGULAR CITY COUNCIL MEETING

June 22, 2021

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

Roll Call:

Present: Raab, Hocquard, Tebo, Mallory, Kwiatkowski and Archambo

Absent:

Approval of Agenda and Receive and File All Communications:

- Mayor Pro Tem Mallory moved to approve the agenda and receive and file all communication, seconded by Councilman Hocquard. Motion carried unanimously.

Approval of Prior Meeting Minutes:

- Councilman Kwiatkowski moved to approve the Regular City Council Meeting minutes of June 8, 2021 as presented, seconded by Councilman Archambo. Motion carried unanimously.

Departments, Board and Commissions:

- Department of Public Safety Monthly Statistics, March, April, and May 2021.

Public Hearings:

- Adoption of Operating Budget.
 - Public hearing was opened at 7:03 p.m.
 - Public hearing was closed at 7:04 p.m.
 - Councilwoman Raab moved to adopt the 2021-2022 Fiscal Year Operating Budget for all Funds of the City of Cheboygan, seconded by Mayor Pro Tem Mallory. A roll call vote was taken, motion carried unanimously.
- Consideration of Project Plan.
 - City Manager Eustice explained this is a funding source to replace lead service lines on private property in the City of Cheboygan which are required to be replaced by 2030.
 - Public hearing was opened at 7:06 p.m.
 - Mr. Doug Urquhart Project Engineer with Hubbell, Roth & Clark, Inc., presented on the loan and grant program for funding of lead line replacement on private property per the 2018 revised lead and copper rules. Final approval and acceptance of the loan is decided later in the loan program.
 - Councilman Hocquard inquired if the City would be replacing individual property owner lines. City Manager Eustice responded yes, this is a federal mandate to replace private lines.
 - Mr. Jason Karmol explained that if a property owner has lead lines, the city would have to pay to replace those lines.

- Councilman Kwiatkowski inquired about the possibility of loan forgiveness. City Manager Eustice responded that the City would likely have to pay for about half of the cost but he is not aware of any loan forgiveness.
- Mr. Doug Urquhart explained the loan which does not have any principal forgiveness but the City is reimbursed \$5,000/line replaced.
- Mr. Jason Karmol explained that the cost will be dependent on the bids to replace the lines.
- Councilman Kwiatkowski inquired about the term of the loan.
- Councilman Hocquard responded the term of the loan was 20 years at 2%.
- Councilman Kwiatkowski responded that there might have to be a slight rate increase.
- Ms. Sherry Nelson inquired on the number of known lead service lines to date.
- Mr. Jason Karmol, Water/Wastewater Director estimates there are approximately 100 lead lines.
- Public hearing was closed at 7:26 p.m.
- Mayor Pro Tem Mallory moved to approve and adopt the Lead Service Line Replacement Project Plan, approve the application to the Michigan Department of Environment, Great Lakes and Energy State Revolving Fund Loan in the amount of \$1,078,000.00, and designate the City Manager as the authorized project representative, seconded by Councilman Kwiatkowski. A roll call vote was taken, motion carried unanimously.
- Consideration to File an Application for Federal Assistance
 - City Manager Eustice explained there is currently a project plan for \$5.8 million which includes a new water tower, a new water main, along with well improvements. There is currently an application with the Michigan Economic Development Corporation for a \$1.9 million grant for a portion of the project plan. The City is expecting a response to that grant application on July 2nd which would decrease the amount needed through the USDA.
 - Councilman Kwiatkowski inquired if the City would issue revenue bonds. City Manager Eustice responded yes, the City would issue revenue bonds to fund the project.
 - Councilman Archambo inquired about the difference in funding between the MEDC versus the USDA. City Manager Eustice responded that the MEDC funding is grant versus a loan through the USDA.
 - Public hearing was opened at 7:32 p.m.
 - Public Hearing was closed at 7:33 p.m.
 - Councilman Hocquard moved to approve the application for financial assistance with the United States Department of Agriculture, Rural Development, Rural Utilities Service for improvements to the water system, seconded by Mayor Pro Tem Mallory. A roll call vote was taken, motion carried unanimously.

General Business:

- Consideration of Social District Proposal.
 - Mr. Bryan Groff presented on the proposed street closure and development of the Social District.

- City Attorney Stephen Lindsay discussed issues that council should consider in order to develop the Social District including liability issues, barriers, signage, a management plan and estimated costs.
 - The Mayor took public comments regarding the proposed district.
 - Councilman Kwiatkowski moved to table the Social District Proposal for an indefinite period of time, seconded by Mayor Pro Tem Mallory. Motion carried unanimously.
- Consideration of Annual Budget Amendments.
 - Councilman Hocquard moved to approve the annual 2020-2021 Budget Amendments and authorize the Clerk/Treasurer to make appropriate 2020-2021 Fiscal Year Budget Amendments as required, seconded by Mayor Pro Tem Mallory. A roll call vote was taken, motion carried unanimously.
- Consideration of Cheboygan County Humane Society 2021 Animal Control Appropriation.
 - Mayor Pro Tem Mallory moved to approve the Cheboygan County Humane Society Animal Control Appropriation in the amount of \$3,000.00 for the Fiscal Year beginning July 1, 2021, seconded by Councilwoman Raab. A roll call vote was taken, motion carried unanimously.
- Consideration of Proposals-City of Cheboygan Annual Audit.
 - Councilman Kwiatkowski moved to award the bid for the City Audit for Fiscal Years Ending June 30, 2021, June 30, 2022, and June, 30, 2023 to Gabridge & Co. in the amount of \$36,930.00, seconded by Councilman Hocquard. A roll call vote was taken, motion carried unanimously.
- Consideration to schedule a public hearing.
 - Councilwoman Raab moved to schedule a public hearing for July 13, 2021 at 7:00 p.m. for a Commercial Rehabilitation Tax Abatement as authorized by Public Act 210 of 2005 for 232 North Main Street, seconded by Mayor Pro Tem Mallory. A roll call vote was taken, motion carried unanimously.
- Consideration to schedule a public hearing.
 - Mayor Pro Tem Mallory moved to schedule a public hearing for July 13, 2021 at 7:00 p.m. to consider establishing an Obsolete Property Rehabilitation District, Pursuant to P.A. 146 of 2000 for 225 North Main Street, seconded by Councilwoman Raab. A roll call vote was taken, motion carried unanimously.
- Consideration to schedule a public hearing.
 - Mayor Pro Tem Mallory moved to schedule a public hearing for July 13, 2021 at 7:00 p.m. for the application for Obsolete Property Rehabilitation Exemption Certificate for Dionysus 2020 LLC, 225 North Main Street, Cheboygan, MI 49721. A roll call vote was taken, motion carried unanimously.
- Consideration of Brownfield Plan.
 - Councilwoman Raab moved to approve the Brownfield Plan for Dionysus 2020 LLC, 225 N Main Street, Cheboygan, MI 49721, seconded by Councilman Hocquard. A roll call vote was taken, motion carried unanimously.
- Consideration of County Foreclosed Properties.
 - Councilman Kwiatkowski moved to allow all foreclosed properties in the City of Cheboygan to go to auction and authorize the Clerk/Treasurer to sign the Waiver of First

Refusal, seconded by Councilman Hocquard. A roll call vote was taken, motion carried unanimously.

- Consideration of Reappointment.
 - Councilman Hocquard moved to reappoint Kay Forster to the Historic Resource Commission, term to expire March 25, 2024, seconded by Councilwoman Raab. Motion carried unanimously.

City Clerk's and Treasurer's Comments:

- Clerk/Treasurer Brown reported that letters of interest are due to her by July 8th for consideration of appointment to the council on July 13th. Nominating petitions and affidavits of identity are due to her by July 20th for names to appear on the ballot.

City Manager's Report:

- City Manager Eustice reported on the bid opening for the Wastewater Treatment Plant. Bids came in higher than expected so the City is working with the State and engineers to cut out some of the project.

Public Comments:

- Ms. Connie Rieger thanked Tom for all of the great years of service. She also commented she was impressed with Council for navigating through the Social District issue.
- Mr. Ray Lofgren congratulated council on their new positions. He also commented on the overgrown brush by the fence near the State Street Bridge.

Messages and Communications from Mayor and Council Members:

- Mayor Tebo congratulated Tom on his retirement.

Committee Updates:

- Councilwoman Raab commented that Kate Schulz is looking for letters of support for the Housing Commission.

Adjournment

- Meeting adjourned at 9:14 p.m.

Mayor Leslie A. Tebo

Clerk/Treasurer Bridget E. Brown

Councilman Brett Mallory

Councilwoman Diane E. Raab

Councilman Ken Kwiatkowski

Councilman Kasey Hocquard

Councilman RJ Archambo

