

REGULAR CITY COUNCIL MEETING

September 27, 2022

The Regular City Council meeting was called to order by Mayor Tebo in the Council Chambers at City Hall at 7:00 p.m.

Roll Call:

Present: Kwiatkowski, Tebo, Raab, Mallory, Darling, Mills and Bedwin.

Absent:

Approval of Agenda and Receive and File all Communications:

- Councilman Kwiatkowski moved to approve the amended agenda and receive and file all communications. Seconded by Mayor Pro Tem Mallory. Motion carried unanimously.

Approval of Prior Meeting Minutes:

- Mayor Pro Tem Mallory moved to approve the Regular City Council meeting minutes of September 13, 2022, as presented. Seconded by Councilman Bedwin. Motion carried unanimously.

Public Hearing:

- An Ordinance to Amend the Code of the City of Cheboygan by adding Chapter 134 RE: City of Cheboygan Tax Exemption Ordinance – Rivertown Housing.
 - Public hearing open at 7:01pm.
 - Councilwoman Raab asked regarding the 7% and 17 years. She thought before we were looking at 3-4%. Before she thought it was 15 years, not 17 years. Questioning the numbers. Is it good and healthy for the Housing Commission and the project?
 - Mayor Pro Tem Mallory said from his understanding, all the numbers we have stated in the past were hypothetical numbers used as examples.
 - City Manager Sabolsky said on a housing project, according to state law, we can get 10% of their gross rents minus anything for utilities. They have asked for 4%. We are currently getting 10%. After they rehab this housing project, they are asking for us to go to 4%. Sabolsky discussed all the different numbers regarding the housing project. Sabolsky and Treasurer Blaskowski looked at the numbers if the City went from 10% to 4% and the difference would be the City giving up \$356,000. Sabolsky wanted to meet in the middle with the Housing Commission at 7%. Sabolsky's recommendation for this ordinance is 7%. Sabolsky informed Council that we are not getting any new housing out of this project; we are rehabbing the housing we currently have in three locations of the City.
 - Councilwoman Raab asked that the developers are receiving \$910,000 for rehabbing these existing sites and no new ones are being built.
 - Sabolsky said that is correct.

- Sabolsky answered Councilwoman Raab's question on the tax credits. Sabolsky said he first put 16 years. He sent the ordinance to MSHDA to review the ordinance and MSHDA suggested that the City give them an extra year to give them more time.
- Councilwoman Raab commented that last time this was brought up, there was concern that after 15 years or whatever that number may be, some developers could come in and do whatever they may with that property.
- Sabolsky said with any tax credit deal, if for some reason the deal is not going right, the entity can sell this project. If they sell this project, it has to remain affordable. If they cannot find someone who is willing to buy it and keep it affordable, then it can go to HUD and if HUD cannot sell it, the ties for those tax credits can come off. That is Sabolsky's understanding from reading the IRS document.
- Councilman Bedwin said that by switching it to a non-profit, their revenue stream will be greater. Meaning that they then can develop more housing in the future.
- Councilwoman Mills stated that her only concern for this project is that if it did fail, that the City is protected in the end.
- Sabolsky did sign a letter today regarding the zoning for the project stating that it is zoned correctly. There are no zoning violations. We got the 3 site plans for the projects. We did approve the site plans. We have done everything we need to do to move this forward. We don't have any movement on getting City Park released. That's why on the motion at the end, it is contingent upon City Park getting released. This was written by our lawyer. We have written letters to the Housing Commission's lawyer asking regarding where they are at in the process for the Declaration of Trust.
- Public hearing closed at 7:16pm.
- Councilwoman Mills moved to approve an Ordinance to Amend the Code of the City of Cheboygan by adding Chapter 134 RE: City of Cheboygan Tax Exemption Ordinance – Rivertown Housing, contingent upon the release of Major City Park from any Declarations of Trust or Annual Contributions Contract being completed at closing with HUD and MSHDA. Seconded by Councilman Kwiatkowski. A roll call vote was taken, motion carried unanimously.

Communications and Petitions:

- Annual Circuit Court Update, Judge Gauthier, Chief Judge 53rd Circuit Court.
 - Judge Gauthier presented to Council regarding the Circuit Court and discussed different topic points such as his YouTube channel and the zooms of his Circuit Court. There are currently no rules regarding this. Judge Gauthier is currently in a work group of other judges, lawyers, and members of the public that will be working to see and recommend to the Supreme Court if there should be any rules or regulations regarding zoom/YouTube access for the public online. Judge Gauthier said that we were able to work with the other courts to preserve our District Court Judgeship. Jury trials have resumed. 2021 had a historic number of felony charges in Cheboygan.
 - Councilwoman Darling asked Judge Gauthier why felonies have risen so much.
 - Judge Gauthier said his gut feeling is two factors; we still are seeing a lot of methamphetamine cases and the violence of the crimes seems to be a bit more than

before. Judge Gauthier stated he does not have any data for this statement, just his professional opinion.

- Councilman Bedwin asked if there is a procedure for taking some videos down off YouTube after the fact.
- Judge Gauthier said that there is currently no procedure. He has left all his up since he first started the channel. He does believe there should be a limit. He has left his up sort of as an experiment. In the 2 years since he has started the channel, there was only one problem. The issue was addressed and the video was removed. Judge Gauthier does believe it should be up for some time, not forever but not immediately taken down after court. It does help crime victims so they don't have to attend court. Judge Gauthier does not label his videos by people's names or court cases. So, if you are looking for a specific case, it will take a while to find.

Departments, Boards and Commissions:

- Cheboygan Police Department Monthly Stats, August.

Proclamations/Resolutions:

- Consideration of Mayoral Proclamation.
 - Councilwoman Darling moved to approve the Proclamation declaring October 2022 to be Domestic Abuse Awareness Month in the City of Cheboygan. Seconded by Councilwoman Mills. Motion carried unanimously.

General Business:

- Purchase of Body Cameras.
 - Sabolsky reported that we have secured a grant to cover 50% of the cost of these cameras. The rest was budgeted by former Police Chief, Kurt Jones, prior to him leaving. We have been having issues with some of the cameras. We have a number of officers who don't have working cameras. We have placed the order already as they are hard to come by.
 - Mayor Tebo stated that this is a good law enforcement tool to protect officers and to protect citizens as well.
 - Councilwoman Darling was wondering what this monthly cost was that she sees in the paperwork.
 - Sabolsky said he would have to go back and look. Some of the cameras you do have to send back for repairs. If there is a monthly cost, they will cover that.
 - Councilwoman Darling asked about the recordings and if they are stored somewhere.
 - Sabolsky stated that they are stored for a certain period of time. We have the ability to download the videos if needed.
 - Councilman Kwiatkowski moved to approve the purchase of Body Cameras in the amount of \$11,416.00 with a received grant that covers for 50% of the costs. Seconded by Councilwoman Darling. A roll call vote was taken, motion carried unanimously.
- Consideration of Street Closure.
 - Councilman Raab moved to approve the street closure of North Huron Street from Lake Street to and around Gordon Turner Park for the St. Jude Children's Bike-A-Thon on

Saturday October 1st, 2022 from 9:00am to 11:00am. Seconded by Mayor Pro Tem Mallory. A roll call vote was taken, motion carried unanimously.

- Purchase of Zamboni.
 - Sabolsky told Council that him and rink manager, Craig Coxe were able to get enough donations to cover the cost of a new Zamboni. He expressed his gratitude toward the donors.
 - Councilwoman Mills moved to approve the purchase of a Zamboni for the Ralph G. Cantile Arena in the amount of \$109,737.65 funded fully by donations. Seconded by Councilman Kwiatkowski. A roll call vote was taken, motion carried unanimously.
- Discussion and Action on Hiring H2A Architects.
 - Sabolsky reminded Council on the study done on the Opera House and City Hall that is anywhere from 9-12 million dollars. This would be for an architect that specializes in historic reservations to come in and give us some opinions on how much it would cost to make the Opera House historic so we could receive grants.
 - Mayor Pro Tem Mallory moved to approve the hiring of H2A Architects to conduct a review of the Opera House not to exceed \$5,800. Seconded by Councilwoman Mills. A roll call vote was taken, motion carried unanimously.
- Discussion and Action – Walmart Site Plan.
 - Sabolsky stated that there is no water or sewer service to this addition for Walmart.
 - Walmart Engineer Representative talked about the expansion of the building on the south side of the building for the pick-up program.
 - Sabolsky said the Planning Commission has recommended to approve and staff has no concerns.
 - The Walmart Representative said they do not plan to start this project until Spring of next year.
 - Council discussed some questions for Walmart’s Representative regarding the site plan.
 - Councilwoman Darling moved to approve the submitted site plan with any recommendations by the Planning Commission and Staff. Seconded by Mayor Pro Tem Mallory. A roll call vote was taken, motion carried unanimously.
- Discussion – No Action – Walstrom Site Plan.
 - Sabolsky explained the process of a project going to the Zoning Board of Appeals; bringing it in front of Council with no action is one of those steps. Sabolsky explained the site plan and how Walstrom wants to add on a 50,000 square foot building on the south side on their already existing building along with another small building. The issue is the building they want to build is 47 feet high at the eve height. It will not require new/more water and sewer. They do have enough parking. Planning Commission did have some concerns regarding the height.
 - Sabolsky and Council discussed the site plan.
- Consideration of Appointment
 - Councilman Kwiatkowski moved to appoint Sue Patrick to the Historic Resources Commission, term to expire March 25, 2023. Seconded by Councilwoman Mills. Motion carried unanimously.
- Consideration of Traffic Orders.

- Sabolsky discussed Traffic Order 15-22. There have been some concerns from a local resident. Instead of the street being closed all day, the street will only be closed for 2 hours a day. Signs will be put up.
- Councilwoman Darling moved to approve the Traffic Control Orders for the City of Cheboygan as presented. Seconded by Councilwoman Mills. A roll call vote was taken, motion carried unanimously.
- Mayor Pro Tem Mallory asked a question on Traffic Order 10-22.
- Clerk Singles will check on that.
- Purchase of Light Pole.
 - Sabolsky explained that someone ran into one of our light poles. We then used the one we had for back up to replace the one someone ran into. We would like to replace our backup light pole.
 - Councilwoman Mills moved to approve the purchase of a light pole from Stan's Electric for the amount of \$10,494.00. Seconded by Councilwoman Darling. A roll call vote was taken, motion carried unanimously.

City Managers Report

- Regarding Police Chief search, there is only one half of an application submitted. The posting is open until the end of the month. We may get a candidate or two from inside the Police Department. If we do not get any candidates, we will have to look into what to do regarding a Police Chief.
- We are going to apply for an Economic Development Administration grant. We are working with Chris Bauer with the NLEA. This grant will look at infrastructure for potential industrial development areas. We need a good assessment of it to see what kind of infrastructure is there. Is it good enough to promote development and if not, what has to be done. Sabolsky discussed the grant process.
- Sabolsky had a meeting between Great Lakes Tissue and some of the business owners in that area. Discussed possible business expansion for Great Lakes Tissue and for a couple other businesses in the area. The recycling project is a non-profit and they are coming into town to meet with Kip and his management staff. Sabolsky discussed the recycling program.
- North-East Michigan Council of Government (NEMCOG) will be coming up to meet our staff and have some discussions. They can help with comprehensive planning, grant writing, computer mapping, zoning and other things. They have a seat on their board open and Sabolsky has applied to that.
- Regarding the Historic District, two weeks ago Sabolsky left a message for Alan Higgins and did not hear back. He left another message for Higgins yesterday. Sabolsky doesn't think we have to change anything.

Clerk's Comments:

- Clerk Singles reported on how the November election is coming up. Told Council her MOVE ballots were sent out last Friday and the ballots should be in soon. There was a misprint and the ballots had to be reprinted.

Treasurer's Comments:

- Councilwoman Raab asked regarding the audit.
- Blaskowski said they are in the process of doing the audit. They are doing the schools they have and then the municipalities after. The group we are working with added on 11 new school districts. They have briefly started ours.
- Councilwoman Raab and Councilman Kwiatkowski discussed the timeline for the audit.
- Blaskowski said his training is going very well. Right now, they are in the process of getting an amendment to the contract to get a cash flow assessment done for the City to see where there are investment opportunities for us to get more money. That could potentially generate \$50,000-100,000 a year.

Public Comments:

- Connie Rieger gave an update for the Majestic Riverview Park mural. Rieger said the total amount for the mural should be about \$2,200, right now they have about \$1,250. The mural will be 20 feet long. Rieger talked about the money aspect of the mural.
- Sabolsky told Rieger that they looked at the contract she provided and made edits.
- The mural is right across from Secrets on Main. LaLonde should be done with the mural by May 1st.
- Kate Schulz commented that the Housing Commission has completed steps to get the Declaration of Trust changed. They did order and pay for a survey of all three sites and that took quite a bit of time.

Committee Updates:

- Councilman Bedwin commented that the Finance Committee is holding two different meetings. One meeting occurring on the 4th Monday of the month at 12:00 and the other will be at 3:30 on the 4th Monday of the month. Councilman Bedwin commented on the cash flow analysis Blaskowski reported on. They discussed the Zamboni purchase. Working on the groundwork for a possible Police and Fire levy.
- Councilwoman Mills reported that they are trying to find ways to bring money into the community without taxing the citizens. One of the things that was looked at was a sales type of tax to be levied on businesses, restaurants, etc. You have to go through the State if you are going to do that. Sabolsky has been working with other communities to see if we can get that through the State.
- Sabolsky commented that it would be a resort sales tax kind of thing. This is something Sabolsky did when he was in Montana. There is a lot of research out there and work needs to be done towards it.
- Mayor Pro Tem Mallory stated that the DDA has a credit card machine now. They are getting the wifi set up in Festival Square.
- Councilwoman Mills reported on the Housing Commission. The Commission went through an audit and they closed under budget. Everything is in good shape with the audit. With the passing of Mr. Keating, they are one Commissioner short. There are two applications filed with Sabolsky. The status regarding the Executive Director, they were going to use someone out of Traverse City. Mr. Cartmill told Councilwoman Mills they are no longer going to pursue that and that it did not work out. Right now, Ms. Schulz has Project Manager duties and Ms. Jeter is working as the Compliance Manager.

- Councilman Kwiatkowski asked who audits the Housing Commission.
- Ms. Schulz replied an accounting firm out of Saginaw does their audit.
- Councilwoman Darling reported on Parks and Recreation Commission. They discussed their goals and where their goals were at. There is a lot of interest in a dog park.
- Parks and Recreation Commission Chair, Dale Rieger, commented that he is very glad Councilwoman Darling is the Council Liasson.
- Mayor Tebo said he thinks a dog park would be a good idea.
- Councilmen Bedwin asked if either one of the applicants for the Housing Commission were residents of one of the Housing Commission sites.
- Sabolsky responded they do not live in one of the Housing Commission's properties.
- Councilmen Bedwin asked how the residents were notified there was a seat open on the Housing Commission.
- Ms. Schulz responded that it was posted on their website.
- Councilman Kwiatkowski said that he got a call today from Jerry Malloy of Cheboygan Title talking about two developments. From the call, it sounds like Mr. Malloy will be calling other Council people.
- Mayor Tebo said we should refer them to the letter Council signed so they know where the City stands.
- Councilwoman Raab asked if a meeting has been set up yet.
- Sabolsky responded that they would like to meet with three Commissioners, three Council people, Sabolsky and Mr. Jeff Lawson. There was not a time that worked for everyone's schedule. Mr. Lawson will be on vacation until mid-October, so when he returns the meeting will be scheduled.
- Councilmen Kwiatkowski asked if City legal counsel will be there.
- Sabolsky said he will ask Lindsay.
- Sabolsky also commented that the Union contract has been signed and they have finished negotiation with Lindsay. There will be 2 years with 300 hours.

Adjournment:

- Mayor Pro Tem Mallory moved to adjourn the meeting at 8:38pm. Seconded by Councilman Kwiatkowski. Motion carried unanimously.

Mayor Leslie A. Tebo

Clerk Alyssa Singles

Mayor Pro Tem Brett Mallory

Councilwoman Diane Mills

Councilman Ken Kwiatkowski

Councilwoman Mary Darling

Councilwoman Diane E. Raab

Councilman Adam Bedwin